Interim Poverty Reduction Strategy

Republic of Liberia

"Breaking with the Past: from Conflict to Development"

FOREWORD

The inauguration of the government on 16 January 2006 following national elections in 2005 was a watershed in the history of Liberia. The elections symbolized the people's desire for peace, reconciliation, stability and development. They also served as a wake up call to break from past government misrule, violence, divisiveness, human rights abuses and economic mismanagement, all of which shattered the lives of Liberians. Expressing their collective will through national elections, Liberians articulated their desire to build a new nation a Liberia that is peaceful, secure, prosperous, inclusive and provides economic opportunities to the benefit of all. We have clearly heard the call of the people, and my government is fully responsive to the challenges facing our nation.

At the core of these challenges is deep and pervasive poverty. My government inherited a Liberia in which well over three quarters of the population live below the poverty line of 1 United States Dollar per day, while about half the nation lives in severe poverty. This is unacceptable. The current unemployment of an overwhelming majority of Liberia's people, mainly youth, is also an unacceptable fact that needs to be reversed. Access to and delivery of basic services such as health, education and potable water is severely restricted for most people. Collapsed national and local institutions and structures have resulted in very poor governance and widespread corruption. Food insecurity prevails, which only exacerbates poverty. Gender disparities and violence against women are deep social maladies. Structural deficiencies and deficits in key areas such as information and statistics, media, laws, regulations and policies also contribute to the challenge of rebuilding.

The people of Liberia deserve a better life and their call for it imposes on all of us   my government, the international community, regional partners, civil society, academics and well wishers of Liberia   an urgent call to action to overcome these challenges. Deepening poverty in Liberia is not only a threat to national peace and security, it is also a threat to the entire region and to the world order. Therefore, my government has accorded the top-most priority to addressing these challenges, in particular, arresting national economic and social decline, maintaining peace and security while responding to the deep wounds of the civil war, enhancing accountable governance to facilitate reconstruction and significant poverty reduction and promoting reconciliation.

We have undertaken the first steps in collaboration with our people and our development partners. A key response was the 150-Day Action Plan that my government successfully concluded. Though we have achieved some results, the road is long and challenges remain. Limited basic services have been restored, the beginnings of democratic governance initiated, economic performance has improved with prospects looking brighter and peace and security have been maintained. These visible changes, although small in comparison to what needs to be done, have renewed hope for Liberians and created a belief that their future will be brighter tomorrow.

This Interim Poverty Reduction Strategy is a part of the continuum of such efforts. It centers on consolidating national peace and positioning the nation on a path of sustained, people-centered poverty reduction, economic growth and sustainable human development. The strategy was jointly developed through a participatory process that involved consultations with stakeholders throughout the 15 counties of Liberia and thus reflects the desires of the people.

My government has pledged and is committed to governing differently, decisively breaking from the past to deliver on its promise of significantly reduced poverty in Liberia. Intrinsically, Liberia is not a poor country, but rather is a country that has been managed poorly over the years. My government intends to capitalize on the nation's inherent strengths, specifically natural wealth and human resources, to the benefit all people without discrimination and in an equitable manner. Only by doing this can we deepen democracy and ensure peace and prosperity for each Liberian.

However, these endeavors cannot fall solely on the shoulders of the government. They have to be a collective effort of all Liberians, our international partners, civil society and the private sector. Each has a major role to play. With such collective efforts, I expect significant progress over the Interim Poverty Reduction Strategy period towards achieving our vision of consolidating peace, enhancing justice, deepening democracy, promoting human development and irreversibly setting Liberia on the path towards long-term growth and development.

Ellen Johnson Sirleaf
President
Republic of Liberia

PREFACE

This Interim Poverty Reduction Strategy (iPRS) is a national strategy endorsed by the Government of Liberia focused specifically on poverty reduction. The Liberian iPRS will guide the development management process for the period spanning July 2006 through June 2008. In formulating the iPRS, the government is showing its commitment and determination in addressing poverty by using creative strategies and innovative programs.

As outlined in the iPRS, the government has prioritized key development issues into four pillars under the Liberia Reconstruction and Development Committee (LRDC): 1) enhancing national security, 2) revitalizing economic growth, 3) strengthening governance and the rule of law and, 4) rehabilitating infrastructure and delivering basic services. The pillars provide key areas for strategic intervention in order to address the poverty challenge in all its dimensions, including income and non-income poverty.

A lack of up-to-date information and statistics on current socio-economic conditions was the main limitation in preparing the iPRS. Efforts have begun to address the information gaps through extensive data gathering programs with the support of our development partners. The outputs of the data gathering exercises, in addition to a more elaborate and deepened participatory process, will inform the preparation of the full Poverty Reduction Strategy (PRS). Work on the PRS will begin in earnest and is expected to take about 18 months.

Preparing the iPRS has been a challenging exercise and involved the participation of numerous people who are actively involved in civil society and the private sector. Additionally, donor partners made contributions to the process through a technical committee in charge of drafting of the iPRS. On behalf of the government, I extend thanks to the people of Liberia for taking time to participate in the consultations, our donor partners for their engagement and support and my colleagues in the administration and on various committees and working groups for their steadfast commitment throughout the process.

Toga Gayewea McIntosh
Minister of Planning and Economic Affairs
Republic of Liberia

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ACRONYMS AND ABBREVIATIONS

AFL	Armed Forces of Liberia
AGOA	African Growth and Opportunity Act
AITB	Agricultural and Industrial Training Board
ARI	Acute Respiratory Infection
BIN	Bureau of Immigration and Naturalization
BIVAC	Bureau of Inspection Valuation Assessment and Control
BMA	Bureau of Maritime Affairs
BPS	Bank Payment Slip
CBL	Central Bank of Liberia
CCT	Center for Conflict Transformation (University of Liberia)
CFSNS	Comprehensive Food Security and Nutrition Survey
CMC	Cash Management Committee
CPI	Consumer Price Index
CRC	Convention on the Rights of the Child
CRS	Catholic Relief Services
CSA	Civil Service Agency
CSO	Civil Society Organization
DfID	Department for International Development (United Kingdom)
DHS	Demographic Health Survey
ECOWAS	Economic Community of West African States
EIA	Environmental Impact Assessment
EPA	Environmental Protection Agency
FACPEL	Free and Compulsory Primary Education for Liberia
FAO	Food and Agriculture Organization of the United Nations
FDA	Forestry Development Authority
FLY	Federation of Liberian Youth
FRMC	Forestry Reform Monitoring Committee
GBV	Gender-Based Violence
GDP	Gross Domestic Product
GEMAP	Governance and Economic Management Assistance Program
GOL	Government of Liberia
GPA	Global Plan of Action
GRC	Governance Reform Commission
GSA	General Services Agency
GSM	Global System for Mobile Communication
GSS	Global Security Seals
GTZ	Deutsche Gesellschaft für Technische Zusammenarbeit
HIC	Humanitarian Information Center for Liberia
HIPC	Highly Indebted Poor Country
HIV/AIDS	Human Immune Virus/Acquired Immune Deficiency Syndrome
IDP	Internally Displaced Person
IGPC	Inter-Governmental Philatelic Corporation
ILO	International Labor Organization
IMF	International Monetary Fund
IOM	International Organization for Migration
iPRS	Interim Poverty Reduction Strategy
iPRSP	Interim Poverty Reduction Strategy Paper
JNA	Joint Needs Assessment
LACE	Liberia Agency for Community Empowerment

LBS	Liberian Broadcasting System
LCAA	Liberia Civil Aviation Authority
LDHS	Liberia Demographic and Health Survey
LEAP	Liberian Employment Action Program
LEEP	Liberian Emergency Employment Program
LFI	Liberia Forest Initiative
LHDR	Liberia Human Development Report
LINNK	Liberia Non-Governmental Organization Network
LIPA	Liberia Institute for Public Administration
LISGIS	Liberian Institute for Statistics and Geo-Information Systems
LMA	Liberia Marketing Association
LNP	Liberian National Police
LPRC	Liberia Petroleum Refining Corporation
LRDC	Liberian Reconstruction and Development Committee
LRRRC	Liberian Refugee Repatriation and Resettlement Commission
LW&SC	Liberia Water and Sewer Corporation
MCC	Monrovia City Corporation
MDG	Millennium Development Goal
MEG	Mechanical Engineering Group
MFA	Ministry of Foreign Affairs
MIA	Ministry of Internal Affairs
MIC&T	Ministry of Information, Culture and Tourism
MoA	Ministry of Agriculture
MoC&I	Ministry of Commerce and Industry
MoD	Ministry of Defense
MoE	Ministry of Education
MoF	Ministry of Finance
MoG&D	Ministry of Gender and Development
MoH&SW	Ministry of Health and Social Welfare
MoL	Ministry of Labor
MoLM&E	Ministry of Lands, Mines and Energy
MoS	Ministry of State
MoT	Ministry of Transport
MoY&S	Ministry of Youth and Sports
MPEA	Ministry of Planning and Economic Affairs
MPT	Ministry of Post and Telecommunication
MPW	Ministry of Public Works
MRD	Ministry of Rural Development
NAC	National AIDS Commission
NACP	National AIDS Control Program
NCDRR	National Commission for Demobilization, Reinsertion and Reintegration
NER	Net Primary Enrolment Ratio
NGO	Non-Governmental Organization
NHA	National Housing Authority
NPA	National Port Authority
NRC	National Reconciliation Council
NSA	National Security Agency
NTGL	National Transitional Government of Liberia
OPIC	Overseas Private Investment Corporation
OSI	Open Society Institute
PAPU	Pan African Postal Union

PPC	Poverty Reduction Strategy Preparatory Committee
PPCA	Public Procurement and Concessions Act
PPCC	Public Procurement and Concessions Commission
PPP	Purchasing Power Parity
PRS	Poverty Reduction Strategy
PRSP	Poverty Reduction Strategy Paper
PUL	Press Union of Liberia
QWIC	Quick Welfare, Income and Consumption survey
RFIR	Roberts Flight Information Region
RFTF	Results Focused Transitional Framework
RIA	Robertsfield International Airport
RMU	Resource Management Unit
SEA	Sexual Exploitation and Abuse
SES	Senior Executive Service
SETS	Socio-economic Transformation Strategy
SMP	Staff Monitoring Program
SOE	State Owned Enterprise
SSS	Special Security Service
STD	Sexually Transmitted Diseases
TRC	Truth and Reconciliation Commission
TST	Technical Support Team
UNCT	United Nations Country Team
UNDP	United Nations Development Program
UNEP	United Nations Environment Program
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UN-HABITAT	United Nations Human Settlement Program
UNHCHR	United Nations High Commissioner for Human Rights
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNIFEM	United Nations Development Fund for Women
UNMIL	United Nations Mission in Liberia
UNOPS	United Nations Office for Project Services
UPU	Universal Postal Union
USD	United States Dollar
WFP	World Food Program
WHO	World Health Organization
WONGOSOL	Women's NGO Secretariat

EXECUTIVE SUMMARY

Introduction

This Interim Poverty Reduction Strategy (iPRS), the first to be prepared for Liberia, sets out the emerging process and framework for recovery and reconstruction in the context of post-conflict Liberia. It provides diagnostics of the issues and articulates priority interventions to be pursued by the Government of Liberia and other stakeholders over the period July 2006 through June 2008. It takes into account the Results Focused Transitional Framework (RFTF) developed during the previous National Transitional Government (NTGL) between 2003 and 2006, as well as the more recent 150-Day Action Plan of the current government. The iPRS represents a bridge to a full MDG-based Poverty Reduction Strategy (PRS) to be launched in July 2008.

The iPRSP sets out the national socio-economic context, the preparatory process, dimensions of the emerging policy, capacity-building and program choices and priorities for poverty reduction and development, as well as anticipated implementation challenges. It also represents a further opportunity for deepening Liberia's development partnership, while at the same time responding more meaningfully and concretely to the 2005 Paris Declaration on Aid Effectiveness.

The iPRSP is structured into three parts:

Part 1 (chapters 1, 2 and 3) provides historical background to the conflict and the prevailing socio-economic context within which the nation's poverty-reducing strategy is being developed. It also presents key policy choices and directions, as well as elements of Liberia's national vision. Information on the process followed in preparing the iPRS, and the development planning and management framework to ensure a smooth transition to sustained development is also presented in Part 1.

Part 2 (chapters 4, 5, 6 and 7) outlines key elements of the poverty reduction strategy for Liberia, centered around the four pillars prioritized by the Government of Liberia[1]. It also incorporates a number of cross-cutting considerations.

Part 3 (chapters 8 and 9) addresses the challenges of implementing the strategy and concludes with an indicative 'road map' for developing the full Poverty Reduction Strategy Paper (PRSP).

From Conflict to Development

The origins of the Liberian conflict can, *inter alia*, be traced to the exclusion and marginalization of significant portions of society from institutions of political governance and access to key economic assets, such as land. An over-concentration of power, closed political system that bred corruption and restricted access to decision making processes limited the space for civil society participation in governance and instead, fueled ethnic and class animosities and rivalries over time. This was compounded by a collapsing economy brought on by bad policies as well as declining commodity prices, which created ideal conditions for the crisis. The conflict itself quickened the pace of economic decline and today, the economy is estimated at about one eighth of what it was before the war.

1- The four pillars are (I) Enhancing national security, (II) Revitalizing the economy, (III) Strengthening governance and the rule of law, and (IV) Rehabilitating infrastructure and delivering basic services.

Presently, unemployment in the formal sector is as high as 80 per cent and unless this is reversed, the path to peace will remain fragile. Most roads remain impassable, contributing significantly to weak economic activities and serious curtailment of peacebuilding efforts. It is with this perspective in mind that the Liberia iPRS has been designed.

The Context

The destruction and long-term negative consequences of the conflict were enormous. An estimated 270,000 people died, hundreds of thousands became refugees and internally displaced and thousands of lives were shattered. National and civil institutions were completely destroyed: systems of checks and balances were dismantled; the rule of law virtually ignored; the media severely weakened; and corruption in all its forms and manifestations pervasive. Years of mismanagement left Liberia with a massive external debt burden, estimated at about 3.7 billion United States Dollars (USD) as of mid-2005 equivalent to 800 per cent of the Gross Domestic Product and 3,000 per cent of export earnings.

Nearly three quarters of the population now live below the poverty line of 1 USD per day. The majority of Liberians, mainly youth, are either unemployed or employed in the informal sector as a result of shrinkage in the formal sector as well as the disastrous political, economic and social effects of the war and debilitating international sanctions on the export of diamonds and forest resources. These have had a detrimental impact on productive activities and the overall human development situation. Delivery of basic services such as health, education, food security and potable water is virtually inaccessible to most of the population; if not addressed, this can exacerbate destabilizing conditions.

After many years of conflict, the Accra Comprehensive Peace Agreement of 18 August 2003 ushered in peace and the creation of a National Transitional Government. The transitional arrangement ended when successful democratic elections were held in October and November 2005. The nation's and Africa's first female President, Her Excellency Mrs. Ellen Johnson Sirleaf, was inaugurated on 16 January 2006, marking a new beginning for Liberia.

The efforts of the government, the contributions from Liberia's development partners and the support of the Liberian people as they work hard work to try and rebuild their lives are starting to show visible results. But the challenges of significantly reducing poverty and achieving people-centered development in post-conflict Liberia remains daunting and will require continued and significant efforts going forward.

Breaking with the Past and New Beginnings

Bearing in mind the fragile political, social and economic context, the successful national election was a clear signal from Liberians that they want a new start based on peace and security, economic opportunities for all, basic social services, respect for justice and human rights and good governance. It is imperative that the new administration recognizes its mandate to definitively break with past policies and actions that created the Liberian crisis and start afresh.

In response to the expectations of the people, the government has laid out a broad vision for a new Liberia. Consolidating peace, enhancing justice, deepening democracy, ensuring food security, promoting human development and setting the nation on the path for long-term growth and development represent the core elements of this vision. The new Liberia will aim to do away with the divisions, marginalization and exclusions of the past. Inclusiveness and empowerment of Liberians through effective decentralization, accountability, transparency and participatory engagement in governance will be national goals.

To achieve this, the government strongly desires to work with all stakeholders to strengthen participatory democracy and firmly entrench democratic culture in Liberia. This will require human and institutional capacity-building, embedding proper checks and balances among the three arms of government and strengthening the media and civil society to play an independent and constructive role in national development. There is also the immediate need to build a strong economy with job opportunities, led by a robust recovery of the private sector, particularly in agriculture, mining, minerals, forestry and the rubber industry.

Furthermore, to make the new vision a reality and avoid a recurrence of conflict, steps must be taken to create institutions that will address civil war-related legacies and enhance effective governance in a post-conflict setting. The medium term approach will encompass the promotion of public accountability and transparency, combating corruption, empowering local authorities and promoting human rights as part of governing differently.

A key example of the commitment to change is the ongoing Governance and Economic Management Accountability Program (GEMAP), which is strongly supported by Liberia's development partners. Continued support for this program and the Staff Monitored Program (SMP) with the International Monetary Fund (IMF) affirms the sustained commitment of the new government to budgetary balance and to an improved macroeconomic framework. However, these will be coupled with national efforts to address the root causes of poverty such as exclusion, marginalization, denial of basic rights and centralization of power, in order to ensure sustained growth, development and significant reduction in poverty levels.

Policy Choices and Direction

Policy choices available to the government are clear. The government is committed to consolidating peace by strengthening key institutions for national security and completing the process of demilitarization, demobilization, rehabilitation and reintegration. These are key priorities. The government is also committed to reforming the public sector and bolstering public service delivery at all levels in addition to improving management and effectiveness of human and financial resources. By engaging in strategic international partnerships with an aim to improving effectiveness, the government has made deliberate decisions to put in place mechanisms that ensure mutual respect, transparency, accountability and better coordination and monitoring of aid.

The Interim Poverty Reduction Strategy Process and Transition to Sustained Development

The Liberia Reconstruction and Development Committee (LRDC) was established by the government in March 2006 as the country's chief development coordination body. It has provided overall policy guidance and necessary political will to govern the iPRS preparation and drafting processes, while the Cabinet of the Government of Liberia took responsibility for the final endorsement and ownership. Working under the LRDC and cabinet, a Poverty Reduction Strategy Preparatory Committee (PPC) was established to assure quality, policy coherence and strategic coordination. A technical support team, made up of the United Nations Development Program and the World Bank, was also established to provide dedicated technical insight and advice to the preparatory committee.

Views and inputs were solicited from all counties, parliamentary committees, political parties, line ministries, superintendents and development superintendents, academia, civil society organizations, tribal leaders, donors, non-governmental organizations and grassroots organizations through several consultative and working sessions in Monrovia and the counties. Common concerns were raised during the consultations; differences of view emerged as well, depending upon individual circumstances, geographic location and interest.

On the whole, a number of poverty-reduction policy inferences drawn from the suggestions underscore the capacity-building imperative, particularly: the need to secure the burgeoning peace; improving social service delivery; deepening participation of the people in development processes; cultivating a robust private sector; and ensuring a sound macroeconomic policy environment.

The iPRS builds on the progress made by the government during its first 150 days, providing a logical bridge between its 150-Day Action Plan and the full, four-year, MDG-based PRSP to cover the period 2008-2012. The strategy will be situated within a framework of a national longer-term vision currently under development by the Governance Reform Commission and the Ministry of Planning and Economic Affairs. Further diagnostic work will be necessary in preparing the full PRS, which itself is a key element in permitting Liberia to secure debt relief through the Highly Indebted Poor Country process.

Components of the Interim Poverty Reduction Strategy

The iPRS is centered on the early, but durable, consolidation of the national peace to better position the nation for sustained poverty reducing economic growth and development. In the words of Her Excellency President Ellen Johnson Sirleaf:

> *"Our (national) strategy is to achieve …visible progress that reaches significant number of our people … consolidate support and establish the foundation for sustained economic development."*
> (Inaugural Address, January 16, 2006).

In this context, components of the strategy are clustered under four broad pillars. The challenges under each pillar are huge, but some initial steps to tackle them have been taken with modest success since the government assumed power. General issues and the medium term agenda are highlighted under each of the pillars below.

Pillar 1: *Enhancing National Security*

In the past, security forces became a tool for repression and impunity that accentuated the total collapse of state apparatus. Among the problems were a lack of professionalism, absence of democratic control, lack of accountability to the rule of law, weak oversight, and inadequate resources.

The armed forces, police force, and all other security forces need to be completely rebuilt following the devastation of the civil war. This is also a task contained in the comprehensive peace accord. The short- to medium-term agenda is to develop a national security strategy to guide security sector reform and to extend national security actions. The government is determined to ensure that the current peace is maintained and built upon.

Among the actions planned over the iPRS period is a national security assessment, formulation of national security strategy and rebuilding of the Liberian security forces with a recruitment of 5,500 military and security personnel (including police), with at least about 20 per cent composed of females. Extensive training already under way will be continued for the sector and an early warning system will also be established to prevent conflicts. These programs will be combined with efforts to provide jobs for youth and ex-combatants and programs to reintegrate and resettle former internally displaced persons and returned refugees.

Pillar 2: *Revitalizing the Economy*

The economy of Liberia is a shell of its past. Gross Domestic Product is currently one eighth of 1980s pre-war levels, as productive sectors such as agriculture and forestry, mining, manufacturing and construction collapsed, along with social and economic infrastructure in the war years. Major macroeconomic imbalances emerged, including both external and domestic debt overhang, with a debt/export ratio now exceeding 3,000 per cent. Economic management capacity weakened dramatically, infrastructure collapsed and the economy became dominated by a large informal sector characterized by low productivity and lack of innovation.

According to one estimate, unemployment in the formal sector stands at a staggering 80 per cent. High unemployment, primarily among youth, undermines poverty reduction and significantly contributes to security concerns. The challenge ahead is how to resuscitate the economy, create significant job prospects that could make an impact quickly, rebuild infrastructure and the various economic sectors (agriculture, fisheries, mining, forestry, wood processing and manufacturing) and accelerate the pace of economic growth as the foundation for poverty reduction and sustained development.

Achieving these objectives will require implementation of a robust economic policy with a strong emphasis on a stable macroeconomic environment, a monetary and exchange rate policy to ensure price stability and a prudent fiscal policy. Other policy goals include

improving the management of state enterprises, revitalizing agriculture, reviving mining and forestry and improving the management and use of natural resources. Furthermore, governmental strategy will focus on enabling the recovery and development of the private sector through several policy measures including: facilitating support in the informal sector; improving energy supply and stability; providing access to finance; reforming land ownership and tenure systems; lowering/rationalizing the corporate tax rate; reforming the investment code; modernizing laws and regulations for the telecommunication sector; and reforming and reducing administrative and regulatory practices and procedures that hinder economic activities and investments.

A key measure will be support to the informal sector, now a dominant part of the economy and where a majority of women and the poor earn their livelihoods. Support in the form of productivity-enhancing training, skills upgrading and programs to facilitate increased access to credit for the sector will be undertaken. The objective is to enhance the productivity of the poor and raise their incomes. These efforts will be implemented in an environment that favors the market and provides a leading role for the private sector in the economy. In the short to medium term, the focus is on significant job creation and employment.

Pillar 3: *Strengthening Governance and the Rule of Law*

Bad governance can be blamed for most of the crises that besieged Liberia over the past quarter of a century. Violence, human rights abuses, arbitrary killings, enforced disappearances, torture, use of children by fighting forces, targeting of civilians, rape and sexual violence against women and children were commonplace and leave a legacy that must still be overcome. This means a number of challenges must be faced in the immediate iPRS period and beyond. Key to tackling these is working to change the mindsets and value systems of Liberians and restructuring and strengthening central and local governance institutions, systems and processes as well as ensuring that rule of law prevails.

The government has made significant progress in redefining the mandates of public institutions, developing a comprehensive anti-corruption strategy, proposing a successor to the Governance Reform Commission, establishing the Truth and Reconciliation Commission and the Independent National Commission for Human Rights, reforming the Civil Service Commission, and initiating discussions on the relationship between the central and local government. The result is that hope is being restored, corruption has been reduced and transparency and accountability has increased. However, a lot more remains to be done.

The short to medium term agenda of the government is to lay the foundation for a new democratic culture, achieve balanced development and promote a culture of accountability in order to meet the collective aspirations of the people. At the cornerstone of the national agenda are respect for the rule of law in all spheres of national life, provision of equal opportunities and better management of the economy and national resources for the benefit of all. More specifically the government, in collaboration with civil society, will focus on: reforming and rebuilding the public sector; decentralizing political governance and social responsibilities; strengthening the rule of law and respecting human rights; conflict-sensitive policy making and conflict

management mechanisms; affirmatively addressing gender inequalities; strengthening environmental rules and regulations; rebuilding civil society and the media; involving broader participation in the governance process; and reducing corruption.

Pillar 4: *Rehabilitating Infrastructure and Delivering Basic Services*

A critical challenge facing Liberian society is rebuilding infrastructure roads, telecommunication lines, water and sanitation, schools and health care facilities that were totally destroyed as a result of war and years of neglect. A major focus of the government since assuming power has been on rehabilitating infrastructure and delivering basic services to the public and private sectors in order to create the necessary conditions to achieve broad-based growth and poverty reduction.

The government has launched various programs to facilitate infrastructure rehabilitation and the delivery of basic services. These include the rehabilitation of several hundred kilometers of roads and a few bridges, rehabilitating schools, clinics and community health facilities, financing community projects, beginning to rebuild the electricity grid, revitalizing the national strategy to fight HIV/AIDS and the fight against malaria and tuberculosis, rehabilitating water pipelines in certain parts of Monrovia, initiating the process of school curriculum review, drafting a new national youth policy, launching a new girl's education policy and increasing budgetary allocation for health and education. Over the short to medium term, the government will continue to focus strongly on fundamental national infrastructure to ensure telecommunications, transport, electricity, water and sanitation, education and health and nutrition for all.

Thus far, visible progress has been made, but given the nature of the challenge there is still much to do. Without adequate infrastructure, the ability of Liberia to reduce poverty in any significant way will be severely hindered, thereby increasing the likelihood of a return to conflict. Additionally, the reconstruction of infrastructure has the potential to provide thousands of jobs for youth and the unemployed. The substantial multiplier effects of a massive infrastructure reconstruction program on the economy and poverty reduction will facilitate the delivery of basic services, including health and education.

The government is committed to rebuilding infrastructure in collaboration with county governments and communities. The plan involves working closely with the international community, while also securing private sector participation in the rebuilding efforts. Engagement of the youth and the community in the revitalization of infrastructure and basic services is a key element of the agenda of the government.

Implementing the Strategy

Successful implementation of the iPRS depends on a number of factors. Foremost amongst them are the following:

Manifesting strong political will: The government has demonstrated this at the highest leadership levels, as demonstrated in the initial 10 months of its program implementation, which has included an aggressive fight against corruption and mismanagement of public resources. The government intends to continue building on this strength during the iPRS period and beyond.

Building constructive partnerships: Both domestic and external partners will be engaged. At the national level, the ultimate goal of the government is not simply to solicit inputs in the development of policies, strategies and programs but also engage civil society and youth groups, the business community and women in the informal sector to obtain their engagement in the implementation of the poverty reduction strategy. At the international level, the government will continue to place an emphasis on improving donor support, coordination and harmonization. An effective development assistance database will be created as a first step for the establishment of a platform and mechanism for better coordination, harmonization and effectiveness of donor support in Liberia under the leadership of the government.

Ensuring effective mobilization and utilization of resources: Mobilizing more resources from within is a key element of the government's strategy. This includes more effective management of public resources and stimulating the private sector to generate additional resources for development. Putting in place a sound macroeconomic policy environment and addressing critical infrastructure constraints and structural policy weaknesses will be critical in that regard. Attracting investors will require a focus on local investors, Liberians in the diaspora and foreign direct investment.

Monitoring and evaluating the strategy implementation process: A participatory mechanism will be established to monitor implementation, evaluate progress and measure the impact of the strategy. Each agency charged with the responsibility of executing one or more of the interventions shall report quarterly to the LRDC using an activity tracking questionnaire.

Managing potential risks: Ensuring implementation risks are identified and measures taken to minimize them are fundamental considerations. Possible risks include shortfalls in financing, re-emergence of conflict and limited leadership and administrative capacity. The public sector financial situation is precarious and presently supports only recurrent expenditures almost exclusively. There is virtually no development spending. Although the national development partnership is strong, there is as yet no partner commitment to budgetary support. Even though a strong cabinet and national leadership team is currently in place, capacity at levels below Deputy Minister and Assistant Minister are extremely low (even by normal post-conflict country standards). These risks are real, but they are unlikely to derail the level of commitment the government has attached to achieving the goals of reducing poverty in Liberia in its medium to longer term development agenda.

Towards the Full Poverty Reduction Strategy

In relation to the full PRS that will follow in about 18 months, much more information at the macroeconomic, sectoral and structural levels must be known. This will provide a full understanding of the challenges confronting the Liberian government and people as well as help to put credible, affordable, poverty-reducing responses and programs in place over the next three to five years. This is a sine qua non for robust, long term shared economic growth and transformation beyond the first PRS period of 2008-2012.

More diagnostic work, more data collection and more analysis is required in virtually every sectoral or thematic area. Additionally, participation in the full process will also need to be deepened to ensure ownership and buy-in by the people. Consultations will be organized throughout the country and within communities. However, to successfully complete the full PRS, significant support is required from Liberia's development partners, both in material and financial terms.

1

PART ONE
CONTEXT, FOUNDATION, AND FRAMEWORK

CHAPTER ONE
From Conflict to Development

*"Failure to do the nation's business differently will slip the country
and its people back into conflict and deeper poverty"*[2]

1.1 Introduction

This chapter presents the overall policy context of the Liberia Interim Poverty Reduction Strategy (iPRS). The case for a conflict-sensitive, anti-poverty strategy is made, beginning with the root causes of the Liberian conflict and the relationship between conflict, poverty and human rights.

The chapter also provides background information and underpinnings of the emerging strategic agenda, policy choices and specific interventions the government will be implementing over the iPRS period while it continues to work with other stakeholders to develop a full poverty reduction strategy. A case for a structural change is also made, while highlighting ongoing plans to break with the past in order to consolidate peace, enhance security and substantially reduce poverty.

1.2 Origins of the Conflict

The origins of the Liberian conflict can be traced to two broad factors.

Marginalization
Significant portions of society were systematically excluded and marginalized from institutions of political governance and access to key economic assets. For example, the founding constitution was, arguably, designed for the needs of the settler population with less consideration and involvement of indigenous people. Political power was concentrated essentially in Monrovia and primarily at the presidency. This political system bred corruption, restricted access to the decision making process, limited civil society participation in governance and fueled ethnic and class divisions and hatred. Early-established land and property rights for the majority of Liberians were severely limited.

Marginalization was perpetuated by urban-biased policies of successive administrations and most infrastructure and basic services were concentrated in Monrovia and a few other cities. Marginalization of youth and women, mismanagement of national resources and inequalities in the distribution of benefits were significant problems. The consequence was high levels of resentment towards the ruling elite, which led in part to a bloody military coup in 1980 with initial support coming from the majority of people. Unfortunately, the military and successive governments failed to correct social ills and in many cases simply exacerbated the problems.

Economic Collapse
Liberia's economy posted steady economic growth averaging 4 to 7 per cent, per year through the 1960s, largely a result of the 1944 Open Door Policy and Unification Program introduced by President William Tubman. At the core of these policies were the

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2 - Toga Gayewea McIntosh

granting of major concessions to foreign interests to exploit reserves of iron ore, harvest timber and expand rubber plantations, the latter of which was pioneered by the Firestone Tire and Rubber Company. Thanks to the high prices of iron ore and rubber on world markets, Liberia witnessed a period of economic boom.

Over time however, the economy could not sustain its impressive record. Prices of primary goods fell, which together with a decline in capital investment precipitated a sharp decline of the economy. Gross Domestic Product (GDP) growth rate fell from 5 per cent in the early 1970s to less than 1 per cent in mid-1980s. This was compounded by an increase in inflation and soaring unemployment[3]. Liberia's external debt burden rose from 750 million United States Dollars (USD) in 1979 to 1.4 billion USD in 1985. Official development assistance plummeted from 131 million USD in 1985 to 75 million USD in 1988.

Traditional systems of governance broke down; the economy crashed; local currency depreciated significantly, from parity with the USD to over 60 Liberian Dollars to 1 USD; illicit trade in diamonds and timber flourished; and a massive exodus of skilled and talented people from the country took place. The economic hardship created an active setting to enlist young people in rebel groups and, as conflict took hold, commercial and productive activities ceased as various warlords looted and vandalized the country's resources. All of this contributed to a precipitous economic decline and with it, the spread and deepening of national poverty.

1.3 The Current Economic Context

Today, Liberia a nation that had achieved middle income status in the 1970s and was food secure – is a shell of its past. In 2005 prices, GDP per capita declined from 1,269 USD in 1980 to 163 USD in 2005 – an 87 per cent decline. Exports of about 486 million USD in 1978 declined to about 10.3 million USD in 2004. Throughout the 1980s and 1990s, the decline was consistent across the board: agricultural production dropped precipitously as people fled their farms and supporting infrastructure collapsed; mining and timber activity essentially ceased; rubber plantations closed; manufacturing dropped sharply; and the service industry ground to a halt. The economy only began to stabilize and rebound in 2004, with growth of 5.3 per cent experienced in 2005 and an expected 7-8 per cent growth for 2006.

Public spending is not an engine of growth. Total government expenditure, including grants, has not exceeded 85 million USD since 2000, translating into per capita spending of about 25 USD, one of the lowest in the world. The 2006-2007 budget is projected at 130 million USD, a 60 per cent increase over the previous year, with at least 15 per cent devoted to pro-poor targeted activities. Inflation, which jumped to 15 per cent in 2003, subsequently subsided to around 6 per cent, although there are new pressures from rising prices as the economy rebounds.

Years of mismanagement have left Liberia with a huge external debt burden, estimated at about 3.7 billion USD as of mid-2005, equivalent to an astonishing 800 per cent of GDP and 3,000 per cent of exports. Domestic debt and non-salary arrears are estimated at about 700 million USD, a significant part of which is owed to the banking system (including the Central Bank of Liberia).
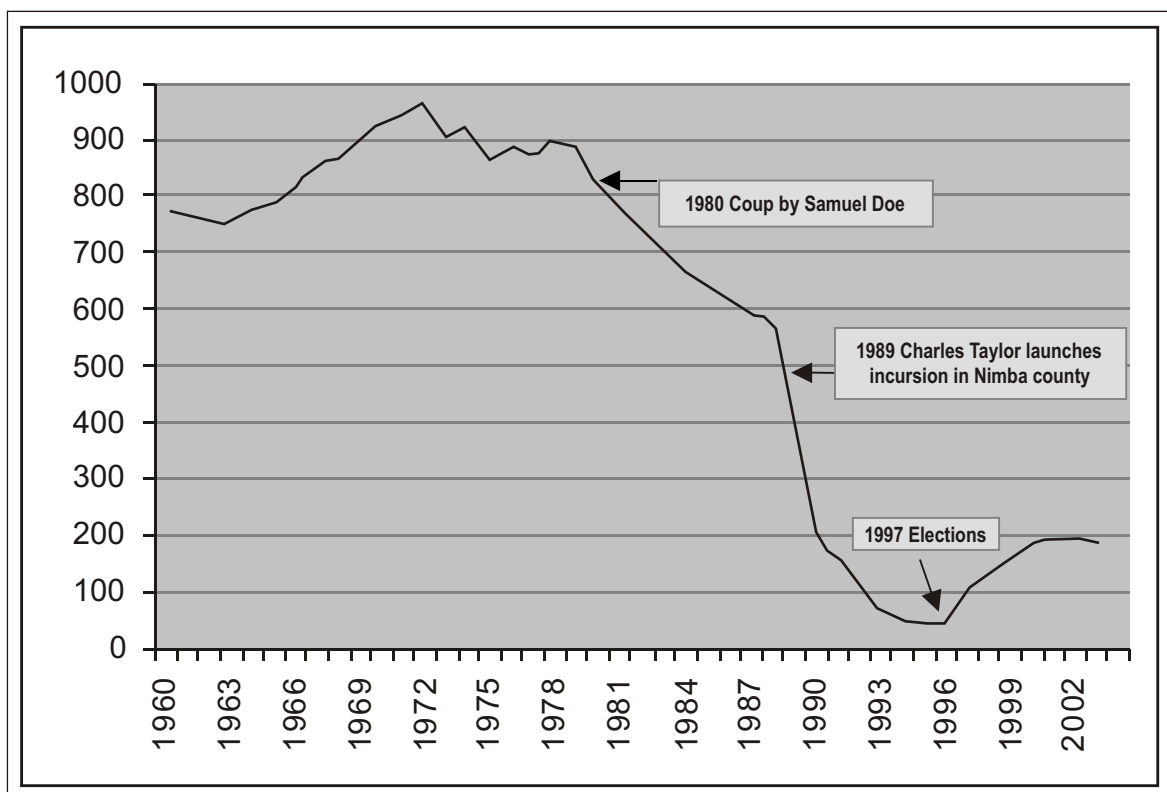
The decimation of the economy has led to very high levels of unemployment and ex-combatants, returning refugees and internally displaced persons (IDPs) are struggling to

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3 - Amos Sawyer (1992). *The Emergence of Autocracy in Liberia: Tragedy and Challenge*. ICS Press, San Francisco, California

find work. Formal sector employment is currently estimated at about 120,000, with some 50,000 to 60,000 employees in the public sector following recent efforts by Government to remove ghost workers from public payroll and reform the civil service. The majority of the population works in agriculture (subsistence farming), the informal economy (trading) and petty production. Other coping mechanisms include significant reliance on external remittances from relatives abroad and spin offs from donor-funded investments, especially in rural communities. Almost without exception, Liberians are far worse off today than they were 25 years ago.

Figure 1.1:   The evolution of per capita GDP over time

Note: GDP per capita data is based on World Bank, WDI 2004 series; GDP is measured in constant 1995 USD.

1.4   Characteristics of Poverty: Income Dimensions

A critical challenge facing Liberian policy makers is the absence of up-to-date nationwide information and data on population and poverty. What is the population size? How is it distributed by sex, age and socio-economic characteristics? Who is poor? Where are they? Why are they poor? What are their coping mechanisms?

The last population and housing census was conducted in 1984. The last comprehensive poverty profile of Liberia, undertaken by the United Nations Development program (UNDP) in 2001,[4] indicated that 80 per cent of all households in Liberia suffer from income poverty. While data constraints make it difficult to fully quantify the problems, the impact is felt in both rural and urban areas and across genders and ages as described below:

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4 - See UNDP (2001 and 2006), and United Nations Joint Assessment (2004). Following international convention, the study defined the poverty line as those living below 1 USD per day, per person and absolute poverty line as 0.50 USD per day, per person based on 1985 purchasing power parity.

Rural Poverty: At least 56 per cent of the population lives in rural areas and over 80 per cent of those are subsistence farmers with little or no cash income. According to the 2001 UNDP Liberia poverty profile, 86 per cent of rural households are estimated to be poor and 64 per cent live in severe poverty.

Urban Poverty: In towns that used to be prosperous from mining and rubber concessions of the past, 85 per cent of households are poor and 60 per cent are living in severe poverty today. In county headquarters, which received the bulk of internally displaced people during the war, 75 per cent of households are poor, while 40 per cent live in extreme poverty. In Monrovia, about 50 per cent still fall below the poverty line while 22 per cent live in severe poverty.

Gender Disparities: Beyond the rural-urban dichotomy, there is also a gender gap in poverty. Women are particularly vulnerable as a result of exclusion, marginalization and gender-based violence. Men, women, boys, girls, youth, elderly and female-headed, child-headed and male-headed households experience poverty differently, have different and varied opportunities, capacities and resources to cope with, reduce poverty and/or create wealth.

The 2001 UNDP poverty profile indicates that 78 per cent of male-headed households live in poverty (55 per cent in severe poverty) compared to 69 per cent of female-headed households living in poverty (42 per cent in severe poverty). This available research is limited to male- and female-headed households and does not take into account the gender dimension for every grouping in all areas and at all levels. It is also important to note that these income poverty statistics do not include the non-income aspects of poverty and the special vulnerability of children and women in an environment of lawlessness and war, especially the high likelihood of exploitation and violation of their human rights.

1.5   Characteristics of Poverty: Non-Income Dimensions

1.5.1 Food Insecurity

Food insecurity is a challenge in the current post-war Liberia with critical implications for peace and security, economic revitalization and poverty reduction. Estimates indicate that Liberia loses at least 1.2 per cent of GDP annually due to vitamin micronutrient deficiencies. A joint Food and Agriculture Organization (FAO)/World Food program (WFP) Crop and Food Security Assessment carried out in January/February 2006 found four major causes of food insecurity in Liberia: agricultural production constraints; poor infrastructure and limited access to markets; poor biological utilization of food due to lack of access to health services, safe water and sanitation facilities; and lack of household labor and social support caused by a general disruption of traditional social networks during the war.

In March/April 2006, the Government of Liberia carried out a countrywide Comprehensive Food Security and Nutrition Survey (CFSNS), which found that:

- 11 per cent of the rural/semi-urban population are completely food insecure with a maximum of 28 per cent in the area that was mostly affected by the war and displacements;
- 40 per cent are highly vulnerable and 41 per cent are moderately vulnerable to food insecurity. Only 9 per cent are completely food secure dropping to almost 0 per cent in five counties;

- All 15 counties have high to extremely high chronic malnutrition rates. Of children below five years old, 39 per cent are stunted, about 27 per cent are underweight and 7 per cent are wasted, though in some areas this is over 10 per cent or what is considered to be 'emergency' level. In Liberia, 14 per cent of all women have a low body mass index.

Box 1.1: Food Insecurity: A Recommended Approach

In transitioning from emergency to recovery and finally to development, the following interventions are recommended to achieve food security in Liberia:

- Distribute free seeds, tools and food resettlement packages to farmers; food-for-work and training activities should focus on population groups that are highly vulnerable to food insecurity.
- Intensify interventions and capacity-building in animal pest control, crop diversification, horticulture, improved preservation and storage techniques and improved processing and marketing systems.
- Restock livestock and promote small-scale businesses and post-harvest industries and services.
- Strengthen education programs, provide food-for-education programs and improve access to basic health care services and to clean water and sanitation. Nutrition and health programs should be implemented with a focus on child feeding practices, food preparation, dietary diversity, immunization, micronutrients and HIV/AIDS.
- Enhance institutional capacity to manage interventions and resources devoted to improving the food security and nutrition situation, including the development of an institutional policy framework and a food security monitoring system.
- Implement sustainable land management practices.

Source: Government of Liberia in collaboration with FAO, Humanitarian Information Center Liberia (HILC), United Nations Children's Fund (UNICEF), United Nations Mission in Liberia (UNMIL), WFP, World Health Organization (WHO), Catholic Relief Services, World Vision, Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) and Liberia Non-governmental Organization Network (LINNK): Comprehensive Food Security and Nutrition Survey (Preliminary Results), October 2006 and WFP World Hunger Series (2006).

1.5.2 Weak Infrastructure

Schools, hospitals and clinics – virtually all public infrastructure are severely damaged and in need of rehabilitation. Most government buildings are in shambles and there was no electricity or piped water in Liberia for 15 years until the new government turned some on in Monrovia in July 2006.

Many roads are impassable, which seriously constrains peacebuilding efforts, hinders economic activity in agriculture, timber and mining and undermines basic health and education services. Expanding peace, revitalizing the economy and reducing poverty will be next to impossible without a significant improvement in roads.

Electricity: It is estimated that less than 10 per cent of the current population of Monrovia has access to electricity; there is substantially less access outside the city. Where available, electricity is produced by privately owned generators resulting in limited availability and very high costs.

Transport: Roads and bridges are severely damaged, with only about 700 kilometers of damaged paved road surface and 1600 kilometers of unpaved roads. Farm to market access is difficult and parts of the country are isolated during the rainy season. Most of the railway network has not functioned for nearly 20 years. Civil aviation is limited to Monrovia with only United Nations flights operating upcountry. The port of Monrovia is the only operational port in the country.

Telecommunications: Virtually all the assets and equipment of the fixed line system operated by the Liberia Telecommunications Corporation were destroyed or stolen and service ceased completely in February 2005. Private sector investments in mobile telephone operations and Internet have helped meet the communications demand of both the public and private sectors.

Housing and shelter: Liberia is experiencing substantial housing and shelter shortages. The war sparked massive internal displacements and rural-to-urban movements, with Monrovia hosting the majority of IDPs. There is a huge mismatch between the number of urban dwellers and available social services, leading to overcrowding, deteriorating living conditions and the growth of slums and illegal home occupation. Shortage of suitable housing is a major constraint to getting professionals such as doctors, nurses and teachers into rural areas.

Water supply and sanitation: Water, sewerage and treatment facilities are out of operation, except for a limited supply of water in parts of Monrovia. Garbage collection is minimal to non-existent. Recent estimates indicate that only 32 per cent of households have access to safe drinking water and only 24 per cent have access to sanitary facilities (CFSNS 2006). Many urban areas get by with well water. Fortunately no large scale waterborne diseases have been prevalent.

1.5.3 Poor State of Basic Social Services

Health: Only 41 per cent of Liberians have access to health care facilities. Of the 325 health facilities which existed before the war, about 95 per cent were partially or wholly destroyed. Only 10 per cent of communities surveyed reported having a health facility within the community (CFSNS 2006). There are only 43 Liberian physicians and 21 nurse midwives to cover public health needs.

Liberia's health indicators are amongst the worst in the world. Infant and under-five mortality rates are 157 and 235 per 1,000 live births, respectively. Malaria remains the leading cause of child morbidity (42 per cent), with diarrhoea accounting for 22 per cent and Acute Respiratory Infection (ARI) for 12 per cent. Maternal mortality rate was estimated at 578 per 100,000 live births (LDHS 2000) and the HIV/AIDS prevalence rate has risen to an estimated 5.2 per cent.[5]

Education: Over half of Liberian children and youth are estimated to be out of school. The war destroyed about 70 per cent of existing school buildings and in the process, created a

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5 - See Liberia's Global Fund proposal, August 2006.

generation of people with very limited exposure to formal education. Liberia is one of the few countries where the current generation has less educational attainment than the previous one. There is a substantial gender-differential and rural-urban gap in education. Illiteracy is estimated at 70 per cent nationally. In spite of the government's Free and Compulsory Primary Education (FACPEL) initiative, 'fees' are levied to partly provide for learning and teaching materials. Only 35 per cent of boys and 27 per cent of girls starting grade one reach grade five (Liberia Millennium Development Goals Report, 2004). The higher education system has remained paralyzed and the technical and vocational education and training system is still in disarray due to the looting of training equipment during the war.

1.5.4 Poor Governance

Almost all facets of governance in Liberia have suffered severely over the past two decades or more, essentially crippling national life and contributing greatly to deepening poverty.

Weakened institutions and human capacity: Liberia's once-considerable human capital and institutional capacity has been significantly eroded. No national institutions escaped the impact of war, including ministries, state agencies, the private sector and civil society organizations. The interruption of education essentially halted the process of new capacity formation, including civic leadership skills, which was further compounded by a lack of essential tools and logistics necessary for institutions to function.

Devastated Statistical Generating Capacity: Before the war, the periodic production and dissemination of social and economic statistics was institutionalized within the Department of Statistics of the Ministry of Planning and Economic Affairs (MPEA). The war years essentially ended data collection and analysis which are pre-requisites for sound policy analysis and formulation, and it will take years to rebuild capacity. The Liberia Institute of Statistics and Geo-Information Services (LISGIS) is now charged with the responsibility for the collection and publication of official statistics under the Chairmanship of the Minister of Planning and Economic Affairs.

The lack of reliable data is one of the critical challenges faced by post-war Liberia. Hence, it is essential to achieve a National Statistical Development Strategy (NSDS) for Liberia as soon as possible. Today, there is very little data available in Liberia to inform the drafting of the iPRSP. The population census is more than 20 years out of date, economic statistics are extremely limited and restricted to Monrovia. Routine data systems in service delivery Ministries and Agencies have collapsed. Health information exists for 1999/2000 from the Demographic and Health Survey (DHS) and more DHS data will be available in 2007 survey which is now ongoing. Data on poverty levels are not available. Some data exists from 2000 when a poverty profile was produced with UNDP support. A Core Welfare Indicator Questionnaire Survey (with a consumption module) is also planned, which will generate required information that are consistent with international standards for poverty measurement.

Box 1.2: Responding to the Governance Crisis

The Governance Reform Commission (GRC) was established as part of the Accra Comprehensive Agreement in August 2003 to promote the principles of good governance in Liberia. Its mandate includes examining existing systems and structures, making appropriate recommendations and undertaking interventions to strengthen institutions and practices to facilitate good governance and foster a good relationship between the state and society.

The GRC focuses on three key areas: public sector reform, local governance reform and defining the future of Liberia. Public sector reforms include streamlining the civil servants roster to right-size and remove ghost workers, strengthening the capacity of the civil service agency, harmonizing civil service rules and procedures and streamlining the mandates and structures of government ministries, public corporations and autonomous agencies. Local governance reform initiatives are to facilitate decentralized political and socio-economic structures and systems with emphasis placed on empowering communities.

The GRC organized nationwide consultations with the support of the Ministry of Internal Affairs and the United Nations Mission in Liberia (UNMIL) to solicit views on governance and to build a consensus on needed reforms. It is also engaged in state reform through the review and revision of the mandates of public institutions and structures. The GRC has also consolidated and harmonized the code of conduct for the public sector, organized capacity-building programs and is about to launch a consultative process to develop a shared national vision.

Despite some delays due to resource constraints, the GRC has made significant progress. The government has presented a bill to the national assembly that will transform the GRC into an independent body to be called the Governance Commission and continue working toward a national response to the governance crisis.

Limited rights and access to information/role of media: Presently, Liberian media laws do not protect the independence of the country's media and require reform. Access to public information within public bodies is limited. The print media market in Liberia is plagued by a myriad of problems that undermine its capacity to contribute substantially to the reconstruction and democratization process in Liberia. Beyond Monrovia, access to media and information is very limited.

The national broadcaster, the Liberia Broadcasting System (LBS), fell into disrepair and barely survives on meager resources. The LBS needs to be transformed into an independent public service broadcaster. Female media professionals constitute less than 20 per cent of the media population in the country. The two main training institutions the Mass Communication Department of the University of Liberia and Liberian Institute of Journalism are both in need of massive support. Despite the years of conflict and repression, the main association of media professionals in Liberia, the Press Union of Liberia, has managed to retain a relatively coherent and unified approach to addressing the challenges.

Weakened civil society: Liberia has a long history of vibrant civil society groups, including tribal associations, sports groups, women's organizations, interregional development associations and community based associations.[6] With the war, many of these initiatives gave way to better-financed non-governmental organizations (NGOs), which emerged to address problems. The result has been the monetization of civil society organizations. Their sustainability is doubtful, as demonstrated by the closure of several when donor funding dried up.

Civil society organizations also face a lack of individual, institutional and societal capacity as well as a lack of operational funds. A 2004 United Nations Development Fund for Women (UNIFEM) capacity assessment of local women's NGOs and groups revealed serious gaps; many did not have a member or staff person with gender training, adequate skills in management, proposal writing or fund-raising and advocacy and they had limited access to funds for the necessary advocacy for gender justice.

Significant policy gaps: Capacity for conducting quality diagnostics, identifying appropriate policy options and agreeing upon and complying with specific policy formulation has been severely lacking in almost all national institutions and agencies. This has contributed to excessive, hasty and poorly designed policies and laws, which is further compounded by limited (or total lack of) reliable data. In this regard, social sector policies in the areas of education, health, environment and governance have been particularly hard hit.

1.5.5 Relatively Weak Security Situation

To feel safe and secure is a basic human right (Box 1.3). Like in any post-war situation, anxieties about personal safety in Liberia run high. The crime rate is increasing, easy access to firearms is prevalent, there is widespread gender-based violence, particularly rape, and ex-combatants with no jobs and no proper mechanisms for reintegration into society are commonplace. With the breakdown of social capital, significant efforts in rebuilding will have to take place around social norms and the criminal justice system.

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6 - Amos Sawyer (1995). *Beyond Plunder: Toward Democratic Governance in Liberia.*

Box 1.3: Peacekeeping in Post-Conflict Liberia: The Role of the United Nations Mission in Liberia

Following the signing of the Accra Comprehensive Peace Agreement in August 2003, the United Nations Security Council deployed UNMIL with a mandate to stabilize the country and assist the National Transitional Government of Liberia in its efforts to establish new democratic order. With 15,000 military personnel and more than 1,000 police personnel, UNMIL has assured a secure environment by disarming warring factions and maintaining public order.

UNMIL has provided considerable support for the successful conduct of presidential and legislative elections, as well as for the restoration of state authority and infrastructure. It is also heavily engaged in restructuring and retraining the Liberia National Police, provides assistance and support to the judicial and corrections systems, the Truth and Reconciliation Commission and the Governance and Economic Management Program. Currently, the mission is working with the government to help it meet the criteria for lifting sanctions on timber and diamonds while also assisting national authorities to restore proper management of other natural resources, such as rubber.

The continued presence of UNMIL affords Liberia valuable support in pushing ahead with its ambitious program of reform and renewal. UNMIL is expected to maintain a robust security presence until the national security agencies complete the restructuring, recruitment, training and re-deployment of their forces. Using the framework established by the Liberia Reconstruction and Development Committee, UNMIL in collaboration with the government, the United Nations Country Team and other partners will track key benchmarks in order to align future operations of the mission with progress on the ground.

CHAPTER TWO
Breaking with the Past and New Beginnings

After more than two decades of misrule, violence and economic collapse, the Liberian people are now taking the first steps on the long road to recovery and sustained economic development.

2.1   Introduction

This chapter gives a glimpse into Liberia's new beginning by highlighting the initial progress made by the recently-elected government. It also provides key elements of the future vision, policy choices and overall direction in the efforts to build a more prosperous and promising Liberia.

2.2   A New Vision for the Future

Government desires to build a new Liberian nation that is peaceful, secure and prosperous. This will require policies that resulting economic recovery and political stability that are mutually reinforcing. A strong economy with robust job growth is key. This is best done by restoring the traditional engines of the Liberian economy rubber, timber, mining and cash crops to full growth potential. The revitalisation of economic and social infrastructure is critical to the achievement of these goals, with the private sector playing an active role.

Consolidating peace, enhancing justice, deepening democracy, ensuring food security, promoting human development and setting the nation on a path for long-term growth and development are the foundations of this vision. The agenda for the new Liberia is focused on empowering people by enlarging their choices, building a genuine democracy and entrenching a democratic culture in Liberia. Human development in the new Liberia necessarily includes total elimination of insecurity, the restoration of peace, reconciliation and protection of human rights. Additionally, it will require the building of a new security and police force sufficiently strong to keep the peace while resting firmly under democratic civilian control. The new Liberia aims to do away with divisions, marginalization and exclusion that were common in the past and, instead, replace them with inclusiveness and empowerment through decentralization and grassroots engagement in governance. Part of this vision entails a shift of power to the counties and communities, so they will be empowered to effectively participate in decision making and take control of local issues and development processes. The goal is an inclusive and highly participatory democracy in which rights are respected; people are engaged in governance; national resources are used to benefit all people; and effective democratic institutions are built. This will require human and institutional capacity-building to ensure good governance and proper checks and balances among the three arms of government. Also significant is the need to give media and civil society space to develop and to be a force for national development.

The future also requires a strong economy with robust job growth, led by a recovery in the private sector, particularly agriculture, mining, minerals and forestry (including rubber), stronger social services and infrastructure, renewed investment and increased trade with competitive Liberian firms exporting to the region and beyond. This encompasses building and empowering a new class of Liberian entrepreneurs. The national agenda is for an economy that is relatively open, with low tariffs and minimal government intervention, except where necessary to make markets work better.

Preliminary efforts are already underway to articulate the shared national long term vision and formalize the framework to make that vision a reality.

2.3 Doing Government Business Differently

2.3.1 Developing a Conflict-Sensitive Poverty Reduction Strategy

In Liberia, it is essential for the government and society to respond appropriately to post-conflict challenges to avoid a recurrence of future conflict. Bearing this in mind, Liberia needs a conflict-sensitive development strategy so it can better anticipate the potential for events to exacerbate or create conflict and design development institutions that address the root structural causes of the conflict and contribute to peacebuilding. (Box 2.1).

Box 2.1: The Links Between Conflict, Poverty and Human Rights

Conflict, poverty and human rights violations are closely interconnected through negative cyclicality. Poor countries are much more likely to experience conflict and human rights violations. A country with a per capita income of 500 United States Dollars (USD) is about twice as likely to have a major conflict within five years as compared to a country with a per capita income of 4,000 USD.[7] Once conflict begins, it inevitably deepens and exacerbates poverty. A country affected by civil war typically has one third the per capita income of a peaceful country with similar characteristics.

Liberia's civil war not only took the country significantly backwards, its legacies will continue to present challenges for years to come. For example, research on the gender impact of armed conflict suggests that women and children suffer disproportionately through exposure to sexual violence, limited access to essential services, deprivation, absence of any social protection measures and widowhood, among other factors. It will take years to fully reintegrate the population, reconstruct basic infrastructure and rebuild institutions of governance. The Liberian war essentially ended human capital formation and resulted in the mass exodus of skilled workers, thus depriving the country of its development resource. Current estimates show that about 400,000 Liberians are in the diaspora, mainly in the United States, Canada and the United Kingdom. More importantly, constant conflict and poverty provide fertile grounds for the abuse of human rights.

Liberia's conflict makes achieving the Millennium Development Goals (MDGs) a daunting challenge. As a result of the interrelationships, it is highly unlikely that Liberia will attain any of the MDG targets within the specified time frame of 2015. For Liberia to achieve the MDGs by this deadline, growth in excess of pre-war rates is required, as is progress more rapid than anywhere else in the world. The challenge for Liberia derives from the fact that the MDGs were established in 2000 with 1990 benchmarks and targets for 2015. Most countries achieved 10 years of progress between 1990 and 2000, when the goals were set, but in Liberia there were significant losses. All indicators were worse in 2000 than they were in 1990. Thus, to reach the goals Liberia must make larger gains in much less time.

The government has resolved to avoid recreating pre-war Liberia, in either its governance or economic structures, and do business differently in order to move the country from conflict to peace and on to development. It is determined to build a new economy with opportunities for all and not simply for the elite or a select few Liberians. Key efforts in this regard will include addressing the needs for national healing; reintegration and resettlement of refugees and internally displaced persons (IDPs); rebuilding social capital; reintegration of ex-combatants; and expanding employment and livelihoods for all (Box 2.2).

Box 2.2: Why Liberia Needs a Conflict-Sensitive Anti-Poverty Strategy

Where the root causes of conflict are not addressed, a return to war is common. Liberia's conflict history exemplifies this reality and several factors must guide the development of conflict-sensitive policies and programs to guard against a return to the past. These include:

Returnees and Resettlement: The return and reintegration of the estimated 250,000 refugees and 350,000 internally displaced persons presents great challenges, as most communities are yet to be revitalized after years of destruction. Land and property disputes will escalate as those that fled find new settlers where they once lived and the absence of basic sustainable livelihoods will create challenges and tensions.

Social Capital: The Liberian conflict traumatized people and eroded social capital, including trust, traditional norms and customs, social cohesion and networks within communities. Without healing and strong social capital, implementation of national programs and policies in rural Liberia is likely to be thwarted as communities fail to rise to the challenge of exercising collective ownership, initiative and cooperation.

Ex-combatants: Successfully reintegrating ex-combatants into Liberian society is one of the greatest challenges in the post-war period. Failure could lead to security threats, which have already included rape, armed robbery, reprisal murders and other criminal activities. Successful reintegration requires community-level reconciliation processes.

Regional Dimensions: The causes and effects of the conflicts in Côte d'Ivoire, Liberia and Sierra Leone are intimately linked. Restoration of a durable peace in the sub-region requires that a number of key issues be addressed at the national and sub-regional levels.

Natural Resources: Mismanagement of natural resources has fueled and sustained civil conflicts in Liberia. Proper administration of natural resources is essential to ensure equitable distribution, which leads to sustainable peace and stability.

Employment and Livelihood Opportunities: The severe lack of employment and economic opportunities continues to be a pervasive issue in Liberia. If not solved, this could pose a threat to the existing peace.

Addressing the long tradition of centralization and misuse of power by the state, the dual and weak justice system, the social economic disparity based on identity and the lack of a shared national vision will also be critical. Past mistakes will be corrected through emphasis on separation of powers, decentralization and community empowerment, the transformation of legal structures to ensure a rights-based approach to development and the supremacy of the rule of law. Policies that favor human development and create opportunities for all and the formulation of a national vision – one that is truly shared by the nation will also be pursued. Additionally, the government will be working with countries in the region to deal with the regional dimensions of conflict.

Since poverty is a by-product of the denial of human rights, pro-poor strategies must be implemented within a participatory, accountable and transparent framework. This means placing focus on individuals and groups that are socially excluded, marginalized, vulnerable and disadvantaged, including women, youth and the disabled.

2.3.2 Enhancing Effective Governance in a Post-Conflict Setting

Working alongside its partners, the Government of Liberia has already taken several key steps to create institutions that will address conflict-related legacies of the civil war. These steps are bolstered with associated policies and programs that are conflict-sensitive and that continue to address the underlying factors perpetuating both income and non-income poverty in Liberia. Amongst those efforts are:

Public Accountability and Transparency: Ensuring accountability and transparency at all levels and enhancing public financial management are crucial steps in breaking with the past; the government has taken several key steps in this area. It has begun to implement the partner-supported Governance and Economic Management Program (GEMAP) as a tool to strengthen public financial management, reduce corruption and build public sector management capacity in state-owned enterprises (Box 2.3). These efforts are yielding steady and positive results, although ensuring effective capacity-building for sustainability remains a challenge. The government has developed a new public Code of Conduct, by which political leaders and civil servants must abide. All public office holders must now publicly declare their assets. The president is leading by example, declaring all her personal assets. In support of transparency, the government will publish public resource flows and utilization on a quarterly basis and is setting up a way to monitor development progress by tracking the use and outcomes of public funding. The Public Procurement and Concessions Act (PPC) and the resultant Public Procurement and Concessions Commission (PPCC) are key elements in re-establishing good governance in Liberia. The PPCC is a vital institution working actively to curb corrupt practices in the public and private sectors.

Fighting Corruption: Corruption in Liberia has shown itself in practically all forms from bribery, embezzlement and fraud to blackmail, clientelism, nepotism and money laundering. Over the years, an expectation has emerged whereby any government official who fails to acquire wealth during his or her tenure is considered foolish. However, corruption has not been limited to the public sector only; a substantial level of corruption exists in civil society.

Many faith-based institutions, civil society organizations and community-based organizations are reported to be rife with misappropriation of funds, bribery, favoritism and other acts of corruption. Even the media and other watchdog agencies are reportedly engaged in these activities. Local and foreign private sector players are also seriously involved, constituting the single most important segment of the supply side of corruption in

Liberia. Limited financial reporting, weak tax administration and other factors limit access to, and knowledge of, the scale of corruption in the private sector. In the past, few people who committed corrupt acts were punished. Instead, many seemed to have been rewarded with jobs, expanding their opportunities to practice corruption.

A founding principle of the government is zero tolerance for corruption. With the support of its partners, the government is putting in place systems and structures to control and monitor expenditures and accounts to ensure no slippages. Results so far have been positive revenues are up and slippages are down. The government is doubling its efforts by deploying new tools, such as the anti-corruption strategy (about to be enacted) and strengthening institutions such as the PPCC. A key part of the anti-corruption effort is stamping out the culture of impunity. Anyone engaged in corrupt practices will be prosecuted in the courts, subjected to the full weight of the law and, if found guilty, punished appropriately.

Box 2.3: Governance and Economic Management Program Within the 150-Day Action Plan

One of the major successes during the 150-day action plan period, which must be consolidated during the interim period and beyond, is the implementation of the GEMAP. Steady progress was made in the implementation of the GEMAP. The Cash Management Committee based in the Ministry of Finance, with representation from the core economic ministries/agencies, is functioning well. Despite some teething issues, it is clear that the Cash Management Committee process is already enhancing financial discipline in overall budgetary execution and control, but equally in expenditure management by spending units.

The budgetary execution and resource mobilization units in the Ministry of Finance are being strengthened. Working with the Ministry of Finance, the Bureau of the Budget did a credible job in the preparation of the 2006-2007 budget. The PPCC is functioning, with most of its board and staff in place. Implementation of public procurement guidelines within the framework of the new Procurement Act has already begun. All international financial experts to be seconded to the Liberia Petroleum Refining Corporation (LPRC), the Forestry Development Authority, Robertsfield International Airport and the National Port Authority are now in place and are working closely with the senior management of each of those State–Owned Enterprises. Budgetary management and control in the Central Bank of Liberia has already improved noticeably following the appointment of a new Executive Governor and Administrator, the latter a GEMAP appointment. For the first time in many years, the central bank is balancing its operational budget.

Filling the Capacity Gap: The government has embarked on innovative transitional human resources measures to address immediate problems of capacity weakness and poor morale of the civil service and to support service delivery and advance wider reform efforts. A key example of this is the Liberia Emergency Capacity Building Fund, used by the government to bring back high-profile teams of Liberians, mostly from the Liberian diaspora. Some have been included in the government cabinet; people whose employment will reinvigorate the public sector, bringing new ideas, experiences and

professionalism in support of the reform process. In the same vein, under the Transfer of Knowledge Through Expatriate Nationals (TOKTEN) program, the government is bringing back qualified expatriate Liberian professionals for short periods of time to contribute to the reconstruction of Liberia. Using GEMAP, the government is taking full benefit of the presence of internationally recruited experts in order to facilitate human and institutional capacity-building for economic management.

Empowering Local Governance: The government is clear on its commitment to decentralize decision making and resource allocation to county and municipal governments. A key element of this is empowering and engaging communities, especially the poor and vulnerable within those, in the reconstruction process, in local governance and in addressing the root causes of conflict. This is seen as critical for rebuilding social institutions, community-level social capital (such as trust) and capacity for collaborative action. Additional efforts include: broad-based representation and participation in local development decision-making processes; participatory planning and implementation in local development; accountability in project management and implementation; and strong coordination with line ministries and local authorities. The aim is to build trust between the government and the governed; to ensure this and successful decentralization happens, emphasis will be placed on building county and local government capacity.

Protecting Human Rights: Protecting and promoting human rights is integrally linked with pro-poor development and the consolidation of peace. Approaching poverty through the prism of human rights lifts it from the status of a social problem to a clear imperative. As a positive step, Liberia has ratified existing international human rights treaties, including the Covenant on Economic, Social and Cultural Rights, and as such the government shall ensure that every citizen enjoys social, civil, economic and cultural rights.

2.4   Policy Choices and Directions

Given the challenges facing Liberia, policy choices for the government are quite clear: prevent the nation from sliding back into conflict, build on the current peace to create an enabling environment for prosperity and forge strategic and constructive partnerships internally and with external partners   to build a desirable future for the people of Liberia. Broad national policy directions therefore are:

- Consolidating national peace by strengthening key institutions for national security and completing the process of demilitarization, demobilization, reinsertion and reintegration.
- Increasing investment in human capital and human development focusing on health, education and poverty reduction to ensure that all citizens, without discrimination, are able to participate and make use of expanded opportunities for self-development.
- Ensuring a broad-based economic growth, by promoting the rehabilitation of the private sector, expanding trade and investment, rehabilitating forestry, rubber, coffee and oil palm and revitalizing the mining sector.
- Ensuring food security by expanding food production and distribution, making food accessible and affordable and improving food absorption.

Specific priorities for the iPRS period (June 2006 June 2008) are presented in Box 2.4.

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Box 2.4:   Key Priorities for the iPRS Period, June 2006 June 2008

- *Consolidate the peace by advancing the reform of the security sector* through the development of sound overall policy and legislated institution restructuring.
- *Revitalize agriculture* by stimulating traditional export sectors such as rubber and tree crops and laying the basis for national food security by supporting resettlement of farmers and providing seeds, tools, and a revitalized extension services.
- *Rebuild the economic and social infrastructure*, with emphasis on the nation's road network.
- *Promote good governance and the rule of law* by enhancing public financial management systems, and strengthening the pillars of integrity as a means of fighting corruption and improving systems of accountability.
- *Strengthen the environment for private sector growth* through reform of the tax and incentive systems and by minimizing red tape, and unnecessary regulations.

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2.5   Initial Progress

Implementation of the new government's cornerstone 150-Day Action Plan, introduced in January 2006 and covering the period ending June 2006, led to noticeable changes and achievements. Peace is in place, Liberians are beginning to feel optimistic about the future and the government is engaging with local stakeholders and international partners to build a better society.

The government acted immediately on its agenda of transparency and sound economic management on its first day in office. It cancelled all forest concession contracts, signaling a major break from the past. It enforced laws on tariff collection on the ports and revenues immediately shot up by 18 per cent over the previous year. It set out to begin providing electricity and water service and, in late July 2006, it restored power and water services to parts of Monrovia for the first time in 15 years – a first step to re-establishing these services more widely. In September, the government passed the Forestry Reform Law of 2006.

Several other early wins can be credited to the government: revising the civil service code; cleaning up procurement processes; introducing internal controls; overhauling financial management procedures; introducing measures aimed at fighting corruption in the public sector; creating employment opportunities for youth; and increasing financial support to social sectors.

Significant successes are also emerging from the government's resolve to restore civil authority, foster local level recovery, promote development by enhancing the capacity of counties and districts to exercise their mandate (thereby improve their planning capacities) and coordinating and delivering essential services at the local level.

Although more challenges remain (outlined in later chapters), Box 2.5 highlights some of the key achievements of the 150-Day Action Plan.

150-DAY ACTION PLAN:
KEY ACHIEVEMENTS AS OF 30 JUNE 2006

Box 2.5: 150-Day Action Plan: Key Achievements as of 30 June 2006

Peace and Security
Building a credible, capable and democratically accountable military force and strengthening national security institutions.

- Completed severance and retirement payments to former Armed Forces of Liberia (AFL) personnel.
- Advanced the processing of new recruits, including training.
- Commissioned a new brigade headquarters at Camp E. B. Kessely.
- Demobilized and reintegrated ex-combatants.
- Deactivated about 75 per cent of the almost 1,000 Special Security Services personnel.
- Completed Very Important Person (VIP) protection training for 100 security personnel in the United States.
- Deactivated some eligible police officers; Completed recruitment and training of 300 police officers; additional 207 officers under training at the police academy.
- Repatriated 21,000 refugees and 314,000 IDPs.

Economic Revitalization
Revitalizing the economy for growth, job creation and poverty alleviation.

- Established sound public financial management and budgeting systems through computer/electronic flag receipt system at the Ministry of Finance (MoF) and Central Bank of Liberia (CBL).
- Set-up fully functioning Cash Management Committee at MoF.
- Tabled bill to national legislature limiting the power of the executive branch of government to affect major changes in the budget.
- Increased government revenues by 18 per cent and balanced the budget.
- Ensured legality of concession and contracts; cancellation of all forest sector concessions, Global Security Seals, Limited container park contract and LPRC and Mechanical Engineering Group contracts; initiation of review of all contracts and concessions entered into during the National Transitional Government of Liberia.
- Strengthened institutions, including "rightsizing" of 500 employees and collapsing of the governance structure at LPRC - reduced from six levels to four; completion of a revised budget of the CBL in line with accepted international norms; reactivation of a money management committee at the CBL; introduction of CBL foreign exchange auctions; full empowerment of the Bureau of Inspection Valuation Assessment and Control (BIVAC) to execute its pre-shipment/destination inspections; completion of management studies to determine support needs of Civil Service Agency and Government Auditing Commission.
- Enhanced public revenues and strengthened expenditure controls with clarification of customs and excise duties/tariffs rates and enforcement of legal rates; increasing revenues from taxes on international trade by 15 per cent through improved enforcement; recruitment and installation of international financial comptrollers, technical experts, advisors and administrators at key parastatals under GEMAP.
- Distributed to over 32,884 beneficiaries a total of 41,500 tools, 20.5 million tons of seed rice and 223 packs of vegetable seeds.
- Established a Joint Rubber Task Force, headed by the Ministry of Agriculture.
- Obtained a commitment of 1 million USD to Liberian businesses from the United States African Development Foundation for 2006, in addition to an agreement to establish an office in Monrovia and fund Liberian businesses to the tune of at least 1 million USD each year for the next six years.

- Obtained Overseas Private Investment Corporation and Global Plan of Action funding.
- Initiated steps for consideration under the African Growth and Opportunity Act by the United States government.

Governance and Rule of Law
Strengthening institutions to promote good governance and the rule of law.
- Implemented steps to reduce corruption, including declaration of assets and publication in newspapers by all ministers; completion and submission to the president of a code of conduct for public officials; finalization of anti-corruption strategy by Governance Reform Commission (GRC).
- Initiated the process of civil service reform, including reactivation of 19 out of 21 ministries; completion of the civil service census, initiation of four pilot projects in four ministries to determine the appropriate number of personnel required for each ministry; Ministry of Planning and Economic Affairs, Ministry of Internal Affairs, Ministry of State, MoF
- Strengthened the monitoring of the governance reform process, including completion of GRC management study, reestablishment of institutions to strengthen the judiciary and protect the rule of law.
- Inaugurated the Truth and Reconciliation Commission.
- Completed rehabilitation of prisons in Gbarnga, Buchanan, Harper, Zwedru, Kakata, as well as in Monrovia.
- Strengthening the legislature, including the establishment of Women Legislative Caucus for both upper and lower houses.
- Formulated a national multi-sectoral gender-based violence plan of action.

Infrastructure and Basic Services
Rebuilding the socio-economic infrastructure and basic services.
- Reconditioned the road between Voinjama and Foya; grading of critical sections of the Zorzor-Voinjama-Mendocama road; opening of culverts in the Fiamah-Matadi road; and the completion and inauguration of the Barclayville bridge;
- Increased employment throughout the country by initiating Food for Work initiatives, aimed at community development and 5,000 beneficiaries with 162 projects; construction of 30 community-level projects (including school buildings, clinics, marketplaces and bridges); establishment of seven community credit unions (savings and loans) in Saclepea, Suakoko, Jorquelleh, Kpaai, Panta, Salala and Zota; 212 small-scale projects completed and functioning.
- 300 community projects aimed at peacebuilding established to enhance the capacity of peace councils and community development committees.
- Provision of electricity to Monrovia, including the procurement and installation of two generators and 1,200 light poles in the process of being installed street lights now in some parts of town; launching of tender for assessment for the transmission of electrical power in the Monrovia area and rehabilitation of the substations in New Kru Town and Congo Town.
- Rebuilding and repairing schools and increasing educational quality with the completion and inauguration of Zwedru High School, seven other schools in Nimba, Bong, Cape Mount, Bomi, Margibi and Montserrado counties through the United Nations Office for Project Services Quick Impact Projects; fabrication of 2,000 school benches by the Ministry of Education, in addition to 10,000 being produced through the assistance of the United Nations Educational, Scientific and Cultural Organization; enhancing school attendance to 570,000 pupils and 24,000 school staff in 14 counties.
- Repair and rehabilitation of government buildings.

A performance review of the 150-Day Action Plan suggests that good progress overall was achieved on most of the targets – about 70 percent of deliverables were completed, while about 28 per cent were initiated and are still ongoing, to be dovetailed into the Interim Poverty Reduction Strategy (iPRS). This is a very strong record for a new government in a difficult post-conflict setting.

While the government is proud of its accomplishments, it is also mindful that it, along with its partners, fell short of implementing 100 per cent of the targets identified in the action plan. Factors limiting attainment of original targets seem to be related to governmental units, specifically: capacity constraints; slow draw downs of funding on account of a steep learning curve in new financial management and procurement procedures; over-ambitious initial targeting; unforeseen tasks that came up in the course of the period; and less-than-expected disbursements by donor partners. There were also some methodological problems in the measurements, especially of the large volumes of qualitative tasks that were not fully appreciated at the outset. These lessons, internalized and discussed by the national cabinet and key partners, are being fully factored in the design of the benchmarks and targets for measuring iPRS interventions.

CHAPTER THREE
The Interim Poverty Reduction Strategy Process and the Transition to Sustained Development
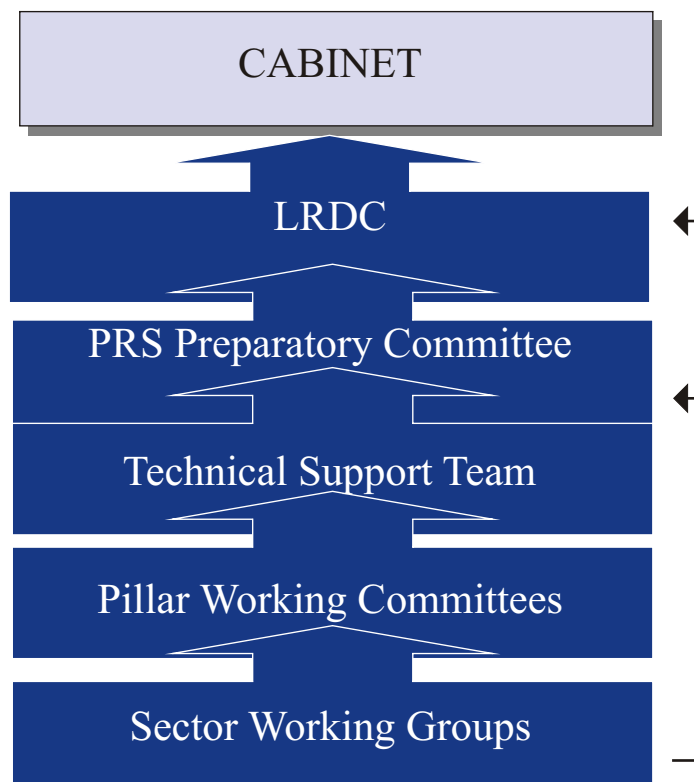
3.1 Introduction

The design, formulation and drafting of the Interim Poverty Reduction Strategy (iPRS) comes as a result of a bottom-up consultative approach. The process has been inclusive and participatory, involving key sectors and stakeholders across a wide spectrum of Liberian society, right up to the national cabinet. Views and inputs were solicited from all counties, line ministries, superintendents and development superintendents, academia, civil society organizations (CSOs), tribal leaders, donors, non-governmental organizations (NGOs) and grassroots organizations.

3.2 Interim Poverty Reduction Strategy Preparatory Governance Framework

An all-inclusive governance structure for preparing the iPRS was adopted (see figure 3.1). The framework has six main hierarchical but interactive components. At the apex is the cabinet, which took responsibility for the final endorsement and ownership on the part of the government. Below the cabinet sits the Liberia Reconstruction and Development Committee (LRDC), chaired by the president, which provides a donor-government partnership framework for coordinating the national reconstruction and development agenda. The LRDC provided overall policy guidance and assured the necessary political will in the preparation and drafting processes (see figure 3.2). The LRDC is also responsible for coordinating and monitoring the implementation of the iPRS.

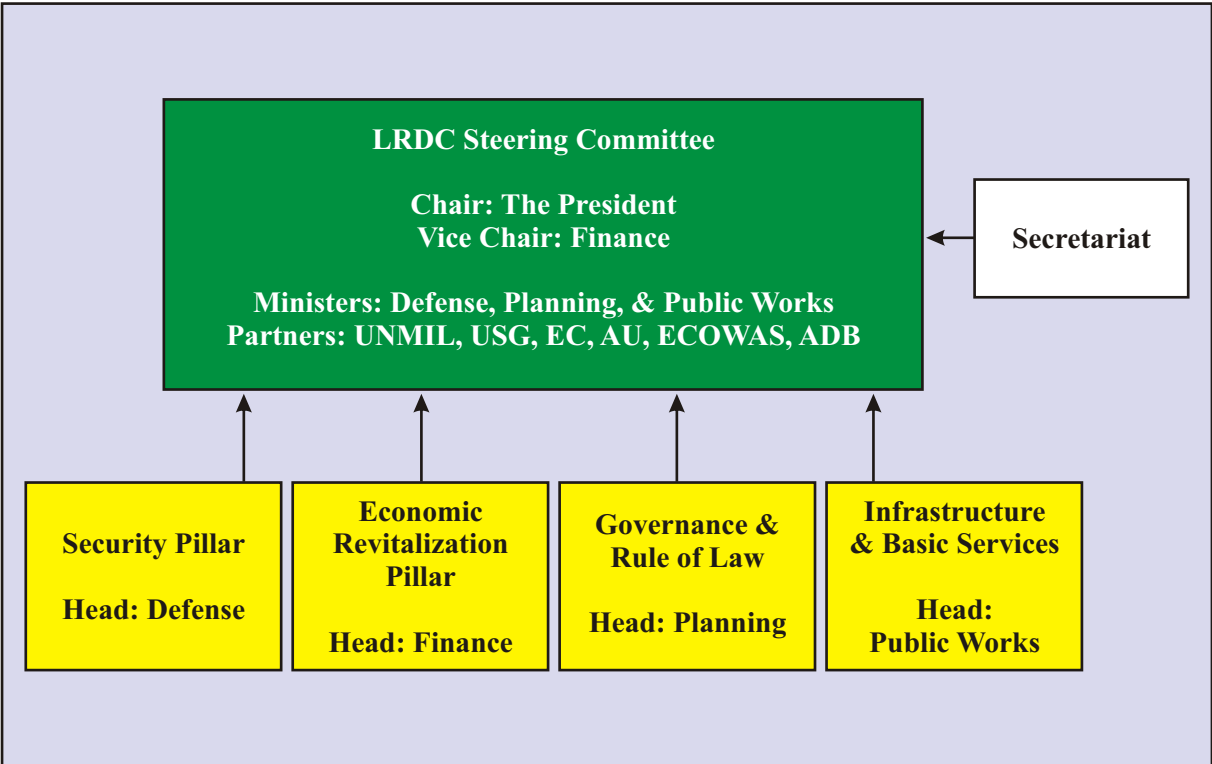**Figure 3.1: Interim Poverty Reduction Strategy Paper Drafting Process**

The foundation has been laid for ensuring a more comprehensive participatory process for the full Poverty Reduction Strategy (PRS).

A PRS Preparatory Committee (PPC) was established to assure the quality, policy coherence and strategic coordination of the process and strategy, chaired by the Minister of Planning and Economic Affairs. Members were drawn from the LRDC to act as pillar chairpersons, the legislature, CSOs, private sector organizations, youth and women's groups and other development partners to reflect and represent critical stakeholder interests. A Technical Support Team (TST) was established, chaired by the Deputy Minister of Planning and Economic Affairs and comprised of staff from the Office of the President, Ministry of Planning and Economic Affairs (MPEA), Ministry of Finance (MoF), Ministry of Agriculture (MoA), Liberian Institute for Statistics and Geo-Information Systems, the Central Bank of Liberia (CBL), the European Commission, the World Bank, the International Monetary Fund (IMF), the United Nations Mission in Liberia (UNMIL), the United Nations Development Program (UNDP) and CSO and NGO representatives. The TST provided technical support and advice to the PPC on progress of the Interim Poverty Reduction Strategy Paper (iPRSP) and UNDP and the World Bank provided dedicated technical support and advice.

The pillar working committees were responsible for galvanizing inputs from sectors and cross-cutting groups and for conducting technical consultations. Each pillar working committee had to describe the existing post-conflict situation, reform problems and inherent structural weaknesses. Committees were also requested to propose strategies to deal with the problems. These inputs were expanded during stakeholder consultations and then passed to the TST. In each case, national actors drove sector-level work.

Figure 3.2: The Liberia Reconstruction and Development Committee Organizational and Management Structure

3.3   The Participatory Process

The process of participation and consultation, which began on 12 May 2006 and ended in November, provided important opportunities for Liberians to contribute to the formulation, implementation and monitoring of a policy to reduce poverty. Specific objectives of the consultative process were to:

* Inform the population, donors and other key stakeholders of the process, their role in its formulation and consequently enhance their participation in the entire process;
* Generate information on the dimensions, coping mechanisms and trends of poverty; and
* Get first hand information on the impact of past and present government policies.

Participatory discussions were conducted at all levels, involving administrative and technical persons, elected leaders, women and youth representatives, representatives of CSOs and NGOs,   the private sector and the donor community. In all, 15 counties, county and development superintendents and tribal and clan chiefs conducted discussions to capture experiences, concerns, values and aspirations to help shape the strategic priorities of the iPRS. This built upon earlier, broad-based consultations led by the Governance Reform Commission (GRC) and in the preparation of the Results Focused Transitional Framework (RFTF). The following consultative sessions were held:

A Partners' Retreat – held on 12 May 2006 in Monrovia, attended by key stakeholders, including the United Nations Country Team, the World Bank, CSOs, youth and women's groups, and the government. The session was chaired by the MPEA, with moderators drawn from civil society. Key decisions were taken on the framework of the iPRSP and the consultations strategy.

A Civil Society Consultative Session – held on 20 May, attended by county superintendents, development superintendents, representatives from CSOs, NGOs, business groups, local associations, women's organizations and several cabinet ministers (Ministry of Internal Affairs, MPEA, Ministry of Gender and Development and Ministry of Information, Culture and Tourism). Heads of some state-owned enterprises and representatives from the donor community also participated.

A Technical iPRSP Working Session – sponsored by the World Bank and facilitated by the government, this was conducted on 27 May in Monrovia. The workshop brought together technicians involved in the drafting process. The objective was to do a sensitivity analysis on the content and data requirement for the strategy paper and learn from other experiences in the preparation and message of such papers. Resource persons from the government, the World Bank, the United Nations and other key donor partners participated in the working session.

Regional and County Level Consultations – held nationwide in 14 of 15 counties on 29 May under the leadership of the county superintendents. Consultations in the remaining county Grand Kru were held on 31 May.

A Preparatory Committee Working Session – held on 5 July. Members of the Senate and House of Representatives Standing Committees on Planning and Economic Affairs attended the session, along with heads of development partner agencies, CSOs, NGOs

and institutions of higher learning. The meeting provided an opportunity for PPC members and other guests to review and provide comments on the initial draft of the strategy.

A Partners' Meeting – held on 12 and 13 July, attended by major donors, cabinet members, legislators, CSOs and United Nations agencies. The iPRSP was presented and additional comments and suggestions were received, which helped improve the substance of the document. Particular emphasis was placed on policy coherence and specificity of planned interventions.

First Working Session of Cabinet – was held on 14 July focusing on the need to ensure that sector and pillar priorities were realistic and consistent with the 2006-2007 priorities and fully reflected in the policy matrix. This was followed by periodic cabinet briefings, discussions and a final endorsement in late October.

*Working Session with Political Partie*s – organized on the draft iPRS in November. Members of all political parties were present and it provided an opportunity to build consensus on the key axis of the iPRS. Earlier in August, copies of the draft iPRS were sent to political parties for review and comments.

A nationwide validation exercise – undertaken for all 15 counties in November involving county superintendents, the development superintendents, county education officers, county health officers and major NGOs. The validation provided the opportunity for the draft iPRS to be debated and consensus built among the civil society around the key pillars and agenda for the iPRS period.

Second Working Session of Cabinet – held 1 December. The final draft, incorporating final comments, was considered and endorsed.

3.4   Main Consultation Messages

During the consultations, participants were asked to clearly articulate their main concerns and propose reforms to respond to the development challenges in Liberia. There were many similar views relative to the reduction of poverty, but some differences did emerge based on the location and circumstances of counties. A review of the outputs of the various consultations suggests that certain policy inferences can be drawn, including the need for capacity-building, wider participation irrespective of region, ethnicity, age and gender, a robust private sector and a sound macroeconomic policy environment. Box 3.1 sets out the key messages heard with respect to each of the four pillars. A summary of views from each of the 15 counties can be found in Annex I.

Box 3.1:   Key Messages from the Consultation Process

Security Pillar
- Ensure recruitment into national security agencies is quality based and reflects regional, ethnic and gender dimensions.
- Ensure training and refresher courses for the new army, national police and other statutory security agencies reflect democratic principles and the elimination of corrupt practices through concrete reform measures.
- Increase youth participation in development programs to minimize their idleness and reduce the risk of youth involvement in criminal activities.
- Strengthen the presence of coastguards and the Bureau of Immigration and Naturalization to prevent illegal activities along border posts.

Economic Revitalization Pillar
- Encourage private sector investment to create more employment and organize and provide micro-credit to petty traders, especially women, who make up a large segment of the informal sector.
- Provide training and capacity-building opportunities for owners and workers of small and medium scale enterprises.
- Facilitate access to financing (loan schemes) to start businesses by those traditionally left out, such as women.
- Reduce the impact of the dual currency situation, which undermines the Liberian Dollar and increases financial risks and insecurity.
- Strengthen and improve the broad macroeconomic policy environment.
- Facilitate the development of Liberian entrepreneurs and their meaningful participation in the economy.

Governance and Rule of Law Pillar
- Conduct periodic workshops, seminars and/or refresher courses for local government officials, staff of line ministries and agencies, legislators and judicial officials.
- Strengthen rule of law processes and systems and the administration of fair and accessible justice.
- Instil transparent and accountable practices in the national police force through procedural and legal reforms and independent oversight.
- Prioritize transparency and accountability in the government.
- Decentralize the functions, decision making and operations of the government.
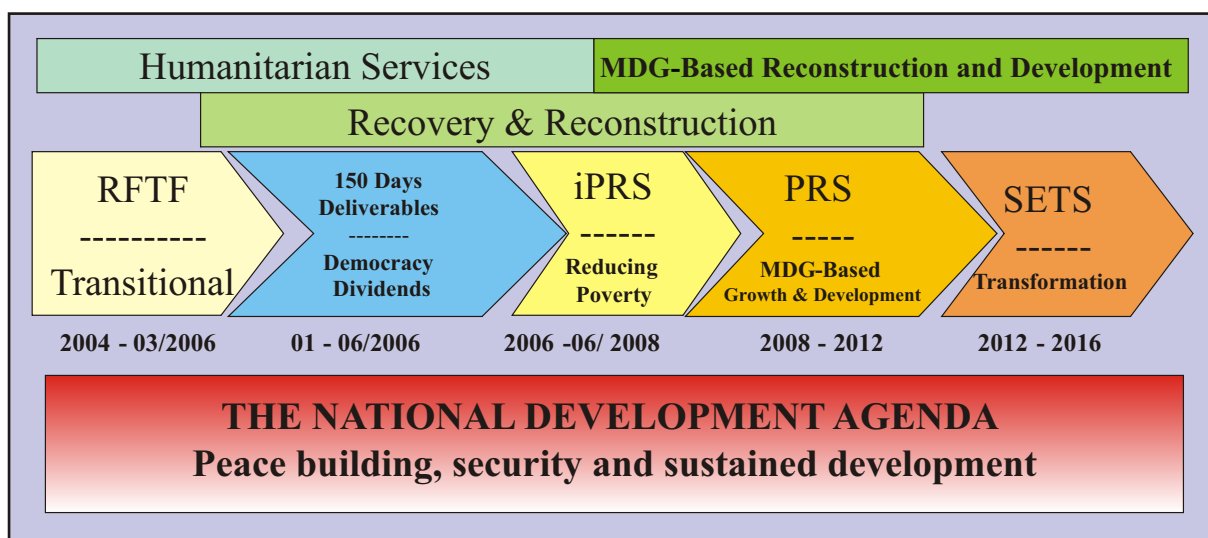
Infrastructure and Basic Services Pillar
- Prioritize the reconstruction of infrastructure in the areas of farm-to-market roads, health, education, communication, providing safe drinking water, electricity and county administrative offices and so forth.
- Sensitize the population to engage in community development initiatives in such areas as road construction, farming and education.
- Establish and promote outreach programs for cholera, diarrhoea, malaria and HIV/AIDS preventions.
- Build the capacities of government offices with trained personnel and logistical support, including at the county and district levels.

3.5 The Bridge Between the 150-Day Action Plan Implementation and Beyond

The iPRS uses the 150-Day Action Plan as a launch pad consolidating and building on the progress made during the first 150 days, and identifying and prioritizing actions for the government between June 2006 and June 2008. Moving beyond short-term emergency planning, the government has embarked on its poverty reduction strategy as a tool towards achieving the Millennium Development Goals (MDGs) and the iPRS represents the beginning of a systematic and strategic approach for development management, which promises to transform the economy and society of Liberia.

Crossing the bridge to sustained development, the Government of Liberia will continue to design and implement targeted strategies and programs for poverty reduction while increasing emphasis on broader national development within the framework of a shared national vision. To this end, the 2006-2008 iPRS will be followed by an MDG-based poverty reduction strategy, covering the period 2008-2012. This will be followed by a socio-economic transformation strategy (SETS) aimed at ensuring sustained growth and development. It will also provide targeted programs to further address the structural constraints that contribute to the persistence of poverty. As seen in figure 3.3, SETS will cover the period between 2012 and 2015 and emphasize social and economic transformation, specifically developing high growth sectors and a globally competitive economy to provide the basis for ensuring widespread prosperity in Liberia.

Figure 3.3: National Development Planning Process

3.6 Pillars of the Short and Medium Term Strategy

As an overall framework, the government has prioritized key development issues into four pillars in order to provide core areas of strategic intervention to address poverty in all its dimensions, including income and non-income poverty. The pillars enhancing national security, revitalizing economic growth, strengthening governance and the rule of law and rehabilitating infrastructure and delivering basic services formed the targets of the 150-Day Action Plan and will also extend through the iPRS and the full PRS (see figure 3.4).

In fact, these pillars form the essential building blocks for the realization of an MDG-based recovery, reconstruction and development process and the ongoing fight against poverty. In a post-conflict environment of extreme and widespread poverty with a very weak economy, absence of employment opportunities, little or no socio-economic infrastructure and high household dependency rates, everything is important and at worst, urgent. Yet financial resources and capacities are very limited.

As acknowledged by the President of Liberia, sustainable peace will largely depend upon the ability to deliver basic social services in urban and rural areas. Similarly, without basic infrastructure and rule of law, investments needed to fuel growth will not be forthcoming. Governance and the rule of law provide the institutional base for strong economic performance and poverty alleviation and, justice is what's needed to ensure that grievances are settled through dialogue within the political system, rather than through violence. This mutual reinforcement provides the strong basis and justification for focusing on these elements and represent, in military parlance, the soft 'underbelly' of the Liberian post-war challenge.

Figure 3.4: The Four Pillars as a Strategic Framework

Only careful prioritization and a robust sequencing of actions will help the Government of Liberia reach key medium-term priorities. These include:

- Completing the reform of the security sector;
- Revitalizing agriculture to ensure growth that is favorable to the poor;
- Rebuilding the nation's road network;
- Accelerating human resources development;
- Strengthening the environment for private sector growth;
- Creating jobs;
- Promoting good governance and the rule of law.

As the linkages in Figure 3.4 suggest, success in addressing issues within the four pillars is expected to facilitate job creation and improve service delivery, representing an organizing framework to make progress on other issues as well. Broad-based economic growth, with a direct focus on job creation, capacity-building and service delivery are interconnected and mutually reinforcing, laying the foundation for peace, security and development.

The framework will be further developed and strengthened during the PRS process. Preliminary results of the 2008 population and housing census along with additional data and inputs gathered through participatory poverty and program impact assessments will be used to enrich the analysis during the PRS process. For now, a critical effort during the iPRS period will involve building a socio-economic and demographic database to ensure the formulation of a robust poverty reduction strategy. Key objectives and actions for each pillar during the iPRS period are described in detail in the next four chapters.

CHAPTER FOUR
Pillar One: Enhancing National Security

4.1 Major Challenges

Over the years, security forces have been used to terrorize the population and intervene in the political process without respect for due process or law. Today, the security sector in Liberia is dysfunctional due to several key problems: lack of professionalism; absence of democratic control; absence of accountability to the rule of law; weak oversight mechanisms; and inadequate resources. A complete overhaul of the armed forces, police force and other security forces following the devastation of the civil war is required to help enhance national security.

Another major challenge is completing the process of reintegrating refugees and internally displaced persons (IDPs), ensuring they are back in their communities with productive livelihoods. Liberian youth, which account for nearly half the population, were subjected to marginalization and various forms of exploitation before and during the war and this has created a highly militarized youth population. Lack of interest in the value and promise of education is contributing to the growth of illiterate youth; economic opportunities for trained youth remain very limited. These challenges, coupled with the breakdown of traditional values and norms, make the youth situation a highly volatile security challenge. Ex-combatants and youth do not have access to job and employment opportunities, increasing the risk of a return to violence.

Gender-based violence (GBV) remains prevalent in Liberia and is a special security concern. A GBV task force has been established as part of the 150-Day Action Plan. The United Nations has also put in place additional measures and mechanisms to deal with sexual exploitation and abuse.

There are strong interrelationships between security, chronic poverty, justice and peace. The past has shown how vicious and symbiotic the cycle of poverty driving conflict and conflict driving poverty really is. Considering this, the approach of the government in addressing key sources of conflict, including poverty, will be holistic, taking into account the multidimensional nature of peace and security.

4.2 Initial Responses

The government's immediate objectives were to launch a reform process to ensure the various security services serve the population and that all Liberians live in a stable and peaceful environment. First efforts by the government, as outlined in the 150-Day Action Plan, focused on:

- Building a capable and democratically accountable military force by completing the demobilization of ex-combatants, recruiting the first 2,000 Armed Forces of Liberia (AFL) troops and initiating new training programs.
- Strengthening national security institutions by undertaking a reorganization of all national security agencies, completing a national security review, developing a

national security plan and demobilizing a significant portion of the Special Security Service (SSS).

- Continued strengthening of the Liberian National Police (LNP) through completion of severance payments to non-qualified police personnel, continued recruitment of qualified personnel, re-equipping and logistical support to the LNP, restructuring and reform of the institution and opening women and child protection units in four LNP stations.
- Facilitating the return of refugees and IDPs to their homes.
- Aiming to achieve 20 per cent representation of women in the LNP recruitment process, in line with the draft gender policy. Training at the police academy also has an integrated gender component to address human rights abuses and GBV.
- Establishing a GBV task force, which is now functioning and chaired by the Ministry of Gender and Development with representation from the Ministry of Justice, LNP, the United Nations Country Team, the United Nations Mission in Liberia (UNMIL) as well as international and local non-governmental organizations (NGOs). A national action plan on GBV will be launched before the end of 2006.
- Ensuring that returnees are not discriminated against and have access to sustainable, basic services to ensure conditions of safety and dignity.

4.3   The Emerging Medium-Term Agenda

The government cannot take for granted current improvements in the security situation. Therefore, its medium-term approach is to develop a national security strategy to guide security sector reform, extend national security actions to ensure national safety, security and peace as well as build national security capabilities. These are especially important given the need for Liberia to take responsibility for its own security after the departure of UNMIL. Key elements of activities that the government will be pursuing are:

Reforming the security service
Intensifying ongoing efforts to reform the security service will include a comprehensive longer-term operational and institutional security reform agenda with national and regional implications in order to rationalize various security forces, facilitate a change in culture of the security forces, define clear missions and tasks and ensure there are no duplications, overlap or conflicts of interests between security agencies. Reforms will also take into account issues of security around natural resource-rich areas.

Ensuring gender balance, the integration of gender perspectives in the armed forces and police through representation at all levels and gender equality and human rights training is seen as a key reform component. Strong health programs for security forces with prevention and awareness campaigns for communicable diseases including HIV/AIDS will be undertaken, as well as programs to prevent environmental degradation by security agencies.

Strengthening national safety, security and peace
In its efforts to continue maintaining the peace, the government will begin implementing the next phases of the demilitarization, demobilization, reinsertion and reintegration process to help ex-combatants, demobilized soldiers and deactivated police reintegrate into communities and the economy. The government will also be addressing the needs of youth by ensuring that ex-combatants, especially those who do not qualify for enrolment in the new AFL and LNP, have access to opportunities for training, empowerment and reintegration. Juvenile and young offenders will also have access to real rehabilitation

through the corrections system. The government will continue to protect returnees from discrimination and provide access to sustainable, basic services for a safe and dignified return.

Building national security capabilities
Ensuring that the new security agencies can maintain the peace following the departure of UNMIL is a key preoccupation of the government. As a consequence, efforts to train and rebuild the security forces will be intensified. Other key priority areas are: ensuring a smooth transfer from international peacekeeping to national security institutions in assuming the role of maintaining peace and security in Liberia; strengthening the judiciary and completing ongoing reform measures to enhance peace, human rights and justice, deepen democratic values in Liberian culture and substantially reduce gender-based violence; and building and implementing a conflict early warning system to monitor and respond to threats of uprisings/insurgencies, as mandated by the Economic Community of West African States for all national governments in the sub-region are the focus of the Government.

4.4   The Interim Poverty Reduction Strategy Agenda

The agenda for the Interim Poverty Reduction Strategy period, focused on maintaining peace and security, is presented in Table 4.1.

Table 4.1

POLICY OBJECTIVES AND EXPECTED RESULTS FOR ENHANCING NATIONAL SECURITY FOR THE PERIOD JULY 2006-JUNE 2008[1]

Broad Policy Goal: Maintain and consolidate peace and facilitate the national healing process.

Results/Indicators	Policy Objectives	Delivery Date	Lead/Collaborating Partners
Objective 1: Strengthen key institutions for national security			
Policies, plans and strategies (reviews and formulation)			
National security threat assessment	To analyze and assess the security situation of the nation	December 2006	Ministry of Defense (MoD)
National security policy and architecture formulated and endorsed by cabinet taking into account air, sea and land borders	To provide national policy direction and framework for ensuring national safety, security and peace	March 2007	Governance Reform Commission (GRC) / MoD; Ministry of Justice (MoJ)
National decence strategy and other institutional level security strategies in support of the national security policy	To develop a cohesive national strategy to maintain peace and security	April 2007	MoD; MoJ; Liberia National Police (LNP); Special Security Service (SSS); Bureau of Immigration and Naturalization (BIN); National Security Agency (NSA)
Concept of operations for all governmental security agencies to support the implementation of their respective security strategies	To indicate and specify the scope, level, ways and means of implementation	June 2007	MoD; MoJ; LNP; SSS; BIN; NSA
Strategic blueprint for national security forces to progressively take over security responsibilities from the United Nations Mission in Liberia (UNMIL)	To appropriately respond to the consolidation, drawdown and withdrawal plan of UNMIL from Liberia	September 2007	MoD / MoJ

Results/Indicators	Policy Objectives	Delivery Date	Lead/Collaborating Partners
Capacity development (systems, processes, institutions)			
Recruit, vet, train, equip and deploy the following numbers of personnel: Armed Forces of Liberia (AFL) 2000, LNP - 3500, NSA - 200, MoD - 91, BIN - 2000; strengths of specialized security services yet to be determined. It is hoped that the entire security sector will be comprised of 20 per cent females.	To build diverse (gender, ethnic, regional), credible and democratically accountable security forces	June 2008 * some units may be deployed in early 2009	MoD / Ministry of State (MoS); MoJ; Ministry of Gender and Development (MoG&D)
Gender-sensitive syllabi/modules incorporated in training curricula for security sector personnel	To make the security sector and its personnel more gender-sensitive and responsive to gender-based crime	December 2007	MOG&D / MoJ; MoD
Objective 2: Strengthen regional policies for national security			
Operational programs (services delivery / job creation)			
Develop options for strengthening sub-regional security cooperation	To ensure that cross-border conflict is avoided and peace is maintained within the region	August 2007	Government of Liberia
Objective 3: Strengthen systems for veterans and pensioners			
Operational programs (services delivery / job creation)			
Operationalization of the Bureau for Veterans Affairs	To administer veterans affairs and serve as an interface between demobilized personnel and the government	May 2007	MoD / Ministry of Finance (MoF); Civil Service Agency (CSA)
Functioning system for paying pensions to retired security personnel	To engage demobilized and deactivated former defense and security sector personnel	August 2007	MoF; MoD; MoJ; LNP; SSS; BIN; NSA

Results/Indicators	Policy Objectives	Delivery Date	Lead/Collaborating Partners
Objective 4: Complete the process of demilitarization, demobilization, reinsertion, and reintegration			
Operational programs (services delivery / job creation)			
Refugees and former internally displaced persons (IDPs) returned, resettled and reintegrated on a voluntary basis	To facilitate the return and reintegration of refugees and IDPs into the socio-economic life of society so as to ensure peace	June 2007	National Commission for Demobilization, Reinsertion and Reintegration (NCDRR) and Liberia Refugee Repatriation and Resettlement Commission (LRRRC) / Ministry of Internal Affairs (MIA); MoJ -LNP; Monrovia City Corporation (MCC)
Land and property disputes resolved; peace and reconciliation promoted amongst returnees, community dwellers and property owners	To ensure that returned and resettled former IDPs and exiled Liberian returnees repossess lands and properties left behind as a result of displacement	June 2008	LRRRC / MoJ - LNP
3,546 residual Sierra Leonean refugees are locally integrated in Liberia	To facilitate the local integration of 3,546 Sierra Leonean refugees in Liberia in accordance with Liberia's refugees act and United Nations conventions on refugees; resident permits and citizenship obtained; enhance legislative and general support and acceptance for local integration process	June 2008	LRRRC / MoJ - LNP; Ministry of Labor; MIA; Ministry of Foreign Affairs; Ministry of Planning and Economic Affairs; BIN; legislature; judiciary

1 - Additional deliverables will be produced as they emerge, or at the request of the president, with the availability of time and funding.

5.1 Major Challenges

A quarter century of crisis coupled with decades of fiduciary mismanagement has left the Liberian economy substantially deteriorated. Today, Gross Domestic Product (GDP) is one eighth of 1980s pre-war levels and, as productive sectors such as agriculture and forestry, mining, manufacturing and construction collapsed, so too did social and economic infrastructure. Economic management capacity weakened dramatically, infrastructure collapsed and the economy became dominated by a large informal sector characterized by low productivity and lack of innovation. Although there is a deficiency in up-to-date and reliable data for economic management and monitoring, major macroeconomic imbalances – reflected in large external and domestic debt overhang – have left the debt/export ratio of Liberia in excess of 3,000 per cent.

Designing appropriate policies and building critical economic management capacities to revitalize the economy (Annex 2) and create sustained employment opportunities are major challenges for the government. Unemployment in the formal sector, according to one source, is estimated at a staggering 80 per cent.[9] High levels of unemployment amongst youth undermine poverty reduction and significantly contribute to security concerns. The collapse of infrastructure, agriculture, manufacturing and, to some extent, United Nations Security Council sanctions have all had a major impact on employment. Collapse of the timber and diamond trade are estimated to have lowered GDP by 31 per cent[10] and resulted in losses of 25,000 jobs in timber and 12,000 jobs in diamonds.[11] The deterioration in rubber production has shrunk 50,000 jobs down to 10,000.[12] Agricultural incomes in the crop sector have also plummeted, with productivity for cereals falling from 1,290 kilograms per hectare (kgs/ha) in 1998 to 917 kgs/ha today.[13] Crop production is still below year 2000 levels.

Sustainable use of natural resources and strong environmental management is crucial for enhancing broad-based growth, creating meaningful jobs and reducing poverty. Proper natural resource management is also critical in reducing corruption and exploitation of resources to sustain conflict. A poorly utilized and polluted environment results in land degradation, which will not be suitable for agricultural productivity, human settlements and environmental sustainability. Although environmental laws and regulations are in place in Liberia, specific standards have not been set to monitor activities and enforcement capacity is weak. Guidelines for conducting environmental impact assessments or sustainable use of natural resources are yet to be established. Additionally, there are major policy deficits regarding land use and tenure, with significant implications for growth in agricultural employment.

Significant inequities in income and assets exist and a significant gap regarding women's access to and controlling of land, economic information and credit. Although women make up a large percentage of small-scale traders in the markets around the country, no policy exists to support small-scale enterprises.

A lack of reliable and timely data is a critical issue faced by post-war Liberia. Reliable data are required for policy formulation and implementation and is necessary to monitor progress and promote accountability and transparency in decision-making processes. Decades of abandonment have left Liberia's capacity for information and statistical

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9 - There has to be strong caution on the data, particularly on the labor market, since there have been no recent laborforce surveys.
10 - IMF 2006
11 - Liberian Federation of Labor Unions (LFLU)
12 - LFLU
13 - Economic Intelligence Unit data base, 2006

gathering, analysis and management in a serious state of disrepair. Strengthening the national statistical system and information management of the government will mean considerable investments in human capital, development of a national information technology policy, investing in an information technology infrastructure, logistics and finance.

5.2   Initial Responses

The government's short-term objectives have been to stabilize the economy, create jobs and restore the government's credibility in using the country's scarce resources efficiently and effectively. To guide its actions, government quickly finalized and embarked on a Staff Monitored Program in conjunction with the International Monetary Fund (IMF) in order to strengthen economic management and establish the basis for further progress under a successor fund program and eventual debt relief under the enhanced Highly Indebted Poor Country (HIPC) initiative and ultimately the multilateral debt relief initiative. Simultaneously, the government introduced key components of the Governance and Economic Management Assistance Program (GEMAP) and formulated and implemented a set of targeted interventions within the 150-Day Action Plan. Of critical importance was the government's quick establishment of a functioning budgetary process, which covered preparation, execution, internal and external controls and reporting. The government is also in the process of strengthening the main revenue-generating agencies and working to make the operations of the Central Bank of Liberia (CBL) and the banking system fully market-based and transparent. Key achievements to date include:

- Successful implementation of an ambitious IMF Staff Monitored Program, resulting in greater focus on reforms needed to revitalize the economy and move Liberia on the path of orderly relations with financial institutions;
- Implementation of measures to strengthen tax compliance, leading to a significant increase in revenues between February and October 2006;
- Re-establishment of the cash management committee and implementation of related expenditure policies and financial management rules to contain spending within available cash revenues;
- Measures to clean up the civil service payroll of 'ghost workers', resulting in substantial budgetary savings;
- Settlement of a substantial part of civil service salary arrears, accumulated by previous administrations;
- Verification of domestic debt and vendors' arrears accumulated by the previous administrations and development of a resolution strategy aiming to bring order and confidence to the financial relations between the private and the public sectors;
- Increased transparency in fiscal management through regular publication of fiscal reports;
- Initiation of the review of concessions and contracts granted under the National Transitional Government of Liberia (NTGL);
- The creation of the public procurement and concession commission to curb corruption in procurement and concessions processes by the private and public sectors;
- Reform and improvements in CBL operations focusing on making the banking system fully market-based and transparent;
- Preparation and publication of the monetary policy framework paper;
- Rebuilding of main revenue generating agencies Robertsfield International Airport, National Port Authority, Liberia Petroleum Refining Corporation, Forestry Development Authority (FDA), and Bureau of Maritime Affairs (BMA);

- Cancelling non-compliant forestry and port concessions;
- Provision of seeds and tools to at least 14,000 farmers, supplies for 1,800 fishermen, training assistance for at least 2,000 ex-combatants and food assistance for about 16,000 families through food-for-work programs;
- Launching the Liberia Emergency Employment Program (LEEP) aimed at engaging more than 17,000 young people in some quick employment projects within the next year to two years.

With regard to environmental and natural resource management, the Environmental Protection Agency (EPA) is now institutionalized thanks to the establishment of its policy council and board of directors. The Forestry Reform Monitoring Committee (FRMC) was established to tackle commercial conservation and community aspects of the forestry sector, though the commercial aspect has been the main focus thus far. The passing and enacting of the Forestry Reform Law of 2006 will not only help ensure that the sector is managed in a sustainable manner, it was a requirement for fully lifting sanctions on timber. A United Nations/Government of Liberia Rubber Plantation Task Force was also instituted to ensure proper administration of state owned plantations.

A major constraint on effective policymaking has been the dearth of reliable data and statistics. Before the war, the Ministry of Planning and Economic Affairs (MPEA) regularly collected data price indices, trade, industrial production and energy consumption and conducted specialized surveys on, for example, agriculture, demography, population, labor force and employment. With the establishment of the Liberian Institute of Statistics and Geo-Information Services (LISGIS) by an act of legislation in November 2004, Liberia now has a dedicated national agency responsible for the collection and publication of official statistics.

A substantial amount of investment is needed to approximate pre-war capability. Targeted programs will be developed in collaboration with partners to build LISGIS' capacity in order to be able to collect, analyze and disseminate statistics on national accounts, consumer price index, trade, environment, food security, and to conduct population and housing censuses as well as demographic and health surveys.

LISGIS is presently conducting the 2006-2007 Liberia Demographic and Health Survey and presented the roadmap of the 2008 Liberia Population and Housing Census to partners. Investment is needed to successfully carry out the key phases of the census, which will provide vital, up-to-date socio-economic and demographic information with benchmark data disaggregated by sex, age and economic/social characteristics. The cartographic work, which is expected to start in January 2007, will help build a new sample frame.

5.3   The Emerging Medium-Term Agenda

A key objective is to rapidly accelerate the pace of economic growth as the foundation for poverty reduction and sustained development. Areas that show the greatest promise for a rapid rebound are agriculture (including fisheries), forestry, wood processing, diamonds, iron ore, rubber and urban services. Manufacturing is also expected to contribute to growth, starting with simple products such as furniture and beverages. Later, agro-processing and light manufacturing products could be developed to service local demand and export competitively in the region, Europe and United States. On the basis of governmental policy reforms, the gradual rebound of exports as remaining

United Nations sanctions are lifted and donor-financed reconstruction activities, GDP growth is expected to approach 7-8 per cent over the next year, a rate which the government will aim to sustain over the medium term.

Fiscal policy and management
Building on the progress achieved in its first 11 months, the government will implement several measures aimed at broadening the tax base and increasing revenues, including: expansion of the pre-shipment inspection program to rural ports; expansion of the computerized bank payment slip revenue collection system to cover miscellaneous taxes, the Port of Monrovia and Robertsfield International Airport; increasing the excise tax on beer and cigarettes; reducing import tax exemptions, including through better management and monitoring of non-governmental organizations and religious organizations; redefinition of the base of the goods and services tax, in line with the provisions of the 2000 Liberia Revenue Code (LRC); rigorously implementing a program to collect overdue tax/duty obligations; and strict enforcement of Executive Order Number Three, which centralizes revenue collection in the Ministry of Finance (MoF).

The government will advance work on the comprehensive import tariff reform to move Liberia towards the Economic Community of West African States (ECOWAS) Common External Tariff and begin implementing other recommendations from the May 2006 IMF tax policy mission (for example, on the income and goods and services tax). A key focus will be to uproot corruption in revenue administration, in particular by addressing weaknesses in the large taxpayers' and customs units and restructuring the revenue department, including the possible outsourcing of customs with support from the European Commission.

The government will continue the effective operation of the cash management committee to ensure that spending is contained within the actual monthly revenue envelope and follows prioritized cash plans. With technical assistance from the IMF and World Bank, as well as from other partners, the government will work to strengthen public expenditure management capacity through the implementation of an interim commitment control system and full implementation of a new public procurement and concessions act. A substantial expansion of technical assistance and capacity-building under the World Bank-financed resource management unit will further strengthen financial management and policy making at the MoF, which includes automating processes.

To ensure more efficient management of an important revenue source, the government has submitted legislation to integrate the BMA into the MoF. Similarly, the government has submitted legislation to integrate the Bureau of the Budget (BoB) into the MoF, with a view to improving budgetary processes. A key element of these legislative changes is limiting the authority of the executive branch in effecting budgetary transfers without legislative approval. Further, the government has eliminated the practice of a parallel 'development' budget, thus ending the fragmentation of the budgetary process and allowing the exercise of an integrated oversight of resource allocation.

Recurrent expenditures aimed at restoring the orderly functioning of public administration still dominate the budget, limiting the scope for shifting resources into more spending for the economic and social sectors, which together only account for about 30 per cent. While such a pattern of spending is understandable in a country emerging from prolonged conflict, the government is committed to containing personnel-related spending in order to facilitate the financing of programs with visible, on-the-ground impact. Efforts to remove ghost employees from the payroll and to facilitate the departure of redundant and retirement-age

staff have progressed well. As a first step in addressing the grossly inadequate civil service pay levels, the budget includes an envelope to increase civil service salaries while cleaning up payroll irregularities as a means of containing personnel spending.

Monetary and exchange rate policy
The main objective of the CBL will be to maintain price stability, as its monetary policy role is limited due to the extreme 'dollarization' of the economy. The current system of foreign exchange auctions will continue as a way to manage the pace of increase in domestic liquidity. Efforts will be made to build up foreign reserves consistent with the objective of maintaining stability in exchange rate. Strengthening the capacity of the CBL will give it the ability to manage liquidity and supervise the banking sector to facilitate development of the financial sector. Notwithstanding the projected widening of the trade deficit, external reserves are expected to increase slightly. Inflation should remain modest at around eight percent, underpinned by a relatively stable exchange rate.

The Liberian economy continues to operate under a dual currency system United States Dollars and Liberian Dollars. A range of reforms to pursue credible macroeconomic policies, develop Liberia's financial system, improve the health of the banking sector, strengthen governance and secure peace and stability will, in due course, allow for a market driven 'de-dollarization' of the economy.

Management of state-owned enterprises
While unlikely to be accorded high priority during the implementation period of the Interim Poverty Reduction Strategy (iPRS), initial thinking will be further deepened with respect to the management of a number of state owned enterprises, presently benefiting from direct support by the government. The principal objective would be to reduce, as quickly as possible, the dependence by most of these entities on the public treasury, primarily through processes of capacity development involving their staffing and systems. The government is also committed on a one-off basis to absorbing significant liabilities inherited form previous governments in any of these enterprises, with a view to assisting them to move to commercial feasibility as quickly as possible. Most state owned enterprises are already under strict monitoring and restructuring within the GEMAP framework, with many already showing positive signs of enhanced fiscal and operational performance. Once the state owned enterprises are stabilized, clearer national strategies would be formulated in respect of their longer term practicality, either through privatization of their management via contracts, concessions or outright equity, or other financial restructuring options.

Revitalizing agriculture
Prior to the war, Liberia achieved over 50 per cent food self-sufficiency (mainly rice and cassava). It also produced cash crops (rubber, cocoa and coffee) from which farmers earned income and the government received tax revenue, foreign exchange and other benefits. Poor governance and civil wars all but wiped out these gains, leading to even lower labor and land productivity and minimal economic returns that characterize the smallholder sub-sector where the majority of Liberians earn their livelihood.

The government recognizes the major role the agricultural sector could play in economic recovery. Agriculture is the largest productive sector historically and can provide a proven and reliable base for transitioning Liberia's war-affected people and communities from relief to recovery and eventually development. The 'Statement of Policy Intent for

the Agriculture Sector' and associated 'Action Plan 2006-2007' provide a strategic framework for beginning to overcome obstacles to agricultural development and revitalizing the sector in the context of the iPRS.

Bearing this in mind, specific attention will be paid to the redevelopment and expansion of agricultural exports, especially in traditional areas of rubber and forestry products. Partly within the framework of the African Growth and Opportunity Act (AGOA), progress in the accession to full membership is already underway and related efforts will be made to revitalize production of other crops such as coffee, palm oil and cocoa for exports, with an emphasis on adding value domestically in secondary processing.

An important element of the strategy for agricultural revitalization and development is reenergized management and administration of private rubber plantations; activities at many were severely impaired during the civil war. Consequently, enormous tracts of lands previously acquired for rubber production have since been abandoned or are now being inefficiently hoarded or put to less economic uses. Using all necessary tools at its disposal, including taxation where necessary and through a more comprehensive review of land tenure and management arrangements, the government will move decisively to end inefficient practices to assure enhanced economic benefits from these plantations and other areas of inefficiency. An active policy of land tenure will be formulated to respond to situations of this nature. In addition, unlike practices in the past, public officials will no longer be permitted to procure from the state and speculatively hoard extensive holdings of private real estate property.

Revitalizing mining and forestry
Through increased government revenues and job creation, these sectors' contributions will have important implications for rebuilding social services such as health care, schools and water and sanitation critical to the reduction of non-income poverty. Moreover, the multiplier effects of these sectors will provide a major boost for the economy. To remove uncertainty for private investors and rapidly pave the way for Liberia to start tapping into the benefits, the government will expedite decisions on the recommendations of the review of contracts and concessions signed during the NTGL period.

The government will also take advantage of the newly lifted forestry sanctions within the provisions of the recently enacted Forestry Reform Law of 2006. In addition, the necessary steps to meet international requirements and obligations to remove diamond sanctions will be taken.

The government is committed to adopting relevant international protocols and ensuring that earnings from extractive industries are used in an accountable and transparent manner to develop the economy for to benefit all Liberians. To help in this process, the government has solicited the assistance of the Extractive Industries Transparency Initiative secretariat on its plans to join the initiative.

While working to restore traditional sources of growth (mining, rubber, timber), the government will promote diversification in order to reduce the extreme vulnerability of the economy to international commodity price fluctuations. To do this, it will work with the private sector in identifying potential new sources of growth and on the development of related sector strategies. During the iPRS period, sector studies will be undertaken to identify opportunities within the global marketplace, examine market requirements and identify constraints.

Natural resource and environmental management
A key objective over the medium term is to strengthen natural resource and environmental management. Although the focus of the FRMC has been to tackle commercial, conservation and community aspects of the forestry sector, the latter two have not yet been adequately addressed to promote sustainable use of land and other natural resources.

Revitalizing and empowering the EPA is also considered a key step to effectively monitor and enforce environmental protection and management. Subsequently, necessary guidelines and standards such as for the environmental impact assessment and pollution control will be formulated and implemented. It will also allow relevant line ministries and agencies to face key issues emerging in the environmental sector.

Enabling private sector recovery and development
The economy of Liberia has traditionally been private-sector based and the country was once renowned for its open door policy towards foreign private investment. The government believes that the private sector must remain the main engine of growth in Liberia, propelling investment, creating jobs and facilitating the delivery of basic services. Growth led by the private sector will come mainly in the agriculture, mining, forestry, urban services and smaller manufacturing sectors at the formal and informal levels. But the private sector in Liberia also faces several policy, infrastructure and capacity constraints. During the iPRS period, the government will begin to address critical structural constraints and impediments to private investment and economic activity. These include:

Large informal sector – Liberia has an exceptionally large informal sector, currently generating as much as four times more employment than the formal sector. While it originally helped cushion the impact of an economic collapse, informality has significant economic costs, including high levels of tax evasion. The challenge for the government will be to implement programs and policies to help improve productivity and working conditions in the informal sector and correct credit market failures to enhance access to capital. As such, government interventions will focus on providing training and skills upgrading, enterprise support activities and enhance available credit facilities through micro finance and small and medium scale enterprise funds. In designing these interventions, special attention will be given to the obstacles faced by women and youth in gaining employment and starting businesses.

Access to energy – A lack of electricity in most of Liberia has come as a result of the destruction of the public national power grid; public energy generation and grid supplies are only now beginning to re-emerge in parts of Monrovia. Most energy will be fueled by private generators. Restoring generation capacity and grid distribution to ensure regular power supply to the country is critical and the management of fuel costs in production structures of enterprises will therefore continue to be major challenges in the coming years.

Access to finance – Limited access to finance, especially for women is a major economic constraint. Liberia's financial sector is still rudimentary, dominated by an oligopoly of commercial banks, most of them weak. Desperately required micro-finance needed to kick start smaller businesses is only embryonic and supply remains well below demand for these services.

Land ownership and tenure – Land issues are a major bottleneck and reform is needed that includes changes in the traditional land tenure system to ensure more private ownership as well as land distribution to reduce long tenured excessive holdings and enhance land use.

Tax policy – The corporate income tax rate of 35 per cent is on the high end of the range in West Africa. The government will consider reducing it to 30 per cent in the context of the 2007-2008 budget in order to providing adequate incentives to investors and eliminate the need for special tax concessions. Likewise the government will also consider reducing the presumptive 4 per cent turnover tax applied to small traders and businesses to 3 per cent, in line with prevailing rates in the region, which are anywhere from 2-3 per cent.

Investment code – The current investment code has been in effect since 1956 (amended in 1975. It is out of date and inconsistent with the 2000 LRC. It needs to be revised to remove all references to tax issues, so that all tax laws are covered only in the LRC and instead, focus on non-tax factors inhibiting investment (for example, the discriminatory legal framework for Liberian versus foreign investors).

Telecommunications – The telecommunications market needs modernized laws and regulations with a clear separation of policy, regulatory and licensing functions. The government will soon submit legislation to address these issues and pave the way for further expansion in service provision and tax revenue, as envisaged in the budget for the fiscal year 2006-2007.

Administrative and Regulatory Issues – A host of administrative and regulatory barriers severely limit the ability of businesses to operate effectively. These include excessive business inspections by public officials, cumbersome work permits and other bureaucratic procedures, visa difficulties, unclear investment procedures and regulations and informal tax and customs procedures and charges.

The MoF, Ministry of Commerce and Industry (MoC&I) and the National Investment Commission (NIC) are initiating work with the Liberian Chamber of Commerce, Liberian Business Association and other professional associations to address these issues in the context of forging a stronger public-private partnership. A mini-diagnostic study of the local business environment, conducted by the Foreign Investment Advisory Service of the World Bank, presented a number of options for addressing the constraints in the enabling environment for private investment. The government has already taken steps to implement some recommendations and will implement most of the others in the course of the next year.

Employment and job creation
One of the government's most important objectives during the iPRS period is to promote the rapid creation of significant numbers of jobs. Given the severity of the post-conflict unemployment situation currently confronting Liberia, rapid job creation is central to maintaining security (especially jobs aimed at ex-combatants and youth), jump-starting the economy, rebuilding infrastructure, generating income and fighting poverty. The challenge is to shape the revival of the growth process to promote to the fullest extent possible creation of productive, remunerative and decent employment for both men and women. This requires emergency short-term measures for immediate job creation as well as the establishment of an enabling socio-economic environment over the medium term to permit

the private sector to lead the way in generating sustainable and productive employment. Expanding productive employment opportunities represents the core exit strategy from poverty.

The majority of jobs will be in the private sector: agriculture, mining and minerals, forestry, urban services and some light manufacturing. However the public sector, in cooperation with partners, has a key role to play, especially through public-private partnerships focused on labor-intensive infrastructure projects, urban sanitation and clean-up projects and other related initiatives. The government has already launched one employment initiative and will be implementing specific steps in the coming months to generate further employment (described in box 5.1).

Box 5.1: Response to the Employment Crisis

A strategy for employment creation in Liberia launched by the president on 15 July 2006 provides for immediate emergency employment creation and lays the foundation for a longer-term sustainable employment strategy. It reflects a phased approach where the immediate concern is quick job creation, while simultaneously moving towards an employment program for sustainable development.

The strategy is composed of 5 key initiatives: (i) Boosting employment in public works investments; (ii) skills training; (iii) facilitating the graduation of the informal economy and boosting the small and medium enterprise sector and cooperatives; (iv) delivering credible labor statistics and labor market information and analysis; and (v) promoting social dialogue and strengthening labor administration. Work plans, based on additional data and analysis for each initiative, will be further developed and reflected in the full Poverty Reduction Strategy Paper (PRSP). Attention will be given to ensuring that women have access to employment in public works projects and skills training, and that labor statistics are disaggregated by gender.

While the iPRS focuses on the short term quick 'wins', the link with sustainable employment needs to be nurtured early on. Given the urgency of quick job creation, in particular for youth, the government has put together a National Public Works Program (NPWP) for the next six to 12 months and set up LEEP. Under the leadership of the Ministry of Labor (MoL) and in close coordination with the MoF and the MPEA, a LEEP/Liberian Employment Action Program (LEAP) unit was established to introduce coordination on job creation, maximization of employment in infrastructure and other investment, as well as to promote planning and integration of various employment creation programs. Local Box structures will be closely involved as the operationalization of the strategy must take place at local level. The LEEP/LEAP unit will act as a facilitator, managing the flow of information, avoiding duplication, integrating project interventions and enabling the development of regional economic development plans.

Box 5.1 continued...

Against this background, a short term, quick win public employment creation program, supported by interventions aimed at stimulating productive activities in the private sector, will be pursued and implemented. Among the initiatives which would be taken at multiple levels are:

Decentralized Community Reconstruction Efforts – Ongoing community driven development initiatives by the government include the 15 County Plan (previously known as the 100 Villages Plan), the National Community Based Recovery initiative, the Liberia Agency for Community Empowerment and the Country Support Teams. In addition, there are a host of community projects that need to be strengthened and coordination improved to enhance their contributions to employment opportunities at the village and district levels. Successful pilots and best practices will be replicated to the extent possible.

Urban Services – An improving security environment, political stability, public finance stabilization efforts, expanding donor programs and the presence of United Nations peacekeeping troops are already contributing to employment growth in the service sector in Monrovia. Job opportunities are expanding in retail trade, restaurants, hotels and construction. The strategy is for the government to maintain stability, remove bottlenecks and delays associated with startup and the costs of doing business in the service sector. This should help provide employment opportunities for some urban-based retrenched government and security personnel and the large pool of unemployed.

labor-intensive public works – About 20,000 quick-impact and infrastructure-related jobs have been created since January 2006 through collaboration between the government ministries and agencies (public works, labor, defence, water and sewer) and partners. Through December 2006, a number of job creation initiatives will be supported by partners focusing on rehabilitation of roads and waste management. The shift beyond Monrovia is essential to encourage return to rural areas and reduce heavy overcrowding in Monrovia.

Short-Term Revival of Agricultural Production – Even in the short-term timeframe of the iPRS, the best prospects for widespread job creation is restoration of agricultural production through public-private partnership. To support this, the government will continue to ensure security and support the provision of seeds and basic implements to farmers, including women. The private sector will also be encouraged to establish post-harvest industries and services to create off-farm employment opportunities that will play a major role in supporting rural livelihoods. The government will also continue to support measures, including jump-starting concession arrangements to revive rubber production.

Statistics for development
Since a major challenge in economic analysis and policy formulation stems from the absence of reliable and timely statistics, the government will continue making sustained efforts to ensure national capacity for information gathering and dissemination is strengthened.[14] A strategy for the development of the national statistical system will be prepared, with LISGIS at the core. Key surveys for poverty analysis are the foundation for policy formulation and planning of interventions.

Ensuring that adequate data and statistics are collected on issues pertaining to youth, gender and environment is particularly important. Gender-based economic planning is made difficult by the lack of gender disaggregated data and information. Government planning and policymaking processes, before the civil war and currently, are based on gender-blind data and statistics. Changing this will necessitate revising the approach to data collection by governmental ministries and agencies to ensure they are gender disaggregated. The World Bank, the United Nations Development Fund for Women and other partners have agreed to provide assistance in this regard. In addition, it is crucial to develop a national capacity to monitor and evaluate environmental information, which would be used to track progress on achieving the Millennium Development Goals (MDGs). The capacity to monitor water quality standards is the most glaring of the relevant examples.

Unfortunately, LISGIS lacks the technical skills needed to operate various stages of the data management process. In order to operationalize the agenda of the government with respect to data and statistics, capacity will need to be built within LISGIS. Also, the capacity to collect data and undertake analysis for monitoring and evaluation as part of the implementation of the iPRS and full PRSP will be developed.

5.4   The Interim Poverty Reduction Strategy Agenda

During the iPRS, period activities under the pillar for revitalizing the economy will focus on more efficient management of national resources, raising economic growth and creating jobs. These activities are presented in Table 5.1.

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14 - The government is building on partners' support to develop its statistical development strategy (cf. *A Roadmap for the Development of a National Strategy for Statistical Development in Liberia - Short Term Actions and Strategic Directions, Second Draft*. World Bank GDDS Support to Liberia (Strode, April 2006)).

Table 5.1

POLICY OBJECTIVES AND EXPECTED RESULTS FOR REVITALIZING THE NATIONAL ECONOMY FOR THE PERIOD JULY 2006-JUNE 2008[1]

Broad Policy Goal: *Promote efficient and transparent management of national resources, improve the investment climate and accelerate growth and the creation of sustainable employment.*

Priority Interventions	Results/Indicators	Delivery Date	Lead Ministry or Agency
Objective 1: Strengthening fiscal policy and financial management			
Policies, plans and strategies (reviews and formulation)			
Plan and initiate implementation of comprehensive reform of tax policy and revenue administration	Plan by end-December 2006	June 2007	Ministry of Finance (MoF)
Operational programs (services delivery / job creation)			
Maintain balanced cash-based budget	No borrowing; no arrears	Ongoing	MoF, Bureau of the Budget (BoB)
Initiate work on comprehensive reform of the import tariff to move Liberia towards the Economic Community of West African States (ECOWAS) Common External Tariff	Revised tariff structure reflected in 2007 draft budget	May 2007	MoF, Ministry of Commerce and Industry (MoC&I)
Finalize and initiate implementation of resolution strategy for domestic debt and arrears	Strategy finalized; resolution mechanisms announced	January 2007	MoF
Fulfil conditions for reaching Highly Indebted Poor Country decision point	Interim debt relief agreed	September 2007	MoF
Capacity development (systems, processes, institutions)			
Strengthen the budgetary process and the scope of the budget to improve its role as a tool for resource allocation	Timely budget circular, hearings and submission; Budget for the fiscal year 2007-2008 to take into account donor-funded projects	Budget circular by January 15; Budget to legislature by May 15	MoF, BoB
Fully integrate the BoB and the Bureau of Maritime Affairs (BMA) into the MoF following passage of pending legislation	Effective working of newly enhanced MoF better budget management, increased maritime revenue	July 2007	Ministry of State (MoS), MoF, BoB, BMA

Priority Interventions	Results/Indicators	Delivery Date	Lead Ministry or Agency
Strengthen public expenditure management capacity through full implementation of the new Public Procurement and Concessions Act (PPCA) and support to line ministries	Value-for-money procurement, effective functioning of procurement committees	Ongoing	PPCA, line ministries
Objective 2: Strengthening monetary and exchange rate policy			
Policies, plans and strategies (reviews and formulation)			
A monetary and exchange rate policy prepared, endorsed and pronounced	To manage domestic liquidity and build up foreign reserves consistent with maintaining stability in exchange rate	June 2007	Central Bank of Liberia (CBL) / MoF
Operational programs (services delivery / job creation)			
Continue current system of foreign exchange auctions to manage the pace of increase in domestic liquidity	To stabilize exchange rate and price level	Ongoing	CBL
Build up foreign reserves consistent with the objective of maintaining stability in exchange rate	Improved reserve cover	Ongoing	CBL
Capacity development (systems, processes, institutions)			
Strengthen the financial management of the CBL	To improve financial conditions	Ongoing	CBL
Objective 3: Enabling private sector recovery and development			
Policies, plans and strategies (reviews and formulation)			
Small-scale and medium-scale enterprise policy developed and implementation begins	To provide a guiding framework and mechanism to support these enterprises	December 2007	MoC&I / Ministry of Planning and Economic Affairs (MPEA), MoF
Develop a comprehensive national land reform policy/program	Land policy pronounced and implementation begins to facilitate growth and development	September 2007	Ministry of Lands, Mines and Energy (MoLM&E); Ministry of Agriculture (MoA); Ministry of Justice (MoJ)
National land and housing policies and shelter implementation plan formulated, endorsed and implemented	To develop and adopt comprehensive national land and housing policies with a corresponding shelter implementation plan that will enhance housing delivery	December 2007	MPEA, Ministry of Internal Affairs (MIA), National Housing Authority (NHA), Ministry of Public Works (MPW)

Results/Indicators	Policy Objectives	Delivery Date	Lead/Collaborating Partners
National energy policy and strategic action plan prepared and pronounced	To formulate and strengthen national energy policy implementation and promote economic development	February 2007	MoLM&E
Promote the development of a comprehensive public-private partnership	Mechanism in place and operationalized to assure effective public-private partnership	November 2007	National Investment Commission (NIC) / MoC&I
Memorandum of understanding between union, management and government reached for at least four major enterprises	To strengthen tripartite partnership and promote good relationship	June 2007	Ministry of Labor (MoL) / Labor Unions Employers' Association
Review labor legislation to encourage investment and employment	Labor legislation submitted to legislature	July 2007	MoL
A strategic action plan and program completed to enhance rural women's leadership and management capabilities	To enhance the role of rural women in the socio-economic development process	July 2007	Ministry of Gender and Development (MoG&D) / women's groups and organizations, Ministry of Education (MoE)
Formulate a comprehensive telecommunication policy for the entire sector	To provide a national policy and framework for ensuring transparency, accountability and good governance in the sector	January 2007	Ministry of Post and Telecommunication (MPT)
Operational programs (services delivery / job creation)			
Bring more small-scale enterprises into the formal economy	Increases in business registrations; reduced tax evasion: at least 30 per cent year over year increase in tax revenue from small-scale enterprises	December 2007	MoF; MoC&I
Initiate micro-credit program integrated with adult literacy training for rural women	Micro-credit program initiated; At least 200 women trained and have access to micro-credit	November 2007	MoG&D
Baseline survey of women and markets completed and national conference for women on trade and financial opportunities held	To enhance and promote economic empowerment of women to take advantage of trade and financial opportunities	April 2007	MoG&D / MoC&I, Liberian Marketing Association (LMA), NIC
Livelihoods of 100 women improved through local economic development interventions	To strengthen business management skills of urban women and provide micro-credit interventions	December 2007	MoG&D
A Liberian Entrepreneurship Development and Enterprise Empowerment Initiative designed and established, including support to development of the informal sector	To operationalize programs to empower Liberians to participate in the reconstruction and development of the country	December 2006	MoC&I

Results/Indicators	Policy Objectives	Delivery Date	Lead/Collaborating Partners
Support program for rural women initiated	To enhance status of women in Liberia country	July 2007	MoG&D / MoE
Environmental related industries such as eco-tourism, game ranching, and recreational areas/national parks/forest established	To promote alternative income generation options	June 2008	Forestry Development Authority (FDA) / Environmental Protection Agency (EPA), civil society
Capacity development (systems, processes, institutions)			
Enhance industry inspection services and improve the protection of intellectual property rights and industrial copyright laws	Pre-destination inspection in place together with a more effective intellectual property rights protection process	November 2007	MoC&I
Strengthen the capabilities of the MoC&I on price intelligence/monitoring, standards, consumer protection and inspection capability	Effective systems in place and performance improved by at least 40 per cent	December 2006	MoC&I
Enhance the contribution of micro-, small- and medium-scale enterprises to the development process	Center Songhai (Liberia) established and functioning	December 2007	MoC&I
At least 500 women complete artisan training and placed in jobs	To enhance women's stake in non-traditional employment sectors	November 2007	MoG&D/ MoL, Ministry of Youth and Sport (MoY&S), MoE
500 community members trained in basic community infrastructure construction, management and maintenance skills and micro enterprises established	To transfer basic construction skills for generating employment creation and local ownership and poverty reduction	January 2008	MPW / NHA, Monrovia City Corporation (MCC)
Effective mechanism for dialogue between public and private sector in place and operational	A public-private sector partnership forum in place and operational	December 2007	MoC&I / NIC
Telecommunication training	To improve human resources development in information and communication technology (ICT)	September 2006	MPT/PRC
International fellowship grants	To enhance manpower training in various telecommunication technical fields	February 2006 April 2008	MPT
Standardize vocational skills curriculum and skills delivery programs of training centers	Deepening support for coordinated activities for youth skills development and employment	September 2006	MoY&S/ Agricultural and Industrial Training Board (AITB)

Results/Indicators	Policy Objectives	Delivery Date	Lead/Collaborating Partners
Set up a national youth working group to develop a framework and implementation plan for a national youth volunteer service corps	Deepening support for coordinated activities for youth skills development and employment	September 2006	MoY&S
Renovate and reopen vocational training centers operated by the MoY&S	Deepening support for coordinated activities for youth skills development and employment	September 2006	MoY&S
Initiate database of vocational and livelihood skills training provided by the MoY&S	Deepening support for coordinated activities for youth skills development and employment	September 2006	MoY&S/MoL; AITB
Environmental quality monitoring laboratory established	To monitor environmental quality	June 2008	EPA
Environmental impact assessment license processing system, including its sector specific guidelines established	To prevent environmental degradation	April 2007	EPA
Objective 4: Expanding trade and investment			
Policies, plans and strategies (reviews and formulation)			
Develop and initiate the implementation of a national trade and export promotion policy	National trade and export promotion policy pronounced and implementation begins	November 2007	MoC&I
Develop a national industrial strategy	National industrial policy prepared and pronounced	November 2007	MoC&I
A comprehensive guide to investment in Liberia prepared and investment incentive code adopted	To attract foreign and local investors and help identify new priority investment opportunities	January 2007	NIC
Operational programs (services delivery / job creation)			
Revise Liberia investment code to rationalize investment incentives	Code submitted to legislature	June 2007	NIC, MoF, MoC&I
At least 20 investment proposals approved	To create jobs and expand national productivity	November 2007	NIC
Finalize arrangements for membership into African Growth and Opportunity Act (AGOA)	Membership in AGOA obtained	November 2007	MoC&I

Results/Indicators	Policy Objectives	Delivery Date	Lead/Collaborating Partners
At least 8,000 tourists visiting Providence Island	To improve tourism on the island	August 2007	Ministry of Information, Culture and Tourism (MIC&T)
Capacity development (systems, processes, institutions)			
Improved inspection services for import of goods and services	An independent assessment of ongoing pre-inspection service and considerations of options and alternatives available	June 2007	MoC&I/MoF
Objective 5: Revitalizing agriculture			
Policies, plans and strategies (reviews and formulation)			
Develop and initiate the implementation of a national agricultural policy	National agricultural policy and investment program prepared, pronounced and implementation begins; medium-term investment program to reactivate the agriculture sector including oil palm and rubber plantations	November 2007	MoA
Develop and initiate the implementation of a national food security policy and strategy	National food security policy and strategy prepared and endorsed	November 2007	MoA
Develop fisheries policy and legislation	Fisheries policy developed, procedures established and legislation enacted; reach agreement with European Commission on standards and access to European markets	November 2007	MoA
Operational programs (services delivery / job creation)			
Establish five regional agricultural seed centers and provide seeds and tools to smallholders	Seed processing, storage and marketing facilities developed in at least five regions	December 2007	MoA
Seeds and tools provided to at least 95,000 vulnerable smallholders	To increase food production and improve nutrition	February 2007	MoA / MoLM&E; non-governmental organizations (NGOs)
1,000 hectares of previously developed lowland and 100 abandoned fish ponds rehabilitated	To increase food production and improve nutrition	June 2008	MoA / MoLM&E; NGOs
2,000 coastal fishers assisted	To increase food production and improve nutrition	November 2007	MoA / MoC&I; MIA; MoE; MoG&D; MoY&S; MPW; Ministry of Health and Social Welfare (MoH&SW)

Results/Indicators	Policy Objectives	Delivery Date	Lead/Collaborating Partners
Smallholder post harvest losses associated with rice and cassava processing and marketing reduced in 250 communities	To increase food production and improve nutrition	March 2007	MoA/MoC&I; MIA; MoE; MoH&SW; MoG&D; MoY&S; MPW
Install 1,000 short cycle ruminants in five counties	To increase food production and improve nutrition	December 2007	MoA/MoC&I; MIA; MoE; MoH&SW; MoG&D; MoY&S; MPW
Tree crops sub-sector revitalized (in particular, oil palm plantations and cocoa exports)	To generate immediate employment	March 2007	MoA/ MPEA
Investments in commercial plantations increased	To generate immediate employment	June 2008	MoA/; MPEA
Impediments to increased private sector participation in agriculture identified and appropriate investment incentives endorsed	To generate immediate employment	May 2008	MoA
Short-term employment creation agricultural projects implemented within the framework of the Liberia Emergency Employment Program	To generate immediate employment	August 2008	MoA/ MPEA
Capacity development (systems, processes, institutions)			
Revitalize and strengthen the Central Agriculture Research Institute	Essential staff recruited and at least 20 per cent of buildings renovated and equipped	December 2007	MoA
Reactivate national agriculture extension system	At least 50 per cent of agriculture staff moved from Monrovia to outstations in counties and districts	December 2007	MoA
Restructure institutional arrangements for agricultural marketing, credit and input supply to involve private sector	Institutional arrangements to engage private sector restructured	December 2007	MoA
Technical support to smallholders strengthened including veterinary and plant quarantine services	To improve agricultural productivity of smallholders	January 2008	MoA/MoC&I; MIA; MoY&S; MoG&D
Monrovia Comprehensive Food Security and Nutrition Survey completed	To improve knowledge base on food security and nutrition in the urban context	March 2007	MPEA, MoA, MoH&SW
Liberia market review	To improve monitoring of markets and market prices	February 2007	MoA

Results/Indicators	Policy Objectives	Delivery Date	Lead/Collaborating Partners
Food security monitoring system and unit set up in the MoA	To monitor trends in food security and vulnerability over time to ensure a timely response	June 2007	MoA, Liberian Institute for Statistics and Geo-Information Systems (LISGIS)
National food security program initiated to improve skills and knowledge of 200,000 smallholders	To improve the productivity of smallholders	February 2007	MoA/MoC&I; MIA; MoY&S; MoG&D
MoA restructured to enhance policy coordination, regulatory and development responsibilities	To enhance market efficiency and improve effectiveness of agricultural service delivery	December 2007	MoA / legislature
Key agricultural parastatals and institutions streamlined and strengthened	To enhance market efficiency and improve effectiveness of agricultural service delivery	June 2007	MoA / legislature
Set up a core center modelled after the Center Songhai of Benin for training in agricultural technology in support of the Liberia Integrated Rural Development Program	Deepening support for coordinated activities for youth skills development and employment	February 2007	MoY&S/MoA; MoC&I

Objective 6: Revitalizing, forestry, rubber, mining and minerals

Policies, Plans and strategies (reviews and formulation)

Results/Indicators	Policy Objectives	Delivery Date	Lead/Collaborating Partners
Reviewing and finalizing the national mineral policy and strategy	National Mineral Policy and Action Plan prepared and pronounced	January 2007	MoLM&E
Conclude requirements for expediting the rehabilitation and development of the mining sector	Mineral exploration guidelines developed and pronounced; requirements concluded for rehabilitation of Bong Mines, Bomi Hills and Mano River deposits	March 2007	MoLM&E
Forestry Reform Law enacted and at least 10 forestry management contracts awarded	To ensure transparency in the administration of forestry agreements	November 2007	FDA
Environmental regulations, standards and guidelines developed	To provide clear guidance for sustainable development	May 2008	EPA / civil society

Results/Indicators	Policy Objectives	Delivery Date	Lead/Collaborating Partners
Operational programs (services delivery / job creation)			
Strengthen the legality and integrity of contracts and concessions	All pending contract and concession reviews completed	December 2006	Public Procurement and Concessions Commission (PPCC)
	No procurement contracts to be successfully challenged for failure to comply with PPCC Act	December 2007	
	At least 60 procurement staff from sector ministries, agencies, state-owned enterprises trained	February 2007	
Reactivate the forestry sector in a sustainable manner and with emphasis on increasing value added	At least 10 forestry management contracts awarded	November 2007	FDA
Improve alternative livelihoods for forest communities	Create tree crops production, fisheries and home gardens in 15 villages around protected areas	December 2007	FDA / Liberia Forest Initiative partners; Liberia Agency for Community Empowerment (LACE)
Reactivate the rubber sector in a sustainable manner with emphasis on increasing value added	Increased rubber production	Ongoing	
Trust fund for protected area network management established	To introduce alternative livelihood for forest-dependent communities	June 2007	FDA / civil society
Capacity development (systems, processes, institutions)			
EPA fully operational and its county environmental officers/inspectors deployed in all 15 counties	To improve environmental protection and management intervention	May 2008	EPA
Objective 7: Developing database and analytical work for planning economic growth and poverty reduction			
Policies, plans and strategies (reviews and formulation)			
Five-year Millennium Development Goal-based poverty reduction and development strategy prepared, approved and published	To provide a national strategic framework for resource mobilization and allocation for reconstruction, poverty reduction and development	March 2008	MPEA/ all sector ministries, agencies; civil society
Economic profile reports for 14 counties with at least two development projects identified for each county	To identify potential growth arrears and comparative advantages within counties and to provide the overall basis for county development planning and decision making	September 2007	MPEA and MIA / sector ministries, agencies; civil society

Results/Indicators	Policy Objectives	Delivery Date	Lead/Collaborating Partners
Develop and implement a national statistics strategy with view to expanding the availability and improving the reliability of development statistics	To ensure adequate up-to-date information and statistics for policy making and development management	March 2007	LISGIS
Action plan on implementation of a national population policy prepared and approved	To create awareness on the importance of the census and population issues in the development process	May 2007	MPEA
Operational programs (services delivery / job creation)			
Plan and implement household income and expenditure survey	National and county poverty line profiles; national and county profiles of incomes and expenditures; new weights for the Consumer Price Index (CPI)	Start survey in March 2007; analyze results by December 2007	LISGIS / MPEA
Plan and conduct business and enterprise survey	Business and enterprise profiles	Start survey in June 2007; results by September 2007	LISGIS, MoC&I
Plan and conduct Quick Welfare, Income and Consumption (QWIC) survey	QWIC results	December 2007	
Plan and conduct demographic health survey	Demographic health survey results	June 2008	
Report on socio-economic profiles and baseline data prepared and published	To provide basic information on poverty line profiles; country and regional / county profiles of incomes and expenditures and new weights for CPI	December 2007	LISGIS/MPEA
Preliminary results of the 2008 National Population and Housing Census released	To take stock of the national socio-demographic profile and provide the overall basis for development planning and decision making	June 2008	LISGIS, MPEA / MIA
Database on cultural potentialities of Liberia in areas of leisure and adventure tourism created and published	To attract investments in tourism and expand job opportunities	September 2007	MoIC&T / NIC
Capacity development (systems, processes, institutions)			
LISGIS capacity strengthened to collect, analyze and disseminate reliable quality statistical data information	To improve the national and information system for planning purposes	December 2007	LISGIS / MPEA

Priority Interventions	Results/Indicators	Delivery Date	Lead Ministry or Agency
Objective 8: Strengthen and revitalize postal services			
Operational programs (services delivery / job creation)			
Reopening of all regional post offices in the 15 political sub-division capitals, district headquarters and statutory established cities	To provide effective postal services to the leeward counties and create better communications activities	April 2007	MPT
Reconstruction of Bentol, Caresburg, Ganta, Sanniquellie, Sacleapea and Tappita post offices	To reactivate postal services for rural dwellers	April 2007	MPT
Re-opening of all urban post offices	To provide basic postal services for urban population	December 2006	MPT
Renovation of Tubmanburg, Buchanan and Kakata post offices	To reactivate postal services for rural dwellers	January 2007	MPT
Reconstruction of Zwedru, Toe Town, Zieh Town, Zia Town and Fish Town post offices	To reactivate postal services for rural dwellers	October 2007	MPT
Reconstruction of Voinjama, Zorzor, Foyah, Borpulu, Robertsports, Sinje and Bo Waterside post offices	To reactivate postal services for rural dwellers	January 2008	MPT
Reconstruction of Greenville, Juarzon, Barclayville and Cestos City post offices	To reactivate postal services for rural dwellers	April 2008	MPT
Renovate the central sorting counters at the main postal complex and transfer the activities from the Randall Street postal annex to Central	For better organization of mail sorting and conveyance	October 2006	MPT
Combat mail theft and other mail impropriety	Eradicate mail theft, tampering, smuggling and improve customer relations with the ministry	July 2006	MPT
Design, produce and put postage stamps on the Liberian postal market	To generate revenue, portray the image of Liberia and measure up to international postal standards	August 2006	MPT
Negotiate with two additional airlines	To improve the speedy conveyance of mail to African and other countries	October-November 2006	MPT
International technical assistance (assessment of destroyed postal facilities around the nation)	To assist in the renovation of both urban and rural post offices	August 2006	MPT

Results/Indicators	Policy Objectives	Delivery Date	Lead/Collaborating Partners
Capacity development (systems, processes, institutions)			
Philatelic computer training	To improve safety of national postal stamps on the Liberian and global postal markets	November 2006	MPT
Regional postmasters training, of which 40 per cent will be female	To enhance the operational structure of the rural postage system that is gender-balanced and productive	May-July 2007	MPT

6.1 Major Challenges

The series of crises that besieged the Liberian nation over the last quarter century from war and mismanagement to human rights abuses and deepening poverty – can be blamed largely on bad governance. The war years were a low ebb in the history of Liberia, leading to widespread human rights violations and abuses such as deliberate and arbitrary killings, disappearances, torture, forced child soldiers, targeting of civilians, rape and sexual violence against women and children. Persistent bad governance practices have given rise to challenges that must be faced in the Interim Poverty Reduction Strategy period and beyond, including a change in the value systems and mindset of Liberians as well as a restructuring and strengthening of central and local governance institutions, systems and processes.

Women and children suffer from violence and abuse and do not enjoy the same rights as men. Traditional laws and practices that discriminate against women remain operational and, while the pivotal role of women in restoring peace to Liberia is widely known, few women's organizations have the capacity to engage in policy making and fully participate in the new democratic environment in Liberia. The cohesion and political awareness women gained as a result of their role in the peace process is a significant opportunity to build upon and strengthen women's organizations and engage them in the process of reconstruction.

6.2 Initial Responses

Since the signature of the Comprehensive Peace Accord and as part of the recently completed 150-Day Action Plan, the Government of Liberia has begun to address challenges and lay the foundation for good governance to restore hope in the justice system. Responses were designed to:

- Redefine and refocus the mandates, structures and functions of public institutions;
- Develop a comprehensive anti-corruption policy, strategy and implementation framework;
- Define a successor body to the Governance Reform Commission (GRC) to continue monitoring the governance reform agenda and process;
- Establish the Truth and Reconciliation Commission (TRC) and the Independent National Commission for Human Rights;
- Develop a more professional and efficient civil service commission and cadre;
- Initiate discussion on the relationship between the central and local governments.

The government has made significant progress in these areas. Hope is being restored. The anti-corruption crusade has begun (Box 6.1) and efforts thus far have been yielding positive results. Transparency and accountability in public financial management at all levels has increased and continues to improve, as indicated by the sharp increase in revenues and the operations of the cash management committee.

Box 6.1:   Combating Corruption in Liberia

Present efforts at combating corruption are substantial, particularly when compared to the past. Previously, most government operations were shrouded in secrecy; today they are open to the public. For example, a good number of civil society organizations were consulted and participated in the preparation of the national budget. The National Bar Association was consulted in drafting the constitution of the new Supreme Court of Liberia, while a broad cross spectrum of civil society was consulted or involved in determining appointments to other national bodies.

The government has also started to reform the public sector, beginning with reviewing and streamlining mandates, operations and procedures of agencies. Some progress is being made in investigation and prosecution of corruption. This is significant as it shows Liberians and the international community that it is no longer business as usual when taking up the fight against corruption. The government is working to strengthen the institutional base to fight corruption. Among efforts undertaken so far are the Governance and Economic Management Assistance Program (GEMAP) program, the enactment of the Public Procurement and Concessions Act (PPCA), the establishment of the Public Procurement and Concessions Commission (PPCC), and the adoption of a code of conduct for Liberian public servants. The government is also committed to joining the Kimberly Process Certification Scheme and the extractive industries transparency initiative to promote accountability and ensure that the nation's resources are used for the benefit of the people.

Source: Government Reform Commission (2006), *National Anti-corruption Strategy of Liberia (Draft).*

The government, along with its international partners, has also established institutions to address conflict related legacies of the civil war and that will make the Liberian context more responsive to development interventions. Four of these stand out.

The TRC was established and has begun work to account for atrocities committed between April 1979 and October 2003 as well as to foster reconciliation within and between Liberia's polarized communities. The GRC is working to restore and reform institutions of government and to ensure democratic self-governance that is inclusive, participatory and just. The Independent National Commission on Human Rights was established to fight a culture of impunity and protect and promote human rights, including economic, social and cultural rights. The University of Liberia established a Center for Conflict Transformation which aims to undertake research, offer courses and give policy advice. The capacity of Liberia's civil society in this area has noticeably increased; there are at least 20 national non-governmental organizations (NGOs) that focus on peacebuilding initiatives and conflict sensitive development issues across the country, as well as many faith-based organizations and community-based organizations that undertake peacebuilding and conflict resolution in a variety of forms.

With respect to gender inequities, some progress has been made. Women in the legislature account for about 15 per cent of the entire body while about 33 per cent of county

superintendents are women. Women constitute 31 per cent of the cabinet but it is estimated that they constitute only 4 per cent in the formal sector, often in the lower cadres of employment. Women are grossly under-represented in the judiciary with an estimate of 1 per cent in this sector. A gender-based violence (GBV) plan of action has been finalized. Its implementation will improve coordination of GBV interventions and address the multi-dimensional facets of GBV prevention and response. However, owing to the effect of conflict, there are serious institutional and technical capacity gaps to adequately addressing gender equality issues.

6.3   The Emerging Medium-Term Agenda

The key objective of the government is to strengthen governance and the rule of law to ensure Liberia does not witness conflict and gross violations of human rights again. Its aim is to lay the foundation for a new democratic culture, creating balanced development and promoting a culture of accountability. The purpose of governance will be to strive to meet the collective aspirations of the people. As such, the respect of rule of law in all spheres of national life, provision of equal opportunities and better economic and natural resources management to benefit all will be the cornerstone of the national agenda.

Government efforts will be aimed at unleashing the potential of each and every Liberian, ensuring good economic governance to lay the foundation for a strong economy that is sustainable and growing rapidly, as well as rebuilding national institutions to guarantee rights assured to all Liberians by the constitution. Transparency, accountability and the rule of law will be the watchwords of governmental policies. Key elements of the emerging short to medium term agenda are highlighted below.

Reforming and rebuilding the public sector
The destruction of public institutions is a critical constraint on which the government will be focusing attention. Political patronage and the effects of war mean that Liberia's current civil service disproportionately reflects high numbers of unskilled workers with little technical capacity necessary to deliver services. The dysfunctional public sector is in need of both short-term change management as well as more comprehensive reform. Ongoing reforms will be deepened to ensure the public administration becomes an agent for change, development and socio-economic transformation. Efforts will also be focused on creating operational and institutional capacities for public sector management, service delivery, public policy analysis, formulation, implementation and monitoring. The government will also seek support to equip government ministries and agencies with the hardware needed to make them functional and effective. The government will also be exploring with bilateral and multilateral development partners the broader parameters of capacity-building needs in Liberia.

Reducing corruption
Rampant corruption in Liberia has prevented national development and contributed significantly to the pervasiveness of poverty. The government has therefore declared war on corruption and will use all conceivable legal resources to tackle it forcefully and effectively to recapture state resources for national development. The government has therefore adopted a zero tolerance policy to be implemented within the framework of a comprehensive anti-corruption strategy and law (Box 6.2). In addition to the anti-corruption strategy and act to be passed and implemented, GEMAP will be used to

develop systems, institutional mechanisms and to build capacity for the fight to eliminate corruption in Liberia.

Box 6.2:   The Draft Anti-Corruption Strategy

The overall objective of the strategy is to seriously fight corruption in a holistic, systematic and sustainable manner that promotes the effective participation of all Liberians and other stakeholders. The objectives of the strategy are to:

- Break the aura of impunity that has contributed to massive corruption;
- Fight corruption at every level of society and by each member of society;
- Build and sustain an environment that deters and punishes corruption and promotes accountability, integrity and transparency at all levels in all institutions;
- Ensure that the fight against corruption is informed by the inputs of all Liberians to facilitate ownership;
- Create public awareness of the causes and effects of corruption and the role each Liberian can play to prevent and eradicate corruption;
- Ensure that the fight against corruption is driven by the political will of all branches of the government, and supported by the donor and international community;
- Ensure transparency so that everyone knows when, how and by whom specific measures will be taken in fighting corruption, thereby preventing suspicions and charges of witch-hunting;
- Effectively monitor through oversight bodies and mechanisms that involve the participation of civil society; and
- Encourage all stakeholders to contribute towards the formulation, implementation and evaluation of this strategy, while providing them the opportunity to develop and implement individual strategies.

Key elements of the strategy for an effective fight against corruption include: poverty alleviation through implementing pro-poor policies; public sector reforms; development and implementation of a national system of integrity; expeditious enactment and rigorous enforcement of anti-corruption laws and rules; creation of an anti-corruption commission; strengthening of oversight institutions and watchdog bodies and mechanisms; public awareness/education on the destructive effects of corruption; and prevention.

Source: Government Reform Commission (2006), *National Anti-corruption Strategy of Liberia (Draft).*

Decentralizing political governance and social responsibilities
Linked to national reform efforts will be a strategic program to decentralize and disperse power from Monrovia in order to bring it closer to the people. The design and implementation of the decentralization program will be guided by a strategic review within a full participatory process and sound legal framework. When designed and implemented, it will be accompanied by strong capacity-building, institutional development programs and resource allocation to ensure that local authorities understand and can manage the new responsibilities.

Another key priority will be developing strategic responses to promote national, regional and local inter-group reconciliation, as well as to resolve key conflicts that undermine national security and poverty reduction. While a particular ministry or government institution might take the lead on training, capacity-building or even the identification of strategic responses to conflict, innovative inter-ministerial responses are likely required in order to properly address protracted, multi-faceted conflict factors.

Strengthening the rule of law and respecting human rights
The Government of Liberia will promote and defend the rule of law and human rights with attention focused on strengthening core institutions such as the police, prosecution, judiciary and corrections service, the legislature and civil society through training, capacity-building and infrastructural improvements. The government will also strengthen programs for increased access to justice and legal literacy for all Liberians, with a special focus on women and children.

A thorough review of Liberian laws, including traditional laws, alongside international obligations and human rights standards will help identify existing gaps and required law reforms. The government understands the importance of educating future judges, prosecutors, public defenders and lawyers and will work to strengthen law schools and legal education in Liberia. Also vital to promoting a democratic culture and strengthening the rule of law are institutions such as the Independent National Commission on Human Rights. Reforms embarked upon by the government will enhance the balance of power and ensure the three branches of government can provide checks and balances needed for democratic development as well as judicial independence.

Conflict-sensitive policymaking and conflict management
Though significant efforts to address the conflict legacy of Liberia are already being made, the need for policymaking and planning to be conflict sensitive and for conflict management capacity to be enhanced at all levels of government is critical to poverty reduction. To achieve this, training and capacity-building focused on analytical and evaluative skills for conflict-sensitive development will be given to representatives in all ministries and local government institutions. Training in conflict management and resolution will also be conducted and mechanisms put in place within ministries and local government institutions to resolve conflict.

Addressing gender inequities
The government is committed to developing new mechanisms and systems of gender mainstreaming in the design, implementation, monitoring, evaluation and reporting of all policies, plans and programs. To guide this process and to advance the agenda for gender equality, a national gender policy will be developed to provide a legal framework and basis for various efforts to ensure gender-based development. Efforts will include filling institutional and technical capacity gaps to adequately address gender issues, including equipping the Ministry of Gender and Development (MoG&D) to lead governmental efforts at ensuring gender equity. The Ministry of Justice (MoJ) and MoG&D will jointly develop and carry out a program to strengthen gender justice. Given the absence of data, information and analysis on the situation of women in Liberia, a key emphasis will be information gathering, data collection and policy analysis. A national gender assessment, on which to base gender-responsive interventions, will be undertaken as available data are obsolete. The gender study will highlight disparities, including those between male and female-headed households, in an effort to understand the constraints and dynamics at work between individuals and household types. This

would allow the systematic integration of gender equality into national programs, including national plans, policies and annual budgets.

Strengthening the environmental rules and regulations
The lack of interest and weak technical, administrative and institutional capacity has affected proper environmental protection and management programs in Liberia. Due to lack of good governance and rule of law, natural resources were used by various warring factions to fuel civil conflicts. The government will strive to ensure that all activities are initiated within the framework of environmental sustainability. Mechanisms will be developed to enforce and monitor the environmental rules and regulations.

Involving broader participation in the governance process
Governance is a collective endeavor and not just the domain of government, especially in Liberia following a quarter century of crises. The Government of Liberia will continue to engage the public and international partners in its rebuilding and reconstruction efforts. This is particularly important because broad support from local and international partners is needed to ensure the success of government programs.

In engaging the public, the government will strive to support the development of a strong civil society that fully participates in governance and a media that is open, free and impartial to allow journalists to promote dialogue and ensure that officials/leaders are accountable to the public for their actions. Civil society and the private sector will be challenged to advance and defend the interests of the people and to help in finding solutions to social, economic and political problems as well as provide a forum for free expression and collective action. The government is committed to creating strong partnerships with civil society organizations (both nationally and internationally) and the private sector to collectively fulfil the needs of the people. The government will create an enabling environment for civil society organizations to operate, close the regulatory vacuum and collaborate with development partners to provide capacity-building programs for civil society organizations and the media in an effort to better fulfil their roles in building a new, democratic Liberia. The government will also ensure that Liberia continues to be a good neighbor in West Africa and that it maintains good international relations. Given the massive cost of reconstruction, the social needs and the unsustainable debt burden (including domestic debt), closer cooperation with the donor community and multilateral financial and development institutions is a high priority for the government.

Enhancing youth development and involvement in the development process
The new national youth policy highlights the need for youth to be institutionally included in decision making. Next steps will begin with the institutionalization of the national youth policy through enactment into law by the legislature, committing the government to policy formulation and budgetary allocation to positively impact youth in a number of key areas, especially education and life skills, economic governance and HIV/AIDS, among others. Approaching youth issues in a holistic manner would include enabling the implementation of the national youth policy action plan, which maps out strategies for the implementation of the policy.

A critical area for Liberian youth over the medium and longer term is expanding participation in sports. Considering how many young people are not fully or gainfully employed at the moment, opportunities abound to tap into the enormous national potential from sport. Sport could serve as a safety valve for over-zealous unemployed or underemployed young people who otherwise fall prey to demagoguery and political exploitation. Sport could also be an

avenue for limited labor absorption if appropriate means are used across the nation to structure sport training and other activities.

6.4 The Interim Poverty Reduction Strategy Agenda

In addressing these elements during the iPRS period, the government will focus on building effective institutions that are able to support democratic governance, justice and human security. Targeted activities and results to be achieved during the iPRS period are presented in Table 6.1.

Table 6.1

POLICY OBJECTIVES AND EXPECTED RESULTS FOR PROMOTING GOVERNANCE AND THE RULE OF LAW FOR THE PERIOD JULY 2006-JUNE 2008[1]

Broad Policy Goal: Facilitating effective institutions that will support democratic governance, justice and human security

Results/Indicators	Policy Objectives	Delivery Date	Lead/Collaborating Partners
Objective 1: Reforming and rebuilding the public sector			
Policies, plans and strategies (reviews and formulation)			
Developing comprehensive civil service reform strategy	Strategy developed and funding for key components assured	March 2007	Civil Service Agency (CSA)
A 10-year human capacity development strategy and action plan prepared and endorsed	To enhance national delivery capacity and effective ownership of the development process	November 2007	Ministry of Planning and Economic Affairs (MPEA) / All sector ministries, agencies; civil society
Operational programs (services delivery /job creation)			
Civil service compensation and benefit packages defined, endorsed and implementation begins	To enhance productivity, curb corruption and improve living conditions	January 2007	CSA/Ministry of Finance (MoF); Ministry of State (MoS);
Data bank on donors' assistance and support to projects published in first semi-annual donor partnership newsletter	To determine levels of support, keep track of its distribution and assess the impact effectiveness of donors' assistance on national development	April 2007	MPEA / Liberian Institute for Statistics and Geo-Information Systems (LISGIS); non-governmental organizations (NGOs); community-based organizations (CBOs)
Capacity development (systems, processes, institutions)			
A sectoral planning training manual prepared and at least 150 junior and senior planning officers trained in producing plans and projects	To strengthen the planning function within sector ministries, agencies and local government authorities	December 2007	MPEA/All sector ministries; Liberian Institute for Public Affairs (LIPA)
Establishment posts, job descriptions and procedures for ministries and agencies defined, endorsed and implementation begins	To promote transparency and accountability in public service delivery and productivity	February 2007	Governance Reform Commission (GRC)
Ministry's cooperation department strengthened and at least five training workshops held for senior foreign service staff	To enhance new development-oriented foreign policy posture on attracting investment and development assistance	February 2008	Ministry of Foreign Affairs (MFA)

Results/Indicators	Policy Objectives	Delivery Date	Lead/Collaborating Partners
Liberia's Foreign Service Manual for the diplomatic and consular corps updated	To enhance performance of diplomatic staff and their execution of duties and overall knowledge of procedures	September 2007	MFA/ Ministry of Information, Culture and Tourism (MIC&T);
Legislation on mandates, functions, staffing and structures of ministries and agencies drafted and submitted and approved	To revamp the mandates, functions and structures of ministries and agencies to ensure effective and efficient public service delivery	May 2007	GRC
Civil servants' personnel information and identification system designed and installed	To support effective human resource management	July 2007	CSA
Liberian passports replaced and old passports withdrawn	To conform with international requirements and ensure consistency with International Civil Aviation Organization regulations	June 2007	MFA/MoS
Technical capacities of the Ministry of Internal Affairs (MIA) in town and city planning improved and strengthened	To revive and strengthen spatial, physical and regional development planning capacities	June 2008	MIA/ Ministry of Public Works (MPW)
Objective 2:Decentralizing political governance and social responsibilities			
Policies, plans and strategies (reviews and formulation)			
A decentralization policy and strategic action plan prepared and submitted for legislation	To facilitate the fuller participation of the people in the development and decision-making process	June 2007	GRC / MIA; MPEA
Operational programs (services delivery /job creation)			
Capacity development (systems, processes, institutions)			
Ministry staff and local government officials trained in conflict-sensitive policymaking and conflict management	To mainstream conflict sensitivity in policymaking and implementation and to capacitate government officials in conflict management	June 2007	GRC / MIA / LIPA / Kofi Annan Institute for Conflict and Transformation (KAICT), University of Liberia
A rural civil service outreach program established and functioning	To ensure an all inclusive civil service	June 2007	CSA /MIA
One traditional leaders conference held and report prepared	To empower traditional leaders to serve and provide professional support to local government authorities	December 2007	MIA

Results/Indicators	Policy Objectives	Delivery Date	Lead/Collaborating Partners
At least 1,000 central and local government staff trained in governance and service delivery strategies	To enhance central and local government staff skills for efficiency and productivity	November 2007	MIA
At least six regional labor offices established, equipped and functioning	To provide timely labor market information and enhanced tripartite relations at districts levels	November 2007	Ministry of Labor (MoL)
Participatory and decision-making processes in cities of Monrovia, Kakata and Gbarnga strengthened and training manuals and tool kits developed	To strengthen the service delivery capacities of municipal authorities and partners	June 2008	MIA / MPEA; Monrovia City Corporation (MCC)
Objective 3: Strengthening the rule of law and respecting human rights			
Policies, plans and strategies (reviews and formulation)			
A roadmap for constitutional reform completed	Constitutional reforms to harmonize sectoral reforms	December 2007	GRC / Ministry of Lands, Mines and Energy (MoLM&E); Ministry of Justice (MoJ);
Strengthening administration of justice	To ensure that rule of law is firmly established in Liberia	December 2008	Chief Justice, MoJ
Reforming the corrections system	To ensure that the penal system upholds the highest standards of human rights and human dignity	December 2008	Chief Justice, MoJ
Strengthening human rights	To ensure the full enjoyment of all human rights by the people and protection of human rights and fundamental freedoms	December 2008	Chief Justice, MoJ
Operational programs (services delivery /job creation)			
Law Reform Commission established and comprehensive systematic review of laws commenced	To strengthen administration of justice	June 2007	MoJ, Chief Justice, legislature
Comprehensive review of court administrative procedures completed and implementation begins	To strengthen administration of justice	December 2007	MoJ, Chief Justice, legislature, Bar Association
All circuit court houses and magistrates courts in the country constructed or renovated, equipped and staffed	To strengthen administration of justice	December 2008	MoJ, Chief Justice, legislature
Legal aid clinics made available in each county	To strengthen access to justice	June 2008	MoJ, Chief Justice, legislature; Bar Association, partners

Results/Indicators	Policy Objectives	Delivery Date	Lead/Collaborating Partners
A national policy framework and operational program for the corrections bureau formulated, approved and implemented	To support the rule of law	December 2007	MoJ, Chief Justice
Pending international treaties related to anti-corruption, governance, women and children's issues and human rights ratified	To ensure the ratification of relevant legislation to bring Liberia in line with international norms	August 2007	GRC / MoS; legislature
Capacity development (systems, processes, institutions)			
Delivery capacities of the Truth and Reconciliation Commission (TRC) and Human Rights Commission (HRC) with offices equipped and at least four training sessions held for each agency	To consolidate the reconciliation process to protect human rights	November 2007	TRC and HRC
Create a total of 450 positions in order to recruit and train correctional staff across Liberia	To strengthen the capacity of the Bureau of Rehabilitation and Corrections in order to assist police and other criminal justice components to protect society	June 2008	MoJ
Strengthening institutional and staffing capacities of the legislative and judiciary arms of government	Legislators and judiciary offices repaired and equipped and at least three training sessions held for each branch respectively	September 2007	House of Representatives and Supreme Court / GRC
Objective 4: Forcefully addressing gender issues			
Policies, plans and strategies (reviews and formulation)			
National gender profile completed and national gender policy and action plan prepared, endorsed and pronounced	To ensure that gender issues are mainstreamed in national development policies, strategies and programs and gender-based violence issues addressed comprehensively	February 2007	Ministry of Gender and Development (MoG&D), women's groups and organizations, Women's NGO Secretariat (WONGOSOL)
Women's and children's rights awareness strategy developed and implemented	To strengthen implementation of international women's and children's rights instruments	November 2007	MoG&D / women's groups and organizations; WONGOSOL
National action plan on gender-based violence completed and endorsed and implementation initiated	To comprehensively address gender-based violence issues	September 2007	MoG&D / Gender-based violence inter-agency taskforce

Results/Indicators	Policy Objectives	Delivery Date	Lead/Collaborating Partners
Operational programs (services delivery /job creation)			
A United Nations joint program on gender-based violence elaborated and implemented	To address the issues of gender-based violence in Liberia in a health, medical, psychosocial, legal and social segments including economic empowerment	September 2007	MoG&D
A dynamic analytical database containing information on gender-based and sexual violence in place	To know the extent of violence against women in Liberia, which will provide the tools and mechanisms to analyze and address the issue of gender-based violence	February 2007	MoG&D
Capacity Development (Systems, Processes, Institutions)			
MoG&D staff and partners trained, essential equipment procured, conducive working environment created, links with women's civil societies and groups strengthened	To strengthen the capacity of the MoG&D to deliver on gender equality and women's empowerment objectives	November 2007	MoG&D / women's groups and organizations, lead ministries and agencies
Objective 5: Strengthening youth programs and policies			
Policies, plans and strategies (reviews and formulation)			
Enactment of a national youth policy into law	Initiating implementation of a national youth policy framework	February 2007	Ministry of Youth and Sports (MoY&S)
Simplify national youth policy for dissemination throughout the country	Initiating implementation of a national youth policy framework	November 2006	MoY&S / Federation of Liberian Youth (FLY)
Set up the national implementation steering committee of the national youth policy	Initiating implementation of a national youth policy framework	December 2006	MoY&S/ Ministry of Education (MoE) / Ministry of Commerce and Industry (MoC&I) / Ministry of Labor (MoL) / MoJ / MOG&D / MIA
Operational programs (services delivery /job creation)			
At least 10 per cent of the Convention on the Rights of the Child (CRC) recommendations implemented and preparation of 2008 state party report initiated	To strengthen the implementation of programs aimed at achieving the objectives of the CRC.	November 2007	MoG&D / line ministries and agencies
Build various community recreational and resource centers in several communities throughout the country	Supporting youth-based community reintegration programs	April 2007	MoY&S / MoL; MPEA; FLY

Results/Indicators	Policy Objectives	Delivery Date	Lead/Collaborating Partners
Strengthen and expand national sports and recreational programs	Supporting youth-based community reintegration programs	May 2007	MOY&S / MoL; MPEA; FLY
Support national teams' participation in international competitions	Supporting youth-based community reintegration programs	June 2007	MoY&S/MoL; MPEA; FLY
Strengthen and expand community-based sporting programs	Supporting youth-based community reintegration programs	December 2006	MoY&S/MoL; MPEA; FLY
Support the national county meet	Supporting youth-based community reintegration programs	December 2006	MOY&S/MoL; MPEA; FLY
Begin the process of creating a database of all the youth groups and youth organizations operating within the country	Supporting youth-based community reintegration programs	March 2007	MoY&S/MoL; MPEA; FLY
Capacity development (systems, processes, institutions)			
Commence preparation of Liberia's response to CRC committee recommendations and report for 2008	To strengthen the implementation of children's rights in Liberia	December 2007	MoG&D
Objective 6: Involving broader participation in the governance process			
Policies, plans and strategies (reviews and formulation)			
A national policy on NGOs, CBOs, private voluntary organizations and faith-based organizations and operational guidelines for NGOs prepared and pronounced	To foster strategic, effective and transparent partnerships with NGOs and civil society	May 2007	MPEA / LISGIS; NGOs; CBOs
Objective 7: Fighting corruption			
Policies, plans and strategies (reviews and formulation)			
Anti-corruption policy and strategy prepared	To develop and institute a national integrity system designed to minimize corruption in public service	April 2007	GRC / MoS; legislature
Operational programs (services delivery /job creation)			
Anti-corruption strategy approved through legislation and implemented	To institute a national integrity system and fight corruption	December 2007	GRC

Results/Indicators	Policy Objectives	Delivery Date	Lead/Collaborating Partners
At least 60 sector ministries, agencies, state-owned enterprises, procurement staff trained and Public Procurement and Concessions Commission (PPCC) commissioners and staff trained	To strengthen capacities for ensuring legality and integrity of concessions and contracts and monitoring compliance	December 2007	PPCC
Anti-corruption body established and functioning	To institute a national integrity system and fight corruption	March 2007	GRC
Public service code of conduct legislation enacted	To institute a public service integrity system and fight corruption	June 2007	GRC
Objective 8: Strengthening management of government assets			
Policies, plans and strategies (reviews and formulation)			
Strengthening Government of Liberia asset management policy and infrastructure	First phase - production of a comprehensive management database of governmental assets	March 2007	General Services Agency (GSA) / All ministries and agencies
The establishment of a Government of Liberia Fleet Management Policy	Introduction of a vehicle mileage audit and production of routine maintenance schedule for all government vehicles	October 2006	GSA / All ministries and agencies
Operational programs (services delivery /job creation)			
The establishment of an agency medical facility	Rehabilitation of agency facility for stated use	January 2007	GSA / Ministry of Health and Social Welfare (MoH&SW)
Renovating and retooling of the public building and vehicle maintenance facilities at the GSA headquarters	The renovation of the present facility and the installation of new and used tools and the development of new protocols of operations.	January 2007	GSA
Phase II assessment of the centennial memorial pavilion and the presidential lounge at Robertsfield International Airport	Preparation of assessment report for submission for appropriate funding	January 2007	GSA
Capacity development (systems, processes, institutions)			
Agency security staff upgrade	Implementation of training and restructuring of the agency security operations	December 2006	GSA
Realignment of agency personnel and structure	Documentation of reforms and structural alignment of workforce in keeping with job description and responsibilities	February 2007	GSA / GRC

Results/Indicators	Policy Objectives	Delivery Date	Lead/Collaborating Partners
Proper documentation of all governmental fixed assets and equipment	Implementation of the proper and timely coding of all governmental fixed assets and equipment – including generators, office furniture and equipment	December 2007	GSA / All ministries and agencies
Document all government owned and leased properties nationwide	Compilation of a comprehensive list of all government owned and leased properties for entry into the asset management database	January 2007	GSA / All ministries and agencies
Total assessment of all GSA regional / county offices, staff and equipment	Initiation of county tours to conduct physical inspection and coding exercises	January 2007	GSA
Analysis of asset (vehicle) registry data for budgetary use	Review and production of Government of Liberia fleet data to assist in budgetary appropriations for gasoline and vehicle issues	December 2006	GSA / MoF
Objective 9:Strengthening environmental rules and regulations			
Policies, plans and strategies (reviews and formulation)			
National wildlife policy developed and implemented	To promote the sustainable management of wildlife	June 2008	Forestry Development Authority (FDA), civil society
Operational programs (services delivery /job creation)			
Environmental units established in line ministries	To conduct good practices within the framework of environmental sustainability	June 2007	Environmental Protection Agency (EPA) / line ministries and agencies
Objective 10: Complete the process of demilitarization, demobilization, reinsertion, and reintegration			
Policies, plans and strategies (reviews and formulation)			
Strategic plan for the disarmament, demobilization, rehabilitation and reintegration program implemented and successfully completed	To develop and implement a master plan of operation for the disarmament, demobilization, rehabilitation and reintegration process towards its successful completion	June 2007	National Commission for Disarmament, Demobilization, Rehabilitation and Reintegration (NCDDRR)
Strategic plan and a new national structure towards a sustained national social and economic integration process for all war-affected persons beyond June 2007 developed, legislated and implemented	To sustain peace, maintain security and ensure social and economic reintegration of all war affected persons beyond the reinsertion and reintegration process of June 2007	August 2007	NCDDRR / MPEA; LISGIS, MIA; national legislature; MoC&I; NIC; Liberian Refugee Repatriation and Resettlement Commission (LRRRC)

Results/Indicators	Policy Objectives	Delivery Date	Lead/Collaborating Partners
Resources for rehabilitation and reintegration and social reintegration mobilized in accordance with Executive Order No. 4	To transform the NCDDRR into an entity that fosters social action toward recovery and development.	December 2007	NCDDRR / MoF; BoB
Operational programs (services delivery /job creation)			
LRRRC asylum and appeals committees reactivated and functional, and refugee status of all asylum seekers determined	To ensure the asylum and appeals committees of the LRRRC are reactivated and operational and that all asylum seekers undergo the refugee status determination proceedings	June 2008	LRRRC / MIA; MPEA; MFA; MoJ;
Capacity development (systems, processes, institutions)			
Gradual assimilation of the duties and responsibilities of United Nations High Commissioner for Refugees (UNHCR) and the Norwegian Refugee Council to LRRRC	To absorb the duties and responsibilities of UNCHR and the Norwegian Refugee Council by the end of 2008-2009, and to be properly equipped and independently prepared to manage all refugees and former internally displaced persons activities in Liberia	December 2008	LRRRC

CHAPTER SEVEN
Pillar Four: Rehabilitating Infrastructure and Delivering Basic Social Services

7.1 Major Challenges

The Government of Liberia came to power in January 2006 and inherited infrastructure that was in a total state of disrepair as a result of the war and years of neglect. Roads, telecommunications, water and sanitation, schools and health care facilities were, for the most part, devastated. Today, the task before the government is to rehabilitate the infrastructure to create necessary conditions for broad-based growth and poverty reduction. Health, education and other services must focus especially on youth and women who too often are marginalized from such services. Health activities must concentrate on malaria, HIV/AIDS, diarrhoea and other major diseases that kill many Liberians. Increasing school enrolment, offering more access to and higher quality of training opportunities as well as providing more recreational and sporting activities will help improve the security situation, strengthen the foundation for growth and poverty reduction and train a new generation of leaders for Liberia. Mobilizing the substantial financial and human resources required and, in some cases, relocating people from one location to the next are core to the inherent challenges.

7.2 Initial Responses

The 150-Day Action Plan of the government set out a number of short-term objectives that were pursued, including:

- Beginning the rehabilitation of several hundreds of kilometers of roads as well as a few bridges;
- Rehabilitating about 36 high schools, 39 clinics and four community health facilities around the country;
- Using 1 million United States Dollars (USD) from improved tax collections to finance community projects in the 15 counties of Liberia;
- Beginning to rebuild the electricity grid with an initial goal of restoring power to some parts of Monrovia by 26 July;
- Revitalizing the national strategy to fight HIV/AIDS, providing 5,000 bed nets in malaria endemic communities and medicine for 300 new cases of tuberculosis;
- Rehabilitating water pipelines in parts of Monrovia and constructing 100 new water points and 52 new boreholes around the country;
- Initiating major reforms in the education sector, while undertaking major physical rehabilitation in a number of schools and government educational facilities;
- Initiating school curriculum review;
- Implementing data collection from all schools in the country;
- Drafting a new national youth policy with strategic areas of interventions relative to youth development programs and activities;
- Launching a new girl's education policy;
- Increasing budgetary outlays for health (8.7 per cent) and education (8.6 per cent), far above previous levels and the largest share of outlays in the budget.

The government worked hard to ensure that these objectives were met as planned. However, these interventions fall far short of what is required to meet Liberia's needs and people's growing expectations.

7.3 The Emerging Medium-Term Agenda

In the short term, the aim is to restore basic services to facilitate economic activities and combat poverty. Without adequate infrastructure, the ability to reduce poverty is severely hindered and increases the likelihood of a return to conflict. Reconstructing infrastructure will provide thousands of jobs for youth and will have substantial multiplier effects on the economy and poverty reduction, facilitating the delivery of health and education services. With this in mind, the government is committed to rebuilding infrastructure in collaboration with local authorities and communities,

working closely with the international community and securing private sector participation in rebuilding efforts. Key goals being pursued by the Government of Liberia regarding infrastructure and basic services are detailed below.

Rebuilding and refurbishing the postal system and telecommunications
The government is planning a comprehensive upgrading of the sector. The postal system will essentially require rebuilding and reforms. The Global System for Mobile Communication (GSM) sector is among the few experiencing competition equilibrium, expanding market coverage and declining prices with high positive effects on the overall economy. However, there is a need to rehabilitate the fixed line system, provide better oversight of existing GSM and put into place an enhanced regulatory framework. A telecommunications act currently being prepared will provide the regulatory environment and oversight for GSM operators. This act will be completed and passed in 2007.

Restoring transport facilities and services
The main objective of the government in the medium term is to restore the road network through maintenance of paved roads, upgrading primary roads and rehabilitation of secondary and feeder roads. This is critical for getting agricultural outputs to market and for improved economic activities throughout the country. In addition, the government is planning to rehabilitate air travel in Liberia and one of the first actions of the government was the establishment of the Liberia Civil Aviation Authority (LCAA) to facilitate development in the sector. Efforts to improve sea ports will be initiated and increased over the Interim Poverty Reduction Strategy (iPRS) period. Moreover, the government will be working on developing a vision and policy for the transport sector, including strategies to get private sector participation.

Restoring electricity
Rebuilding the power network is crucial for economic reconstruction and recovery. The immediate goals of the government are to continue to aggressively pursue the process of facilitating private sector participation in the sector and rebuild the capacity of Liberia Electricity Corporation in order to restore power to major parts of Monrovia as well as some parts of the key economic centers around the country.

Providing water and sanitation
In this sub-sector, the overall objective of the government is to increase safe drinking water and improve sanitation (healthy environment) for all in urban and rural areas. The government and its partners will promote sustainable management of water and sanitation facilities and sensitize communities on hygiene promotion in an effort to ensure a reduction of waterborne diseases. The community management of water supply and sanitation services will also focus on employment creation and income generation. Key actions will include the re-establishment of the National Water Resources and Sanitation Board and development of a comprehensive institutional reform plan for the sector. Efforts will be made to provide water for industries so as to reduce stress on household drinking water supply. Likewise, water and sanitation management will be linked to achieving food security through priority actions, including: rejuvenation of the hydrologic monitoring network and re-establishment of rainfall and stream gauges in agro-ecological zones of the country; research on the national irrigation needs and the water management requirements in upland swamp cultivation; and development of a national policy and strategy. Furthermore, the development and implementation of an integrated water resource management and waste management policies, along with the accompanying enforcing legislation, will be a focus given the gaps in the country's environmental management at the moment.

Enhancing investment in education to expand accessibility
Education plays a central role in all developmental pursuits, including improved health awareness, human resource development, awareness of human rights, better participation in civic responsibilities, improved gender balance and productive capacity. Considering this, the plan of the government is to embark upon policies and enhance investments to improve access to as many children as possible, especially from poorest families, and to provide skills development for adolescents and adults.[17]

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17 - The goals beyond the medium term are to increase pre-primary school coverage rates from 40 per cent to 80 per cent, increase from 30 per cent to 100 per cent primary school (net) enrolment rate and increase secondary school transition rates from 50 per cent to 80 per cent by 2015 as well as improvements in post-school opportunities and adult literacy.

A multi-faceted approach towards improving enrolment and keeping children in school will be devised. As a start, the government needs to increase access by providing new schools in population centers where none exist, reconstructing those damaged during the war and making school materials available to ensure teachers do not levy unofficial fees from parents. Another way of supporting school enrolment and attendance is through school feeding and addressing the gender gap and early drop-out rates of girls. The government is also committed to developing an information and communication technology policy for education and integrating information technologies into the educational system to enhance delivery and expand opportunities. Educating youth should also be shaped by a holistic approach not just ensuring literacy and skills, but exposing young people to peace studies and civic education. Special attention must be given to implementing the new girl's education policy and ensuring equal opportunities for girls. High rates of illiteracy among women owing to social, cultural, economic and conflict factors severely undermines the prospects for poverty reduction and therefore, must be addressed. The reconstruction and reopening of teacher training institutes is also important to ensure the training of a new generation of teachers and a steady supply of qualified personnel for the school system.

To realize these goals, the government will pay attention to mobilizing the needed investment to support a comprehensive education policy reform, curriculum review and development and in improving the strategic capacity of the educational administrative system through effective civil service reform. Local communities will also be called upon to play important roles in the provision of educational services, including volunteers and community contributions. The government will also pay attention to reform of the higher education sector to ensure appropriate human resources are developed to meet the needs of the nation.

Strengthening health and nutrition delivery systems

The provision of basic health and nutrition services is a major priority for the government. With assistance from its development partners, the Government of Liberia will strive to improve the health status of the population, especially the rural and urban poor. As a first step, it will formulate and disseminate its overarching national health and social welfare policy and plan. It will ensure that by December 2008, 70 per cent of all health facilities are providing an equitable, affordable and integrated basic package of health services to individuals and communities, with particular emphasis on reaching women and children, especially the poor and vulnerable. The government plans to decentralize health systems planning and management to the county level to more fully engage communities and local partners in the health development process. As such, it will strengthen the capacity of county health teams to plan and coordinate health services and improve and ensure the equitable distribution of health facilities by December 2008. The government will also strengthen financial management and procurement systems to international standards by November 2007 and reconstitute and implement the National AIDS Commission (NAC) by June 2007. Other major priority areas include:

- Building the human capacities of health workers and health managers;
- Ensuring a financially sustainable primary health care system;
- Re-establishing an efficient health referral system;
- Reducing maternal, infant and under-five mortality rates;
- Reducing malnutrition among infants, children and pregnant/lactating mothers;
- Sustaining immunization rates at 80 per cent;
- Implementing strong programs to fight malaria, tuberculosis and HIV/AIDS (see box);
- Establishing early warning systems for epidemic response and disease control;
- Develop national social welfare policy and plan.

Box 7.1:   Fighting HIV/AIDS

Since the first case of HIV/AIDS in Liberia was reported in 1986, it is estimated that the HIV/AIDS prevalence rate had risen to 5.2 per cent.[18] The advent of the war led to the spread of the virus and the destruction of health infrastructure undermined the provision of treatment and care for people living with HIV/AIDS, voluntary counselling and testing, safe blood and prevention of mother to child transmission. Several factors add to the spread of the disease: Liberia's high rates of poverty, cross-border movement of people and cultural risk factors such as female genital mutilation. Less than 5 per cent of people living with HIV/AIDS are currently on antiretroviral drugs and less than 5 per cent of the population has access to voluntary counselling and testing.

The initial response of the government to the HIV/AIDS epidemic was the creation of the National HIV/AIDS and STD Control Program in 1987 to facilitate inter-sectoral coordination and the scaling-up of responses nationwide. Unfortunately, the civil war undermined these efforts. The first real post-war initiative came in 2000 when the National AIDS Commission (NAC) was established and a national HIV/AIDS strategic plan was developed. Despite this, the NAC has not been very active. Even though the national HIV/AIDS strategic plan was updated in 2004 and fully endorsed by stakeholders, it is not the basis for all funding contributions.

Major efforts in recent years have come through an 8.7 million USD grant form the Global Fund to Fight AIDS, tuberculosis and malaria, beginning in late 2004 and administered by the United Nations Development program (UNDP). Public sector response to the HIV/AIDS crisis has been mainly through the Ministry of Health and Social Welfare (MoH&SW), but other ministries including the Ministry of Gender and Development (MoG&D), Ministry of Defense (MoD), Ministry of Education (MoE) and Ministry of Labor (MoL) are gradually mainstreaming HIV/AIDS awareness and responses into their work and programs. Community and civil society commitment is still low, but action by some community-based organizations focusing on awareness raising and condom promotion is visible in the field, especially targeting youth. An assessment of the situation of orphans and vulnerable children to HIV/AIDS has been completed. In addition, awareness raising, condom distribution and voluntary counselling and testing activities are ongoing among international peacekeepers.

Noting the low knowledge levels of the population as well as among HIV/AIDS service providers, the government will embark on a nationwide HIV/AIDS awareness campaign. In addition, health service providers will undergo training in HIV/AIDS knowledge, universal precautions against HIV, voluntary counselling and testing (VCT), prevention of mother to child transmission, antiretroviral therapy management and home-based care. A legal framework to address stigma and discrimination against people living with HIV/AIDS as well as punishing those that deliberately infect others with HIV is vital. programs aimed at HIV/AIDS prevention and care will be introduced in the workplace and in schools.

Efforts will be exerted to capacitate NAC to formulate and implement an HIV/AIDS policy which takes into account gender-based vulnerabilities and risk factors for both men and women, direct and coordinate multi-national sectoral activities in the fight against AIDS, as well as mobilize and allocate resources. Additional efforts will be exerted to curtail the spread of the epidemic through strengthening safe blood supply, waste management and preventing mother to child transmission. Longer-term strategies will be needed to ensure that the fight against HIV/AIDS is approached in an integrated manner, with HIV/AIDS prevention programs operating in communities and all work places, institutions of learning, places of worship and the informal sector. Attention will also need to be given to the care and welfare of the increasing numbers of orphaned children.

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18 - Source: Liberia's proposal to the Global Fund.

Community-driven development program
One of the government's key strategies for building small infrastructure, strengthening schools and clinics and developing stronger youth programs is through community-driven development programs in which local communities and counties are given grants to address their own highest-priority issues. Several programs are already under way in cooperation with major partners and non-governmental organizations (NGOs), and the government is adding to these efforts through its 15 County Plan (previously known as the 100 Villages Plan). These programs need to be strengthened and extended to ensure more vital services are delivered at the local level.

7.4 The Interim Poverty Reduction Strategy Agenda

During the iPRS period, emphasis under Pillar IV – rehabilitating infrastructure and basic social services – is placed on improving livelihoods and service delivery for all. Table 7.1 presents the planned interventions.

Table 7.1

POLICY OBJECTIVES AND EXPECTED RESULTS FOR REHABILITATING INFRASTRUCTURE AND BASIC SOCIAL SERVICES FOR THE PERIOD JULY 2006-JUNE 2008[1]

Broad Policy Goal: Facilitating the improvement of productive livelihoods and service delivery.

Results/Indicators	Policy Objectives	Delivery Date	Lead/Collaborating Partners
Objective 1: Improve the quality and accessibility of education			
Policies, plans and strategies (reviews and formulation)			
A comprehensive education sector review completed and a medium- to long-term strategic plan prepared and endorsed	To develop a long-term strategy for improving the quality and accessibility of education	January 2007	Ministry of Education (MoE)
A national education policy prepared and approved	To develop and adopt a comprehensive national education sector plan	December 2007	MoE
Operational programs (services delivery / job creation)			
Three teacher training institutes (Zorzor Kataka and Webbo) rehabilitated and operationalized (enroll at least 400 students in each institute)	To improve the quality of teaching and learning in the national school system	October 2007	MoE / Ministry of Public Works (MPW)
15 buildings at Zwedru Multilateral High School campus, seven buildings at C.H. Dewey renovated, and at least two new secondary schools and 16 new primary schools constructed	To expand and improve access to educational opportunities	December 2007	MoE / Liberia Agency for Community Empowerment (LACE)
At least 80 per cent of remaining damaged primary and secondary schools repaired	To ensure increased primary and secondary enrollment in the country	November 2007	MoE
Capacity development (systems, processes, institutions)			
The national curriculum revised and strengthened	To improve the quality of teaching and learning in the national school system	December 2007	MoE
At least 500 teachers assigned to rural schools	To improve the quality of teaching and learning in the national school system	August 2007	MoE
School feeding activities implemented with a focus on vulnerable areas	To increase school enrollment, attendance and educational achievement of students, in particular girls	June 2008	MoE

Results/Indicators	Policy Objectives	Delivery Date	Lead/Collaborating Partners
Planning, monitoring and evaluation capacity of MoE enhanced	To strengthen educational management functions	December 2007	MoE
At least 20 computer labs established and operationalized nationwide	To teach basic computer skills to students and teachers	February 2007	MoE
Monitoring of Education procedure established, personnel trained and developed nationwide	To ensure effective evaluation for the National Education System	April 2007	MoE
Training facility for artisans and craftsmen established at Kendeja and at least three workshops held	To revive arts and crafts facilities in the country	September 2007	Ministry of Information, Culture and Tourism (MIC&T)

Objective 2: Improve health and strengthen the quality and accessibility of health facilities

Policies, plans and strategies (reviews and formulation)

Results/Indicators	Policy Objectives	Delivery Date	Lead/Collaborating Partners
National health and social welfare policy formulated, endorsed and pronounced	To provide national policy direction and framework for health and social welfare	August 2007	Ministry of Health and Social Welfare (MoH&SW)
Health planning is decentralized to county health and social welfare board	To decentralize the planning and management of health services involving communities and local partners	December 2007	MoH&SW

Operational programs (services delivery /job creation)

Results/Indicators	Policy Objectives	Delivery Date	Lead/Collaborating Partners
70 per cent (250 of 354) of health facilities are providing the basic package of health services	To provide an integrated package of health and social welfare services	December 2008	MoH&SW
Immunization levels are sustained at 80 per cent coverage (or more) through routine and campaign vaccinations	To reduce infant and maternal mortality	December 2007	MoH&SW
Three county hospitals renovated, equipped and staffed and one medical staff quarters built	To increase equitable access to health facilities	June 2007	MoH&SW
Four facilities for youth offenders (three male and one female) and four facilities for people with disabilities rebuilt	Establish rehabilitation facilities for youth offenders and people with disabilities	December 2008	MoH&SW
National campaign on birth registration conducted and one million children registered	Institute a national decentralized birth and death registration system to ensure the registration of all Liberian children	December 2008	MoH&SW

Results/Indicators	Policy Objectives	Delivery Date	Lead/Collaborating Partners
Capacity development (systems, processes, institutions)			
County health teams develop long-term health development plans specific to their counties	To ensure that planning and management involves and coordinates communities and local partners	December 2007	MoH&SW
National AIDS Commission reconstituted and functional	To provide the required guidance and leadership support in the fight against HIV/AIDS	June 2007	MoH&SW
The 354 existing functional health facilities are improved and equitably distributed	To provide a stable infrastructure for the provision of the basic package of health services	December 2008	MoH&SW
New financial management and procurement systems are developed and implemented to international standards	To ensure effective management of financial resources in the health sector and greater transparency and accountability in use of health resources	November 2007	MoH&SW / Ministry of Commerce and Industry (MoC&I)
National plan implementation unit is established to strengthen MoH&SW to develop a transition plan to ensure the effective management of 312 health facilities currently being operated by non-governmental organizations (NGOs) and faith-based organizations	To ensure that health facilities currently being operated by NGOs and faith-based organizations are effectively managed when NGOs exit	December 2008	MoH&SW
Health management information system for data collection is established and decentralized at the county level	To make relevant health data readily available for planning, decision making, operation research and monitoring health care services	December 2008	MoH&SW
Welfare institutions are strengthened to provide professional services to vulnerable groups throughout the country	Support to welfare institutions, the elderly and vulnerable families	December 2008	MoH&SW
Objective 3: Increase the quality and accessibility of water and improve waste management			
Policies, plans and strategies (reviews and formulation)			
National water and sanitation policy formulated	To develop national policy on water and sanitation	June 2007	Liberia Water and Sewer Corporation (LW&SC)

Results/Indicators	Policy Objectives	Delivery Date	Lead/Collaborating Partners
Capacity development (systems, processes, institutions)			
Nine water facilities in the 15 counties rehabilitated and functioning	To facilitate safe drinking water supplies to all counties	June 2008	LW&SC
At least 500 teachers and 750 community leaders trained in basic hygiene promotion, hand pump repair and maintenance; water and sanitation committees established in 10 counties	To strengthen institutions for effectively managing the water and sanitation sub-sector in the country	June 2007	LW&SC
New waste disposal sites established and proper waste collection system put in place	To improve health and sanitation standards of the communities	June 2008	Monrovia City Corporation (MCC), Environmental Protection Agency (EPA), Ministry of Public Works (MPW), Ministry of Lands, Mines and Energy (MoLM&E)
Objective 4: Rebuild and rehabilitate national roads and transportation network			
Policies, plans and strategies (reviews and formulation)			
A national transportation policy formulated and endorsed	To develop and adopt a comprehensive transportation system	June 2007	Ministry of Transportation (MoT)
Policies, plans and strategies (reviews and formulation)			
Rehabilitation of at least 109 miles of roads	For delivery of goods and services to all counties	December 2007	MPW
Rehabilitation and reconstruction of approximately 25 miles of neighborhood roads within Monrovia and its environs	Utilize a workforce of about 175 people and at the same time, improve the mobility of the public at large	July 2008	MPW
Reconstruction and rehabilitation of 300 miles of feeder roads in all counties	To assist farmers with delivery of their products to the market and boost economic growth	July 2008	MPW
Road safety initiatives including side brushing and fabrication and installation of road safety signs on all city streets	To promote safety and job creation through labor intensive programs	July 2008	MPW
Partial renovation of the Road Maintenance and Training Center and a complete assessment of the entire facility	The creation of 486 jobs	July 2008	MPW

Results/Indicators	Policy Objectives	Delivery Date	Lead/Collaborating Partners
Ground and navigational equipment at Robertsfield International Airport (RIA) refurbished and rescue and fire fighting equipment acquired and installed; staff accommodation renovated and passenger terminals and runway expanded	To restore RIA to acceptable international operating standards	June 2008	RIA
A national transit authority established	To provide an effective, efficient and affordable national land transport service	December 2007	MoT
Capacity development (systems, processes, institutions)			
An effective and efficient national land transport system designed	To improve land transport in the country	June 2007	MoT / MPW
Objective 5: Rebuild and renovate buildings			
Operational programs (services delivery /job creation)			
Renovation of the executive pavilion and old mansion together with assessment of 10 public buildings	To have the option of utilizing these spaces for government instead of renting private property	June 2008	MPW
At least one safe house for women survivors of gender violence in each county completed and opened	To enhance the protection of survivors of violence at county level	June 2007	Ministry of Gender and Development (MOG&D) / MoH&SW
Liberian Refugee Repatriation and Resettlement Commission (LRRRC) national headquarters constructed, furnished and operational	To construct and furnish the headquarters of the LRRRC to adequately respond to refugees and former internally displaced persons and community-based recovery of activities in and out of Liberia	December 2008	LRRRC / Ministry of Finance (MoF); Ministry of Foreign Affairs (MFA); MoLM&E; Ministry of Planning and Economic Affairs (MPEA); Ministry of Internal Affairs (MIA); MPW
Objective 6: Strengthen youth programs			
Operational programs (services delivery /job creation)			
Youth implementation steering committee established and awareness campaign carried out in at least 10 counties	Progressing implementation of national youth policy	February 2007	Ministry of Youth and Sports (MOY&S)

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PART THREE
IMPLEMENTING THE STRATEGY AND FULL POVERTY REDUCTION STRATEGY PAPER ROAD MAP

CHAPTER EIGHT
Implementing the Strategy

"Formulating the strategy is an essential step for reviving hopes, but implementing the strategy for results is what will uplift the poor from poverty.[20]"

8.1   Introduction

Although the poverty crisis and many of the other development problems predate the war, the realities of Liberia as a post-conflict nation pose tremendous challenges for the formulation and implementation of anti-poverty measures. The capacity crisis and the unemployment problem underscore the intricate nature of the challenge. To add meaning and turn the hopes of Liberians into reality, it is important to have the necessary political will, build strategic partnerships, establish robust monitoring and evaluation procedures and ensure that implementation risks are identified and appropriate measures taken to minimize them. These issues, together with a strategic management framework regarding the implementation of the Interim Poverty Reduction Strategy (iPRS), are highlighted in this chapter.

8.2   Manifesting Strong Political Will

Demonstrated credible intent of politicians at all levels and a commitment to carrying out an agenda with all the resources at the disposal of the nation is a precondition for the successful implementation of the strategy. Without such a commitment, the articulated strategy shall be ineffective. Fortunately, a key strength of the new Liberia is demonstrated political will at the highest leadership level, demonstrated in the initial 10 months of its program implementation, including an aggressive fight against corruption, mismanagement of public resources and bogus concession agreements (Box 9.1). The enhanced performance in financial management and improved control of public finances has already reduced graft and improved the budget of the government. The Government of Liberia intends to continue building on this strength during the iPRS period and beyond.

Box 8.1   : Expression of Political Will against Corruption

"Corruption, under my administration, will be a major public enemy. We will confront it. We will fight it. Any member of my administration who sees this affirmation as mere posturing, or yet another attempt by yet another Liberian leader to play to the gallery on this grave issue should think twice. Anyone who desires to challenge us in this regard will do so at his or her personal disadvantage. In this respect, I will lead by example. I will expect and demand that everyone serving in my administration leads by example.[21]"

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20 - Dr. Toga Gayewea McIntosh
21 - A quote from the inaugural speech of President Ellen Johnson Sirleaf, 16 January 2006. The president has put the policy into practice by paying taxes and reporting on travel expenditures.

On this basis, the government took quick action to publicize the declaration of assets by public officials, commissioned a series of public audits, drafted a code of conduct for public officials and civil servants and initiated the development of an anti-corruption strategy. In addition, the government has demonstrated strong political with its determination to put the nation's financial house in order. This was evidenced by the speed with which it concluded a staff monitored program with the International Monetary Fund (IMF), endorsed the Governance and Economic Management Assistance Program (GEMAP) and reviewed and cancelled non-compliant concessions and contracts, where needed.

Efforts will be made to generate the required political will in all branches of government and at all levels, and leadership across various arms of the government will be held accountable. A key focus will be the continuation of actions against corruption.

8.3 Forging Constructive and Strategic Partnerships

As profiled in earlier chapters, the poverty challenge faced by Liberia is so daunting and the needs so massive – that the Government of Liberia would be unable to satisfactorily respond on its own. There is a critical need to build strong strategic partnerships and the government is committed to engaging all actors, domestic and foreign, in order to enlist support for the design and implementation of the poverty reduction strategy and an overall development agenda. The government, development partners and non-governmental organizations (NGOs) will, however, need to better coordinate interventions and actions and the Liberia Reconstruction and Development Committee (LRDC) framework will provide a useful platform for doing so.

8.3.1 Engaging Domestic Actors

The first point of call for any positive engagement in the fight against poverty is local actors – no nation can outsource its development. Liberians at home and abroad will have to take the lead in getting its nation and people out of poverty. The government is committed to building a 'network government' in which the private sector and civil society organizations are active participants, with each sector playing the role for which it is best suited.[22] The ultimate goal of the government is not just to solicit inputs in developing policies, strategies and programs, but also engage civil society in implementation, with the aim of empowering civil society and its organizations to become active partners in fostering growth and creating employment opportunities.

This strategic approach is important because civil society provides a natural ally for the government in fighting poverty. Liberian NGOs and charitable organizations have always played a significant role in meeting the needs of the poor. For example, during the war years and under very difficult circumstances, civil society organizations provided the needed humanitarian and basic services when the government was essentially not functioning. Their knowledge of the terrain and their proximity to the population is extremely useful in the design and implementation of anti-poverty strategies.

To complement efforts of the government, youth groups, traditional leaders, local opinion leaders, the business community and women in the informal sector will be mobilized to help

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22 - As outlined in chapter 4, civil society was actively engaged in the preparation of this iPRS through forums organized in Monrovia and in all counties around the country, despite a limited time frame. This will be deepened during the preparation of the full poverty reduction strategy.

implement the poverty reduction strategy, taken to the people through various methods. In certain cases, domestic actors will have a leadership role to play in the design and management of direct interventions to reduce poverty, particularly in areas such as micro-credit ventures and in mobilizing community actions to repair and build local basic socio-economic infrastructure. They will also have a role to play in advocacy initiatives dealing with issues such as improving gender balance in education and job acquisition, or in changing mindsets to improve opportunities for women and girls. Similarly, local businesses and firms will have a significant role to play in the strategy to reduce poverty through investments in various parts of the country. Ingenuity and innovative capacity must be harnessed to facilitate substantial poverty reduction.

8.3.2 Engaging External Actors

A multitude of external partners is present in Liberia consisting of bilateral and multilateral agencies, international financial institutions, United Nations agencies and international NGOs. The United Nations sector is represented by 13 agencies: the Food and Agriculture Organization of the United Nations, the United Nations Development program, the United Nations Environment program, the United Nations Educational, Scientific and Cultural Organization, the United Nations Population Fund, the United Nations Human Settlement program, the United Nations High Commissioner for Human Rights, the United Nations High Commissioner for Refugees, the United Nations Children's Fund, the United Nations Development Fund for Women, the United Nations Office for Project Services, the World Food program and the World Health Organization. The African Development Bank, European Commission, the Department for International Development of the United Kingdom, International Monetary Fund, International Organization for Migration and the World Bank are also active. Among bilateral partners are China, Denmark, Germany, Ghana, Ireland, Japan, Nigeria, Norway, South Africa, Sweden, the United Kingdom and the United States. The African Union and the Economic Community of West African States are also represented in Monrovia and play an active role in the reconstruction exercise. There are more than 320 international NGOs working on social sector programs and the support of partners collectively has been instrumental in the progress made since the end of the war.

The government appreciates this concerted support and would like to continue harnessing it for the recovery, reconstruction and development process of post-conflict Liberia. The government will continue to place emphasis on improving donor support, coordination and harmonization. An effective development assistance database will be created as a first step for the establishment of a platform and mechanism for better coordination, harmonization and effectiveness of donor support in Liberia under the leadership of the government. The aim is to increasingly anchor dialogue and coordination with the donor community on two themes: 1) governmental strategies and policy priorities, and 2) the budget process and institutions and effective aid delivery. To that end, the government intends to deepen work with its partners to strengthen the aid coordination efforts of the four LRDC pillars as well as on the LRDC secretariat. Special attention will be given to bolstering the aid coordination, monitoring and evaluation capacities within the Ministry of Planning and Economic Affairs.

Simultaneously, the government will sustain dialogue with international partners to work on measures that should, over time, lead to significant reductions and ultimately the cancellation of debt under the Highly Indebted Poor Countries and multilateral debt relief initiatives. The government is committed to continuing to build the track record necessary for accelerating that process. To protect resources for development, it will be important to ensure that financing of debt relief is in addition to resources made available to Liberia by donors.

8.4 Effective Mobilization and Utilization of Resources

The financial and human requirements to combat poverty and to support recovery and reconstruction efforts in Liberia are enormous. At the same time, a certain degree of 'wait and see' persists on the part of many donors, based on widespread misuse of both government and external assistance in the past. The same can be said of many potential investors, mainly due to poor infrastructure and security concerns.

Key challenges include creating an environment of trust with donors and international partners, consolidating peace and updating basic infrastructure. The government is focused on engendering this trust: it is engaging partners in policy dialogue, building confidence in the prudent use of donor resources and working hard to address the waste and corruption of the past. Additionally, the government is working with partners to build institutional and professional capabilities to effectively manage and absorb donor resources.

Mobilizing more resources from within is also a key element of the governmental strategy. This includes more effective management of public resources and stimulating the private sector to generate additional resources for development. Putting in place a sound macroeconomic policy environment and addressing critical infrastructural constraints and structural policy weaknesses will be critical. Attracting investors will require a focus on local investors, Liberians in the diaspora and foreign direct investment.

The ultimate aim of the government is to move toward as much direct budget support from donors as possible in order to strengthen national ownership and management of the budget and poverty reduction strategy implementation process. Recognizing that strengthening the fiduciary framework and developing the capacity required for this is still under way, funding arrangements should be as simplified and harmonized as possible, in accordance with the principles of the Paris Declaration on Aid Effectiveness. The government thus supports the streamlining of existing funding mechanisms to include a range of development partners in support of the poverty reduction strategy implementation. This would ideally be through a multi-donor financing mechanism.

8.5 Monitoring and Evaluating the Strategy Implementation Process

A participatory mechanism will be established to monitor implementation, evaluate progress and measure the impact of the strategy. The monitoring and evaluation process will include an assessment of improvements in program delivery, using both quantitative and qualitative indicators that will be designed by the LRDC secretariat in consultation with key actors. Additionally, it will measure effectiveness in the use of public resources allocated to poverty reduction. Each agency charged with the responsibility of executing one or more of the interventions shall report quarterly to the LRDC using an activity tracking questionnaire. The main objective is to provide policy makers, implementing agencies, beneficiaries and other stakeholders with timely and accurate information on progress made and pending constraints.

The monitoring and evaluation process will be linked with a program to enhance the capacity for statistical data collection and analysis. The details of the monitoring and evaluation architecture will be further developed during the iPRS period, building on best practices from other countries, bearing in mind the post-conflict institutional challenges of Liberia. The findings of the monitoring and evaluation process will be utilized by the Government to better tailor the design and implementation of the full poverty reduction strategy.

8.6   Managing Potential Risks

The Government of Liberia is committed to doing everything within its power to combat poverty. There are, however, a number of risks that could frustrate this level of commitment and derail strategy execution. Possible significant risks include shortfalls in financing, re-emergence of conflict, limited leadership and administrative and technical capacities. While these risks are real, they are less likely to derail the level of commitment the government has attached to achieving the goals of reducing poverty in Liberia in its medium to longer-term development agenda.

8.6.1 Finance

The core challenge is finance. Liberia's financial resources after a quarter of a century of mismanagement and economic decline are very limited. Assembling quality human capital, strengthening broken down institutional capacities and creating adequate short-term public sector-led job creation will require a massive amount of money.

The government will do what it can to engender trust within and outside of Liberia to fill the financial gap. The hope is that efforts by the government in prudent financial management will engender support, both inside and outside the country, and that donor partners will continue to support Liberia. In conjunction with doing things right internally, the government will continue to engage the donor community and position itself for targeted assistance and increased support. By effectively demonstrating that waste and corruption are no longer the norm in Liberia, the government hopes to be able to raise the necessary financial resources from donor partners and domestic actors to formulate and implement the anti-poverty strategy.

8.6.2 Peace and Security

A second challenge requires continued commitment to peace and security on the part of the various actors in and around Liberia. Both are linked and interrelated and are critical to success. Large numbers of unemployed youth increase the risk of them being used to refuel conflict. The government is also aware of the risk associated with a lack of commitment and engagement of stakeholders. The faster the strategy is implemented, the greater the chances for minimizing the risk of slipping back into conflict.

In addition to implementing the measures contained in the strategy, the government is engaging and will continue to engage the public and civil society organizations in managing the development process. The government intends to continue to be fully open, transparent and accountable. Objectives are to ensure public support for government programs, build trust and minimize the threat of a return to conflict. Positive engagement will minimize this risk. Additionally, the encouraging impact of improved economic management, elimination of waste and corruption, poverty reduction and employment creation and a commitment to democratic principles will go a long way in engendering the trust and commitment of Liberians to peace and development.

8.6.3 Capacity

Another significant risk to the implementation of the strategy is a lack of capacity. The government may receive financing and have the commitment of the people, but without adequate capacity to design and implement robust poverty reduction programs, success will not be assured. A major effort to be continued is welcoming back competent

Liberians who left as a result of the war in order to participate in the reconstruction and development process. Hopefully, the ongoing Transfer of Knowledge Through Expatriate Nationals (TOKTEN) program and the Liberian emergency capacity-building projects will benefit from further support from other partners as well as the anticipated senior executive service program for senior civil servant professionals. Technical assistance shall be used strategically when necessary to fill the capacity gap and meet established deliverables.

However, the backbone of the capacity will continue to be the civil servants and others who remained inside the country during the war years. Their role in Liberia's recovery is crucial. As such, key efforts will have to be undertaken to provide support and training and to nurture their skills. Civil service reform will also nurture an environment in which skills can be developed and utilized. Medium to long term efforts will support the rebuilding of educational institutions to ensure new capacity formation. The government will be working with schools and universities, both private and public, to ensure that training programs respond to the needs of the country and to provide support where possible.

8.6.4 Adverse Regional Contagion

The history of conflict and turmoil over the past two decades is well established in the West African sub-region. Yet today, Liberia enjoys extraordinary goodwill, regionally and in the international community, and the fervent desire of the Liberian people for sustained peace is proven. Regional institutional structures are likely to mitigate the risks of a relapse into conflict over the medium term, however the goodwill that exists must be consolidated.

8.7 Strengthening the Implementation Arrangements

The strategy implementation mechanism will be situated within the LRDC structures and includes a coordination structure composed of the MPEA, the Ministry of Finance (MoF), Ministry of Defense, Ministry of Public Works and the LRDC secretariat. A technical committee, made up of professional staff from the United Nations Country Team, MPEA, MoF, the Liberian Institute for Statistics and Geo-Information Systems (LISGIS) and NGOs, will support LRDC. The four LRDC pillars will assume responsibility for monitoring implementation in their respective areas, supported by MPEA, MoF and LRDC secretariat. The cabinet and LRDC, chaired by the president, will provide general direction on the implementation of the strategy.

8.8 Conclusion

The formulation of a well focused strategy is necessary, but is not a sufficient prerequisite to derive the desired results; the implementation of the iPRS is not without risks. Other ingredients, such as political will, collaboration and adequate resources, are crucial for success. Fortunately the government understands these risks and is formulating appropriate responses to mitigate them in order to ensure successful formulation and implementation of the strategy to combat poverty in Liberia. The successful implementation of the iPRS can only modestly impact the poverty situation. For sustaining peace and enhancing development, the strategy needs to be extended beyond the iPRS period and the government is committed to developing a Millennium Development Goal-based poverty reduction strategy for the first five years after the end of the iPRS period.

CHAPTER NINE
Indicative Road Map to the Medium-Term Poverty Reduction Strategy

9.1   Introduction

The preparation of the Millennium Development Goal-based Poverty Reduction Strategy 2008-2012 (PRS) will be undertaken in the same spirit as the Interim Poverty Reduction Strategy (iPRS). The major differences will be the depth and extent of the process and the length of the implementation period. A lack of up-to-date socio-economic data and information was a critical limiting factor in the preparation of the iPRS and significant efforts will be made to remedy this in preparing the full PRS. The participatory process will also be improved. Sectoral and sub-sectoral diagnostics and strategies will be initiated and later completed. In addition, the institutional framework utilized for the preparation of the interim poverty strategy will be strengthened and the Poverty Reduction Strategy Paper (PRSP) will present a fully developed monitoring framework.

9.2   Confronting the Data and Information Crisis

Availability of timely information and data is a challenge. The preparation of a full PRS necessitates the availability of information on poverty, which is currently lacking in Liberia. Most of the available socio-economic information and data predates the war and the last major poverty profile was prepared in 2001, while the last population and housing census was conducted in 1984, and the most recent Liberian demographic and health survey (LDHS) was in 1999-2000. The government and its donors realize this risk and efforts are under way to improve the information and database.

A key improvement in graduating from the iPRS to the full PRS will be availability of statistical data. The full PRS will involve in-depth research and surveys on key issues to ensure that adequate data and information is obtained and analyzed in drawing conclusions on identifying the poor, locating them, understanding their expectations and developing appropriate strategies and programs that are most effective in addressing poverty. In addition, more needs to be known about the economy, especially at the macroeconomic and sectoral levels, to uncover the structural challenges that need to be overcome.

Since January 2006, the Liberian Institute for Statistics and Geo-Information Systems (LISGIS) has been conducting the 2006-2007 LDHS. When completed in June 2007, the LDHS will provide key indicators on child labor, maternal and infant mortality, fertility rates and, for the first time, information on HIV/AIDS by sex. The government has also developed a roadmap for the 2008 population and housing census.[23] During the iPRS period, the census team will undertake a number of activities including resource mobilization, pilot census mapping, exhaustive national data collection and analysis as well as non-income poverty mapping. A core welfare indicators survey, with a consumption module, will also be undertaken. Sectoral strategies in health and education and in potential growth sectors such as agriculture, mining and forestry will also be deepened in advance of the full PRS.

9.3   Deepening the Participatory Process

The LRDC process and the preparation of the iPRS has provided Liberia the experience in organizing consultations and getting stakeholders involved in national decision making

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23 -   The last national population and housing census was conducted over 20 years ago.

in a new democratic era. The preparation and implementation of the full PRS will deepen this process and provide an ongoing platform for nationwide consultation.

As described in chapter 3, consultations were held throughout the counties using the administrative structure of the county development superintendents during the preparation of the iPRS. This process will be refined and utilized to facilitate consultations in the preparation of the full national development and poverty reduction strategy and other follow up strategies which will address the issue of socio-economic transformation in Liberia. This consultative platform will also be relied upon for monitoring and evaluation.

The government wants to maintain dialogue, making it an ongoing exercise for continuous review, updating and engagement of the public in national decision making, especially with respect to combating poverty. As part of the preparation of the full PRS, ongoing public consultations and dialogue will be organized using focus group discussions. The support and engagement of the development superintendents will be encouraged to ensure that the participation in the preparation of the PRS takes place around the country.

The aim is to build consensus and a longer-term vision for the nation, not only on the poverty reduction strategy but other aspects of national development, which will take the nation beyond managing poverty to rapid growth and development. Focus group discussions will target stakeholders, beneficiaries, community and opinion leaders, civil society representatives, displaced communities, government workers, professional organizations, university, religious bodies, parliamentarians, youth and women organizations, county officials and non-governmental organizations (NGOs). Targeted focus group discussions will be held regularly.

In addition, participatory research and surveys on the poverty situation in the country will also be undertaken in conjunction with other national institutions, such as universities and churches. The outputs of the research will be widely disseminated through regular publications as well as policy and learning dialogues that will bring together policy makers, parliamentarians, NGOs, local government officials and experts to discuss research results and their policy implications.

9.4   Strengthening the Institutional Framework

The institutional framework utilized in the preparation of the iPRS worked well and facilitated the engagement of many actors, including the government, civil society organizations and international development partners. This will be continued in the preparation of the full PRSP. However, considerable efforts will be made to forge stronger links to the LRDC pillar working groups to ensure that their knowledge of the sectors is fully exploited and integrated. Additionally, within the current framework, a full time team of four experts will be recruited to manage the day-to-day aspects of the preparation of the full PRS.

9.5   The Expected Milestones

The core activities envisioned from now until the finalization of the full PRSP are presented in the table below.

Table 9.1:Indicative Milestones to Full Poverty Reduction Strategy

Activity	Responsibility	Timeframe
PRSP preparatory project formulation and design	Ministry of Planning and Economic Affairs (MPEA), LRDC secretariat, Ministry of Finance (MoF)	January 2007
Final PRSP project approval	LRDC and cabinet	Feb 2007
Submission to partners with funding requests	MPEA	Feb 2007
Institutional set-up • Recruitment of Technical team • Purchase needed equipment	MPEA and LRDC	March 2007
Begin PRS preparation	LRDC, MPEA, project team	February 2007
Millennium Development Goal Training and Assessment	LISGIS, MPEA, United Nations	July 2006 – March 2007
Conduct associated surveys • Core welfare indicator questionnaire • Liberia demography and health survey • Population and housing census	LISGIS, United Nations, donors	June 2006 – June 2008
Consultative and participatory process • Consultation with NGOs and civil society • Consultation with political leaders • County and regional consultations • National consultations • Consultation with government officials and county development superintendents • Stakeholder technical workshops • Radio, TV and media discussions on PRS - Technical national review of draft PRS	Technical team, pillar working groups, development superintendents, consultants	January – June 2007
Participatory data collection • Perception of poor of poverty • Impacts of existing programmes • Strategy to reduce poverty • Indicators for monitoring and evaluation • Skills and entrepreneurial development programmes • Small and medium enterprises and access to credit and business support • Empowering women and youth • Budget tracking and review • Public expenditure reviews	Technical team, pillar working groups, development superintendents, consultants United Nations Development Fund for Women (UNIFEM)	February - July 2007
Diagnostic policy reviews and sector studies • Key sectors diagnostic studies • Policy review studies • Macroeconomic study • Employment strategy study Costing of programs	Consultants	February – April 2007
Drafting and review of full PRS • Drafting • Subject to technical review • Editing • Presentation and submission to cabinet • Finalization, design and publication • Dissemination and feedback	MPEA, Technical Team and Consultants	July – October 2007
Presentation to Donors • Discussion and feedback	MPEA, MoF and LRDC	November 2007

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ANNEX 1
CONCERNS FROM THE COUNTIES ON POVERTY IN LIBERIA

PILLAR 1: SECURITY			
Common Concerns	**Bomi**	**Bong**	**Gbarpolu**
Ex-combatants - Extend rehabilitation and reintegration programmes to remote areas, provide vocational training, create employment opportunities and form farmer cooperatives **Liberia National Police** - Recruit and train more police officers, deploy to counties, work to improve image of the police in Liberia, settle salary arrears, pay regularly - Police infrastructure to be improved **Security sector** - Retain and retrain personnel who meet criteria set for enlistment, ensure recruits are taken from the township/village level **Armed Forces of Liberia** - Recruit qualified individuals, have a well trained and professional army, offer benefits to retired personnel	**Arms** - Empower local authorities to retrieve hidden arms from people **Drugs** - Sentence drug dealers to imprisonment - Establish centres to halt drug abuse, especially amongst children	**Arms** - Sensitize community on the United Nations Development Programme policy on small arms collection **Crime** - Establish regular information sharing practices between security personnel and community members	**Immigration** - Deploy immigration personnel to man border posts **Correctional facilities** - Build correction centres
Lofa	**Margibi**	**Maryland**	**Montserrado**
Security - Make rule of law classes mandatory for security officers **Immigration** - Strengthened border posts - Merge National Security Agency and NBI	**Peacebuilding** - Foster reconciliation through the Truth and Reconciliation Commission (TRC) **Border** - Stop the entry of illegal/sub-standard drugs	**Peace and reconciliation** - Involve all community members in the activities of the TRC **Youth** - Include youth in the development process **Resources** - Control exploitation of natural resources **Refugees/Returnees** - Facilitate return and resettlement	**Crime** - Citizens and local leaders assist in the identification of the sources of drugs **Immigration** - Strengthen border and migration point patrols

PILLAR 1: SECURITY

Grand Bassa	Grand Cape Mount	Grand Gedeh	Grand Kru
Security - Prevent the unemployed from being recruited by unscrupulous groups **Crime** - Launch campaign to discourage rape charges being used as means of extortion	**Arms** - Introduce arms for development programme **Community Security** - Eradicate ghettos	**Arms** - Register all hunting guns with local authorities **Traffic** - Ensure motor vehicles are registered with Liberia National Police	**Other** - United Nations Mission in Liberia (UNMIL) needs to carry out regular patrols in all accessible districts

Nimba	River Cess	River Gee	Sinoe
Peace and reconciliation - Settle property and land disputes in Nimba as quickly as possible **Environment and natural resources** - Regulate the burning of charcoal and uncontrolled cutting of timber - Ensure proper use of natural resources **Refugees/ Returnees** - Improve health and education services	**Crime** - Enforce laws on firearms possession and armed robbery	(noted in common concerns)	**Security sector** - Enhance security in natural resources areas in the county **Coastguard** – Reactivate coastguard

PILLAR 2: GOVERNANCE AND THE RULE OF LAW

Common Concerns	Bomi	Bong	Gbarpolu
Governance - Counties want to: elect local officials; improve coordination between line ministries and agencies of government; a national training policy for civil servants; ensure transparency and accountability and decentralization of revenue	**Education** - Set up community task force to make sure parents send children (especially girls) to school **Rule of Law** - Revise the Liberian constitution - Teach civic education in schools Corruption - Closely monitor the use of money for development in the county	**Education** - Subsidize private schools - Enact law forcing all parents to sponsor their children to primary schools **Rule of law** - Strengthen the judicial system - Establish code of conduct for public servants Traditional authority - Work out how traditional and national authorities can complement each other	**Education** - Revise school curriculum to meet present day reality **Mining** - Avoid awarding mining contracts prior to lifting of sanctions

Lofa	Margibi	Maryland	Montserrado
Civil society - Encourage private investments - Uphold press freedom **Rule of Law** - Show respect for all cultural norms - Build institutional capacities	**Taxes** - Levy more taxes on rubber	**Rule of law** - Rationalize the two levels of justice (traditional and formal) - Abolish trial by ordeal	**Rule of law** - Make sure laws are enforced **Education** - Poor representation of line ministries outside of capital

PILLAR 2: GOVERNANCE AND THE RULE OF LAW

Grand Bassa	Grand Cape Mount	Grand Gedeh	Grand Kru
Rule of law - Acknowledge the great lack of integrity in the court systems and the perception that human rights are not protected **Corruption** - Punish corrupt officials **Cultural issues** - Distinguish between traditional and moral issues - Provide regular workshops/radio shows on law in local vernacular	**Rule of law** - Strengthen judiciary - Construct and rehabilitate correctional facilities **Education** - Decentralize education and ensure that county gets polytechnic or university **Health** - Reintroduce cost recovery or revolving funds **Non-governmental organizations** - Review the accreditation of non-governmental organizations (NGOs)	**Rule of law** - Lack of defense counsels in the county - Enforce ban on sassy wood **Gender** - Ensure gender equity and involve women in the decision making process	**Rule of law** - Educate citizens on use of the court system **Education** - Pay teachers regularly so that they can remain in classrooms - Extend video census board to Grand Kru **Roads** - Provide equipment for road maintenance and construction **Ethnicity** - Establish a peace and reconciliation committee to settle ethnic disputes

Nimba	River Cess	River Gee	Sinoe
Corrections facilities - Establish corrections facilities in all districts and at the county headquarters **County administration** - Create a special budget for local authorities **District development committees** - Involve district development committees in planning of rehabilitation and developmental activities **Judiciary systems** - Deploy more legal staff in the county **Civil servants** - Encourage civil servants who are still in Monrovia to come back to the county	**Coordination** - Staff of all line ministries must be properly identified **Rule of law** - Construct / renovate courthouse, correction centre and police station **Education** - Provide library and laboratory facilities - Establish more educational institutions	**Local authority** - Review political sub-division boundaries - Revise criteria for political sub-divisions	**Education** - Increase 'rural compensation' for teachers working in the counties **Property** - Address squatters' rights and the selling and reselling of land **Urban-Rural** - Investigate if (at all) people can be encouraged to 'go back' from Monrovia **Other** - The 'emergency' state of mind of international NGOs sidelines communities, national NGOs and the line ministries

PILLAR 3: ECONOMIC RECOVERY

Common Concerns	Bomi	Bong	Gbarpolu
	Banking - Establish commercial banks in the county **Industry** - Compel all international industries working in Liberia to manufacture their products in Liberia **Price levels** - Establish food storage facilities in the county to counteract shortages	**Banking** - Establish branches in rural communities **Economic empowerment** - Simplify procedures in Ministry of Finance **Tax collection** - Broaden tax net to include informal sector **Unemployment** - Private sector should hire locally **Transportation** - Introduce mass transit	**Banking** - Establish banking system countrywide **Taxes** - Promote decentralization of revenue collection and disbursement **Sanctions** - Promote lifting of sanctions on timber and diamonds **Natural resources** - Conduct monitoring of exploitation

Lofa	Margibi	Maryland	Montserrado
Agriculture - Rehabilitate and improve agricultural institutions - Revitalize the Liberian Produce Marketing Company - Encourage skills/vocational training - Provide credit schemes for farmers **Market policy** - Provide duty free to building and construction materials	**Banking** - Government must ensure that bankers pay back depositors' money **Price control** - There should be price tags on all goods sold in Liberia	**Banking** - Put system in place that encourages people asking for loans **Employment** - Revitalize key sectors of the economy - Bring concession areas back up to former productivity levels **Agriculture** - Provide agriculture tools and seeds to vulnerable community members **Transport costs** - Bring down transport costs by having a fuel station in the county	**Infrastructure** - Rehabilitate the water and electricity stations **Taxes** - Improve revenue collection and disbursement systems **Food** - Promote household food security

PILLAR 3: ECONOMIC RECOVERY

Grand Bassa	Grand Cape Mount	Grand Gedeh	Grand Kru
Development - Desist from previous practices of asking for huge sums of money upfront from investors	**Economic empowerment** - Redeploy bureau of cooperatives to organize cooperatives **Employment** - Develop a Ministry of Labor (MoL) databank of qualified citizens **Mining** - Extend Kimberly Process Certification Scheme of forming mining cooperatives **Agriculture** - Provide tools and seeds to farmers	**International community** - Organize workshops to show people how to gain access to resources	**Economic empowerment** - Citizens must get involved in more self-help projects **Banking** - Provide market incentives through local county banks - Give banking education in both English and local vernacular **Taxes** - Set up database to increase revenue

Nimba	River Cess	River Gee	Sinoe
Banking - Open a branch of central bank Economic empowerment - Encourage self help and income generation activities **Diamonds** - Help lift the ban on diamonds to create employment **Trade/commerce** - Improve trade and commerce with neighbouring countries	**Banking** - Restore confidence in the banking system **Economic empowerment** - Establish a loan scheme for small business - Direct investment activities to enhance employment opportunities - Government to establish a Price Control Board		**Natural resources** - Establish county natural resources committee to oversee management of natural resources (i.e. illegal mining, concessions, etc.) - Protect the Sapo National Park to develop as an eco-tourist asset for the county; Involve communities in park extension and develop programmes for peripheral communities **Infrastructure** - Prioritize the rehabilitation of the Port to Greenville

PILLAR 4: INFRASTRUCTURE AND BASIC SERVICES

Common Concerns	Bomi	Bong	Gbarpolu
Healthcare - Introduce hygiene education in schools, rehabilitate, build and equip health facilities, train adequate health personnel and provide incentives **Education** - Improve teachers' salary, medical and housing facilities - Decentralize universities, vocational and technical schools - Address the high illiteracy level		**Water and sanitation** - Construct more hand pumps **Roads** - Maintain feeder and farm to market roads	**Roads** - Provide adequate funding for the construction of roads and Communications facilities - Sensitize population to engage in self-help activities as regards roads

Lofa	Margibi	Maryland	Montserrado
Infrastructure - Equip offices with computers, furniture, stationery and all necessary items - Reconstruct markets, city hall and other public gathering places	**Health** - Provide additional doctors and drugs in the health centres **Administrative** - Create office space for local officials	**Health** - Establish a referral system with ambulance and communication system	**Water and sanitation** - Revitalization of the White Plains water plant and the Harrisburg hydro plant **Roads** - Rehabilitate roads **Agriculture** - Absence of government agriculture extension staff

PILLAR 4: INFRASTRUCTURE AND BASIC SERVICES

Grand Bassa	Grand Cape Mount	Grand Gedeh	Grand Kru
Water and sanitation - Curtail the theft of hand pumps at night **Urban/rural** - Introduce and encourage a village re-grouping program for development efforts to be directed easily	**Infrastructure** - Support the rehabilitation of roads and bridges	**Food** - Continue emergency feeding Buildings - Rebuild commissioners' and paramount chiefs' compounds	**Water and sanitation** - Construct more pit latrines with concrete structures **Public building** - Renovate public buildings

Nimba	River Cess	River Gee	Sinoe
Water and sanitation - Carry out clean water and sanitation awareness campaign **Reintegration and shelter** - Assist returnees with basic shelter materials	**Health** - Construct health facilities in each district **Communication** - Extend cell phone services and revitalize the postal system into the county		**Roads** - Rehabilitate the major highways connecting counties **Health** - Regulate drugstores and pharmacies **Urban planning** - Rehabilitate market facilities in Greenville and other major towns

ANNEX 2
CONFRONTING THE NATIONAL CAPACITY CRISIS

A2.1 Introduction

Implementation of the four strategic pillars of the Interim Poverty Reduction Strategy will undoubtedly experience a number of operational challenges. Key among these challenges is the pervasively fragile capacity in virtually every sphere of Liberian activity (Box A2.1). This annex explores the background to, and characteristics of, the current capacity crisis of Liberia, assessing the cross-cutting impact on implementation of the emerging poverty reduction strategy.

Box A2.1:   Capacity: The Change Agent

National capacity is typically defined in terms of human, institutional and organizational/societal skills, competencies and effectiveness in any given situation. Capacity development (or capacity formation) is a positive change in capacity delivery and performance over time. A recent 10-year comprehensive retrospective by the World Bank on capacity development in Africa *(Building Effective States; Forging Engaged Societies, 2005)*, suggested that overall capacity development in a nation is largely driven by improvements in state capacity, which is in turn robustly explained by the extent of societal engagement in the demand for and productivity of goods and services. The study argues that effective states themselves mirror high degrees of societal engagement, underpinned by steady capacity evolution over time. In essence, nations with strong governments, civil society and public-private partnerships are likely to be those with stronger capacities and vice versa. Over time there is a powerful capacity-governance nexus. This in turn underscores the necessary interplay and conjuncture between state, civil society and private sector capacities for national effectiveness. Effective states are likely to be more progressive, with more robust social capital and cohesiveness.

A2.2 Dimensions of the Capacity Crisis of Liberia

The weak capacity endowments of Liberia have manifested themselves in many ways over the years. This frailty has undoubtedly been exacerbated by violent conflict and associated adverse effects. Capacity has been consistently weak in the public, private and civil society sectors.

A2.2.1   Public Sector Capacity

In the public sector, Liberia's severe capacity deficit has largely been driven by the nation's increasingly parlous budgetary situation for several years. For most of this period, less than 10 per cent of the national budget has been devoted to education, training, health, agriculture and rural development combined. Compensation is shockingly low and in the past was often in arrears by several months. In addition, the

overall acute poverty situation, with some 80 per cent of the nation living on less than 1 United States Dollar (USD) per day, has rendered any systematic capacity deepening and/or human development virtually impossible.

Current public sector capacity inadequacies are largely evident by the:

- *Severe skills shortage:* All critical skills are pervasively in short supply at executive, middle management, technical and lower operational levels stemming essentially from the sustained low level of human development.

- *Infrastructural and technical inadequacies:* There has been substantial loss of manpower and socio-economic infrastructure needed to support nation building, partly on account of the massive brain drain. Crisis-related death and destruction of infrastructure have also resulted in insufficient and unreliable technical information essential for decision making, policy analysis and formulation.

- *Weak governance:* Sustained poor governance and economic mismanagement in the public sector has been evident for many years. Morale is poor, work ethics questionable and difficult to enforce.

- *Institutional deficits:* There is pervasive evidence of severely damaged institutional capacity, with most institutions lacking essential tools, logistics and supplies and basic information technology infrastructure and systems. They are also confronted with very poor physical working conditions including the absence of reliable power supply, water and telecommunication services.

- *Inhospitable environment:* The broader environment within which public sector institutions function is characterized by corruption and low social capital, which were underpinned by serious credibility problems on the part of past governments.

A2.2.2   Private Sector Capacity

Although the private sector has also been impacted by brain drain and a lack of investment since the 1980s, a substantial level of private sector technical capacity still exists in Liberia. However, utilizing existing private sector capacity is partly constrained by a historical culture somewhat unfriendly to employing national consultants/advisors. In addition, private sector professional and regulatory ethics have severely eroded in years, presenting major issues in corporate governance. Much needs to be done by self regulating private sector professional bodies, as well as by the public sector itself, in providing and deepening the space and partnerships to ensure more broad-based investments in private capacity formation.

A2.2.3   Civil Society Capacity

For many of the same reasons, civil society capacity structures are not strong. The press, though improving, still exhibits problems of quality and professionalism. Trade unionism is erratic and at times disorganized. The non-governmental organization (NGO) sector lacks coordination and adequate oversight, though it has done a credible humanitarian job in often difficult circumstances over the years. Although adequately funded, most international NGOs have tended not to build sustainable local capacity in their operations, often with much of their leadership being foreign nationals. Local NGOs have been not been well

funded, a reality that limits their operational capacity to invest significantly in human and systemic development. Closer civil society partnerships with the private sector, donor community and the public sector itself should be mutually reinforcing in expanding development possibilities in this area.

A2.3 Recent Responses to the Capacity Crisis

Under the 150-Day Action Plan, an estimated 65 million USD was committed by development partners and the Government of Liberia for deepening capacity. Most of this was centered in the economic revitalization pillar, which has oversight responsibility for the Governance and Economic Management Assistance Program (GEMAP) and other major capacity interventions. Sizeable sums have also been earmarked for rebuilding capacity in the security pillar and a smaller amount allocated to building public service capacities. Apart from GEMAP, several other ongoing interventions are noteworthy:

- *The Liberian Emergency Capacity-building Support program:* Initially programed at 2 million USD, there are two components. One represents varying salary supplements for selected public servants in critical public sector positions and designed to kick start the nation's economic recovery. The other is for promoting capacity-building activities among national institutions. The program is presently funded by the Open Society Institute (OSI) and the United Nations Development program (UNDP), but is open to other partner contributions.

- *The Transfer of Knowledge Through Expatriate Nationals program:* A new program building on previous experience, the TOKTEN program funded by UNDP and amounting to some 2.1 million USD has just been approved. It is hoped that the program will fund 20 national expatriates and 15 local professional Liberian nationals for periods up to 18 months in critical areas of public sector management and reform. It should also support necessary capacity-building activities in areas where the experts will be located. Supplemental financing from other donor partners is also being sought to expand the program.

- *A Senior Executive Service program* that will fund the availability of some 100 technically and professionally proficient Liberians across the public service is also being actively considered and is under preparation, with strong partner support.

A2.4 Embedding Capacity Development Interventions in the Emerging Medium-Term Agenda

Given the challenges and the thrust of government in the short term, the cornerstone for a capacity-building program will emphasize the following:

- Building management, operational and technical skills for all three branches of government;
- Creating effective regulatory, economic, monetary and financial institutions;
- Developing appropriate framework and structures for deeper public/private partnerships;
- Consolidating and expanding public sector reform;
- Defining and strengthening local governance operational framework and delivery capacities.

In structuring future interventions within and beyond the ongoing iPRS implementation period, it is imperative that such responses are anchored within an overarching national strategic capacity development framework. Such a framework should have as key building blocks:

- The need to foster broad-based national reconciliation and sustain peace;
- The restoration of damaged social capital;
- Reform of the governance system, including an aggressive fight against corruption;
- Clear manpower needs assessments (demand and supply side), involving Liberians at home and within the diaspora;
- Strengthening the overall capacity for national development management;
- Adequate recognition of the critical importance of robust capacity in the private and civil society, beyond that in the public sector.

A2.5 Conclusion

In the final analysis capacity, perhaps more than any other variable, will determine how quickly Liberia will turn itself around in coming years. It needs to be rebuilt at all levels public sector, private sector, civil society almost simultaneously. But while every area could conceivably be considered a priority for capacity enhancing support, clear and decisive prioritization as well as sequencing and targeting of responses will be crucial. As a start, capacity development entry points and interventions during the iPRS/PRS periods should revolve around the four pillars. Even within that framework, priority should go to those activities that would quickly foster growth, create new jobs and facilitate the delivery of services. What is also clear is that to do this correctly and have the desired impact, capacity issues must be looked at in a comprehensive, integrated way, even as prioritization is necessary.