National Human Development Report 2006
LIBERIA

INDIVIDUAL
INSTITUTIONAL
SOCIETAL

MOBILIZING CAPACITY FOR RECONSTRUCTION AND DEVELOPMENT

MOBILIZING CAPACITY FOR RECONSTRUCTION AND DEVELOPMENT

SITUATED ON THE WEST COAST OF AFRICA, LIBERIA COVERS A LAND AREA OF APPROXIMATELY 38,250 SQUARE MILES NORTH OF THE EQUATOR.

The coastal line extends for about 350 miles. Liberia shares borders with Guinea, Sierra Leone, Cote d'Ivoire and the Atlantic Ocean. There are four natural regions: the Coastal Belt, the Rolling Hills Belt, the Dissect Plateau and the Northern Highlands. Generally, the soil is fertile for timber, a number of tree crops, rice and cassava production. Vegetation along the coast is a mosaic of mangroves, small trees, bushes and grassland. The water ranges in depth from three metres in the coastal plains to seven metres in the mountain ranges of the northern highlands. There is a dry season (November –April) and a wet season (May-October). The land is rich in minerals including gold, diamond, manganese, silica sand, clay and bauxite.

KEY HUMAN DEVELOPMENT INDICATORS FOR LIBERIA

ECONOMIC INDICATORS	Value	Period	Source
GDP at Current Market Prices (millions USD)	574.5	2005	MPEA/LISGIS
GDP at 1992 Constant	380.9	2004	MPEA/LISGIS
Real GDP Percentage Change	9.6	2005	MPEA/LISGIS
GDP per capita (USD and PPP)	191.5	2005	MPEA/LISGIS
Unemployment rate	85	2003	2004, MDGR
Total budget (millions USD)	80	2005	BoB/MOF
Broad Money (M2-millions Liberian dollars)	4,908.0	1st Quarter, 2005	CBL
Inflation rate	16.2	1st Quarter, 2005	CBL
Total National Debt (millions USD)	3,638.4	2005	CBL/MOF
External Debt (millions USD)	3,262.5	2005	CBL/MOF

	Value	Period	Source
Domestic Debt (millions USD)	375.9	2005	CBL/MOF
External Debt as % of GDP	567.89	2005	
Goods: exports f.o.b. (millions USD)	103.8	2004	MOC
Goods: imports f.o.b. (millions USD)	-268.1	2004	MOC
Trade Balance	-164.3	2004	MOC
Exchange rate	55.33	2004	CBL
Poverty rate		2001	MDGR
Below poverty line (living on less than 1 USD per day) in %	76.2		
Extreme poverty (living on less than 0.50 USD per day) in %	52		

SOCIO-DEMOGRAPHIC INDICATORS

Population Estimates

	Value	Period	Source
Population (projection in millions)	3,096,557	2003	MPEA/LISGIS
Annual Population Growth Rate (%)	3.4	2003	MPEA/LISGIS
Dependency Ratio (per 100)	96	2003	MPEA/LISGIS
Percentage of Population aged 60 + years	3.6	2003	MPEA/LISGIS
Total Fertility rate	6.2	2003	MPEA/LISGIS
Net Migration Rate	27.39 migrants /1000 population	2005	World Factbook
Number of Internally Displaced Persons	261,886	2004	OCHA/UNHCR
Number of Refugees	314,817	2004	OCHA/UNHCR
Returned Registered Refugees	42,469	2004	OCHA/UNHCR

Health

	Value	Period	Source
Life Expectancy at Birth (years)		2000	MPEA/LISGIS
Total Population	47.7		
Males	48.7		
Females	47.1		
Child Mortality (Probability of dying under age 5 years) per 1000		2000	MPEA/LISGIS
Males	194		
Females	198		
Adult Mortality (Probability of dying between 15 and 59) per 1000		2003	WHO
Males	590		
Females	484		
Maternal mortality rate (%) per 100,000 Population	578	2000	MDGR
Birth Rate (%) per 1000 Population	44.77	2005	World Factbook
Death Rate (%) per 1000 Population	23.1	2005	World Factbook
Sex Ratio at Birth	0.99 male (s)/female	2000	World Factbook
Prevalence of HIV/AIDS in Adult Population (%)	8.2/10 – 12	2003	MDGR
Number of People Living with HIV/AIDS	22,150	2000	MPEA/LISGIS
Malaria Cases per 100,000 Population	26,719	2000	MHSW
Tuberculosis Cases per 100,000 Population	346	2000	MHSW
Population with Access to Health Services	69.4	2000	MDGR
Proportion of Underweight Children (under 5)	14.88	1998	MDGR

	Value	Period	Source
Education			
Net Primary Enrolment Rate (%)	34.7	2002	MDGR
Ratio of Girls to Boys in Primary Education (%)		2002	MDGR
Males	59.2		
Female	40.8		
Secondary Enrolment Ratio (%)		2005	UNICEF
Male	40		
Female	28		
Total Population	37.7	2002	MDGR
Adult Literacy Rate (%)			
Male	50		
Female	26		
Population with Access to Education (%)	40	2000	MDGR

Environment			
Population with Access to Safe Drinking Water Supplies (%)	26	2000	MPEA/LISGIS
Population with Access to Acceptable Sanitation (%)	45	2000	MPEA/LISGIS
Proportion of Population Relying on Traditional Fuels for Energy Use (fire wood, charcoal and palm oil)	99.5	2001	MDGR
Proportion of Land Area Covered by Forest (millions ha) in %	3.4	2002	MDGR
Land Area Protected to Maintain Biological Diversity (millions ha)	0.192	2003	MDGR
Land Area Covered by Forest (%)	31	2000	LHDS/MDGR
Ratio of Protected Area to Surface Area	0.02	2000	LDHS/MDGR

Geography			
Total Geographic of Liberia (Sq Kilometres)	111,370	2005	World Factbook
Land Area	96,320		
Water	15,050		
Land Boundaries, total (Kilometres)	1,585	2005	World Factbook
Guinea	563		
Cote d'Ivoire	716		
Sierra Leone	306		
Coastline (Kilometres)	579		World Factbook
Elevation Extremes (Metres)		2005	World Factbook
Lowest Point: Atlantic Ocean	0		
Highest Point: Mount Wuteve	1,380		
Land Use (%)		2005	World Factbook
Arable Land	3.43		
Permanent Crops	1.98		
Other	94.59		

SPECIAL CONTRIBUTION

The call for capacity building as the core for rebuilding Liberia comes at a time when Liberians need it most. For the first time in almost two decades the spectre of violent conflict has disappeared. Thanks to the combined initiative of the Liberian people and their regional and international partners, the prospects of attaining sustainable peace are real.

Although not perfect, the Comprehensive Peace Agreement has provided an environment free of war and a public space for respectful contestation and productive discourse. In this context, Liberians – with the cooperation of their international partners – can craft institutions and formulate strategies and programmes to guarantee the core values of human security and give impetus to further initiatives that can enhance human growth and development. Liberians are challenged to take up the task of post-conflict reconstruction by developing productive entrepreneurship and shaping the national discourse for problem-solving.

The empirical indicators and analytical perspectives contained in this report will provide handy tools and essential guideposts for this task. As the report illustrates, strikingly high rates of infant and maternal mortality, high incidents of moderate and severe stunting among children and high rates of illiteracy are among the consequences of prolonged violent conflict and provide an urgent agenda for action. But they are also an indictment of poor governance in the past as well as compelling reminders of the need for reform of institutional arrangements and practices in economic, political and social governance.

The analytical perspectives articulated in this report correctly emphasize the critical role of capacity building in ensuring sustainable human development. Amid considerable international goodwill and urgent local needs, there can be the temptation to fashion recovery programmes that approximate turn-key operations or that involve activities which have superficial roots or no roots at all in Liberian society. Sustainable human development and human progress generally can only be assured when planted in the experience of a people and nourished by their own social processes. Considered in a context where Liberia is emerging from 14 years of violent conflict and as an essential strategy for human development, capacity building must proceed not only from an assessment of needs but also from an assessment of existing capabilities. This assessment must take into account the talents and skills of Liberians who reside elsewhere in the world and are available to Liberia. It must also take into account the civil society and community organizations that exist in Liberian society; in short, the stock of constructive social capital that has contributed to human survival in conditions of profound misery and continues to offer possibilities for the future. Many of these can become building blocks for reconstruction.

Today, the ultimate purpose of capacity-building strategies for human development in Liberia is to ensure the sustainability of human capabilities for self-governance. People-centred development means more than placing people's concerns at the centre of development planning and the implementation of development projects, important as this is. It means empowering people to be the engines of their own development; helping them develop the capabilities to conceptualize, design and implement development initiatives and learn from their experiences and from those of others, so that entrepreneurship and innovation become integral to their processes of development. In this light, programmes geared toward addressing the crisis of youth, the empowerment of women and the protection and promotion of the rights of children must comprise the core of human development initiatives. In Liberia's post-conflict circumstances, priority claims on scarce resources can justifiably be made for many other areas of reconstruction. However, programmes organized to empower these groups are capable of uplifting and sustaining all of society.

Now that we have this report, let it constitute a point of departure for enlightened discourse about human development priorities and strategies and let that discourse yield a national development and governance reform agenda for Liberia to which we will all be committed.

Amos C. Sawyer
Chairman, Governance Reform Commission and
Former Interim President of Liberia (1990-94)

FOREWORD

For Liberia, this report could not have come at a more auspicious time. After more than two decades of violent conflict, peace has been restored, a democratically elected government is in place and Liberians are now eager to forge ahead in unity and prosperity.

This new environment gives Liberians the freedom to formulate strategies and programmes to rebuild a nation, empower people and focus on the missed targets and broken promises of security and human development.

The theme of the 2006 National Human Development Report – "Mobilizing Capacity for Reconstruction and Development" – is timely. It will help shape national discourse and provide the framework for a national agenda of renewal and reconstruction being vigorously promoted by my government. The 2006 National Human Development Report is only the second edition for Liberia, the first having been published in 1999. Liberia has missed the analytical wealth and robust policy value advanced by the human development discourse contained in these reports. In this regard, the 2006 report will not only help broaden the intellectual frontiers of the concept of human development in Liberia, but also apply its conclusions and recommendations to the many institutional and policy reforms currently being implemented.

The tradition of human development promoted by this report, and the 'peace dividend' currently being enjoyed in Liberia, has created an environment in which Liberians can develop their full potential and lead productive, creative lives. At the core of this is an expansion of peoples' choices and access to the most valued elements of a stable democratic society: greater access to knowledge, better nutrition and health services, more secure livelihoods, protection from crime and physical violence, and a sense of inclusion in community activities. Above all, the people of Liberia want to make a fundamental break with the past, embrace change and make bold, decisive steps to address the problems that have stunted the nation's progress and undermined its national unity.

Two aspects of the report's analysis and wide-ranging recommendations are of particular importance. I concur with the report's evaluation of the human development costs of conflict. These remain the biggest impediments to advancement in Liberia: extreme poverty, high rates of infant and maternal mortality and high rates of illiteracy, among others. These problems have not only suppressed human development, but are the cause of continued deep psychological stress and trauma, which no data

Ellen Johnson Sirleaf, President, Republic of Liberia : UNDP Liberia

can capture. Reversing these costs and improving the indicators for Liberia are priorities for my government.

I also concur with the report's analysis on governance. Capacity building can only thrive in conditions of good governance, where respect for the rule of law and effective functioning of governance structures exist, buttressed by robust institutions, policies and laws. Liberia has suffered from a long period of bad governance and economic mismanagement. Urgent measures are now needed to address the systemic and structural malaise if we are to put Liberia firmly on the road to recovery, reconstruction and development and meet our Millennium Development Goal commitments. My government has already embarked on a series of reforms covering areas such as economic revitalization, governmental and public service restructuring, fighting corruption and strengthening governance capacities, all linked to a national vision. We will pursue these reforms with urgency, vigour and candour.

For capacity building to be truly sustainable, it must be indigenous, built on the experience of local people and nurtured by their own social conditions and experiences, as well as their dreams and desires. As the report rightly concludes, a meaningful capacity-building agenda must proceed not only from an assessment of the holistic needs of the country and its people, but also from an assessment of existing capabilities. I congratulate the authors for their effort, UNDP for its facilitation role and all our development partners for rallying around this initiative. I very much look forward to an enlightened national discourse on human development, building on the findings of this report.

Ellen Johnson Sirleaf
President, Republic of Liberia
Monrovia, July 2006

PREFACE

This report, the second edition for Liberia, has had a chequered history. The first attempt to publish it in 2003 was disrupted by the outbreak of the war. In early 2005, the original material was reviewed and updated with the help of a national technical committee created to spearhead the preparatory process. Through its efforts, we now have this final product.

If there is one central message conveyed by the 2006 National Human Development Report for Liberia it is that for any capacity-building effort to be meaningful and sustainable, it must be nationally-owned, driven by visionary leadership and reinforced by good governance. The first edition of the human development report, published in 1999, concentrated on the theme of "Good Governance". It argued that among the key factors underlining the conflict in Liberia, none were more significant than many years of bad governance and economic mismanagement. It recommended an "institutional overhaul" as the only way out. The debate initiated through the first report led to the adoption of policies and programmes for good governance being implemented today. This governance debate is as much alive today as it was in 1999 and the 2006 report revisits it from a capacity-building standpoint.

In keeping with the human development approach, the 2006 report argues that the primary objective of development is to create an enabling environment for people to enjoy long, healthy and creative lives. In turn, human development seeks to expand choices and advance rights so that people can enjoy greater access to information, improved livelihoods, security against crime and violence and political and cultural freedoms. In short, human development encompasses the notions of sustainable livelihood, self-esteem and individual freedom. UNDP has always advocated nationally-owned solutions that ensure greater voice for the poor, expanding access to productive assets and economic opportunities and linking poverty programmes with national economic and financial policies.

In advancing discourse on capacity building and human development, this report echoes the 2005 Global Human Development Report, making a strong correlation between low human development (and by implication eroded national capacity) and violent conflict. The costs of war to human development in Liberia are immense. It has depopulated rural areas, severely disrupted traditional systems and shattered existing structures and institutions. Aside from over 250,000 direct human casualties, the war resulted in severe disintegration in health and education services, lost incomes, internal displacement and refugee flows. It is impossible to put a number on the human development costs of the Liberian conflict.

The conclusions and recommendations in this report point to the need to advance dialogue amongst partners in building and reinforcing technical and institutional capacity for long-term development. This would provide an anchor for all capacity-building components of key national development initiatives such as the Governance and Economic Management Assistance Programme, the Interim Poverty Reduction Strategy Paper, the Liberia Reconstruction and Development Agenda and the Millennium Development Goals, as well as all other international assistance programmes.

UNDP is pleased to advance dialogue on human development in Liberia. With our global network and worldwide range of technical and advisory resources, we will continue to support the analysis and dissemination of new ideas, working closely with the new government, academia, civil society and other development partners. We will also continue to distil global experiences and best practices on human development and bring them to bear upon our work in Liberia.

We trust that the 2006 report will stimulate a constructive dialogue amongst policy makers, politicians and the humanitarian and development community in Liberia, as well as generate concrete innovations to integrate capacity building within programmes and projects.

Jordan D. Ryan

Jordan Ryan
Deputy Special Representative of the Secretary-General
(Recovery and Governance)
UN Resident and Humanitarian Coordinator
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ACKNOWLEDGEMENTS

Long Journey for the 2006 Report

Preparing this report has been a long and arduous journey due in large part to the outbreak of war in 2003 and the need to restart efforts in 2005. The National Technical Committee of the Liberia National Human Development Report wishes to acknowledge the contribution and support of various individuals and institutions. Firstly, our appreciation goes to the original (2002) National Human Development Report Technical Team composed of: Dr. T. Edward Liberty (Ministry of Planning and Economic Affairs); Isaac Roland (Ministry of Education); and Ramses T. Kumbuyah and Monroe N. Outland (UNDP) who together conceived the theme of the report as 'capacity building'.

The financial and technical support provided by UNDP in preparing this report must also be acknowledged. Special appreciation goes to Kamil Kamaluddeen, Cleophas Torori, Wilmot Reeves, Monroe Outland, Kay Schwendinger, George Gould and Anthony Selmah of the Policy and Strategy Unit for devoting a significant amount of time to reviewing the various drafts that helped reshape the text and ensure consistency with global standards. Various UNDP programme teams gave valuable input throughout the report's preparation and the senior management of UNDP – led by Steve Ursino (Country Director) – provided overall guidance and useful inputs. Appreciation also goes to Mr. Christian Herbert, the Minister for Planning and Economic Affairs under the National Transitional Government of Liberia) for providing policy support and to Dr. Toga McIntosh[1] for synthesizing the final outputs into a comprehensive and coherent document.

National Technical Committee

Special thanks go to the National Human Development Report Technical Committee, which provided essential country-specific perspectives and quality control. The Committee was composed of James N. Kollie (University of Liberia); Ahmed Ferej (UNESCO); T. Edward Liberty (Executive Director, Liberia Statistical and Geo-Information System); Isaac Roland (Secretary, Commission for Higher Education, Ministry of Education); Geegbae A. Geegbae (University of Liberia); James Logan[2] (Country Director, Action Aid Liberia); Wilson Tarpeh (Strategic Consulting Group); Ramses Kumbuyah (Liberia Action for Community Empowerment); Joseph S. Guanu (University of Cuttington); Anyaa Vohiri (Fauna and Flora International); Sister Barbara Brillant (Principal, Mother Patern College of Health Sciences); Amelia Ward (former Vice Chairperson, Council of Economic Advisors); and Francis Carbah[3] (former Commissioner, Governance Reform Commission).

National Stakeholder Consultations

Many individuals participated in preparatory meetings in order to discuss the human development concept and its application to Liberia. We wish to acknowledge their contributions and ideas, which have shaped this report. Limitations of space preclude naming them all, but we would especially like to recognize the contributions of Abdulai Jalloh, Al Hassan Conteh, Alascal Wisner, Alexander Peal, Augustine Arkoi, Rev. Augustus Caine, Bob Woods, Buster Sayden, C. Winnie Saywah, Cassandra Waldon, Charles Allen, Cooper Mykers, Curtis Jarett, D. Sleh Gurley, Sr., D. Sonpon Weah, Dan T. Saryee, Daniel A. Towalid, David F. Forleh, David Lellot, Dio Williams, Dixon Broh, Rev., E. Sele Mulbah, Elizabeth Hoff, Emmanuel Hinneh, Eugene Nyarko, Evgueni Tcherevik, Francis G. Wolobah, Geegbae A. Geegbae, George G. Wisner II, George J. Trokon, Gilbert Ngesu, Helen Vincent, Henry K. Wokolo, J. Edward Wumah II, James Logan, Jeremiah Sarnor, Jerome K. Korpah, Jerry M. Gonyon, Jonathan Browne, Joseph Oji, Joseph S. Jimmy, Joseph Tadayo, Juhia Gbartea, Julius J. Togba, Kagwiria Mbogori, Kamil Kamaluddeen, Keith Wright, Langley Nya Kialam, Lawrence Yeakula, Lewis K. Glay, Lloyd Railey, Marconi Kartakpah, Marcos Welalu, Martin L. Wesseh, Millicent O. Gargli, Moses J. Kpawee, Nessie Golakai, Patrick P. Davies, Paul Z. Toe, Peter A. Fahn, Peter Kamei, Peter Y. Kerkula, Romeo J. Togba, Roosevelt J. S. Mensah, Sam E. Hare, Sarah Tray-Hill, Saufu M. Sledge, Straven H. Willie, Sunnie S. Sawln, T. Marsaydeh Gibson, Togba Tuwray, Urias Teh Pour, Waribo Q-B West, Welleh Bohlen, Wesley Johnson, William Kawalawu and Wilmot G. Kokulo,

National Validation Process

We also wish to acknowledge the many other organizations and individuals who participated in the validation exercise and provided invaluable

Liberian rainforest
: UNDP Liberia

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MOBILIZING CAPACITY FOR
RECONSTRUCTION AND DEVELOPMENT

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ACRONYMS

ACBF	African Capacity-building Foundation
ADB	African Development Bank
AFELL	Association of Female Lawyers of Liberia
AFI	African Futures Institute
ALR	Adult Literacy Ratio
ALP	Accelerated Learning Programme
ARI	Acute Respiratory Infection
BMC	Bong Mining Company
CAP	Consolidated Appeal Process
CBR	Crude Birth Rate
CHTs	County Health Teams
CMC	Contracts and Monopoly Commission
CPA	Comprehensive Peace Accord
CPR	Contraceptive Prevalence Rate
CRC	Convention on the Rights of the Child
CSA	Civil Service Agency
CSOs	Civil Society Organizations
ECD	Early Childhood Development
ECOWAS	Economic Community of West African States
EFAP	Education For All Action Plan
EPI	Expanded Programme for Immunization
FACPEL	Free and Compulsory Primary Education for Liberia
FAO	Food and Agricultural Organization
GAO	General Auditing Office
GDP	Gross Domestic Product
GDI	Gender-Related Development Index
GEM	Gender Empowerment Measure
GEMAP	Governance and Economic Management Assistance Programme
GER	Gross Enrolment Ratio
HDR	Human Development Report
GNP	Gross National Product
GOL	Government of Liberia
GRC	Governance Reform Commission
HDI	Human Development Index
HFI	Human Freedom Index
HIV/AIDS	Human Immune Virus/Acquired Immune Deficiency Syndrome
IDA	International Development Association
IDCs	Internally Displaced Camps
IDPs	Internally Displaced Persons
IMF	International Monetary Fund
IMR	Infant Mortality Rate
INGO	International Non-Governmental Organization
JNA	Joint Needs Assessment
LDHS	Liberia Demographic and Health Survey
LIMCAP	Liberian Macroeconomic Policy Analysis Capacity Building Project
LHDR	Liberia Human Development Report
LWSC	Liberia Water and Sewerage Corporation

MAPS	Marrakech Action Plan for Statistics
MCC	Monrovia City Cooperation
MDGR	Millennium Development Goals Report
MDGs	Millennium Development Goals
MHSW	Ministry of Health and Social Welfare
MMR	Maternal Mortality Rate
MOE	Ministry of Education
MPEA	Ministry of Planning and Economic Affairs
MRD	Ministry of Rural Development
MRU	Mano River Union
NAC	National AIDS Commission
NACP	National AIDS Control Programme
NECOLIB	National Environmental Commission of Liberia
NER	Net Primary Enrolment Ratio
NGOs	Non-Governmental Organizations
NHA	National Housing Authority
NHDR	National Human Development Report
NRDP	National Reconstruction and Development Plan
NRP	National Reconstruction Programme
OECD	Organization for Economic Co-operation & Development
PAIS	People Without Access to Improved Sanitation
PFI	Political Freedom Index
PGR	Poverty Gap Ratio
PPP	Purchasing Power Parity
PRM/DRM	Prevention and Death Rates Associated with Malaria
PRT/DRT	Prevention and Death Rates Associated with Tuberculoses
RFTF	Results-focused Transition Framework
STD	Sexually Transmitted Diseases
SUR	Student Survival Ratio
TBAs	Traditional Birth Attendants
TOKTEN	Transfer of Knowledge through Expatriate Nationals
TTBA	Trained Traditional Birth Attendant
U5MR	Under-five Mortality Rate
UNCCA	United Nations Common Country Assessment
UNCT	United Nations Country Team
UNDAF	United Nations Development Assistance Framework
UNDP	United Nations Development Programme
UNESCO	United Nations Educational Scientific and Cultural Organization
UNFPA	United Nations Population Fund
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNOCHA	United Nations Office for the Coordination of Humanitarian Affairs
USAID	United States Agency for International Development
USD	United States Dollar
WB	World Bank
WIPNET	Women in Peacebuilding Network
WFP	World Food Programme
WHO	World Health Organization

OVERVIEW

CONTEXT: CONFLICT AND HUMAN DEVELOPMENT IN LIBERIA

> **Give a person a fish and he or she can eat for a day; but teach that person how to fish, and he or she can feed the family for a lifetime.**
>
> (Paraphrased from a famous Chinese proverb)

The impact of civil war and poor governance on Liberia's capacity for human development has been devastating. Loss of life through violent conflict or extreme deprivation, forced human displacement, the destruction of infrastructure and government capacity and the collapse of livelihoods have left a perilous legacy of human insecurity. Even though the crisis of war has ended and the first steps towards reconstruction have been successfully made, the challenges are enormous. Indicators of human development in Liberia – covering employment, income, health, education, gender equality and child welfare – are amongst the lowest in the world, when such indicators have been available.

It is symptomatic of Liberia's crisis of conflict and governance that for the last five years the country has not been ranked in terms of human development at all – due to the absence of data – and the second National Human Development Report was disrupted. Prior to the crisis that gripped the country between 1989 and 2003, Liberia enjoyed relative social stability and economic progress. By the time the crisis came to an end in the last rounds of full-scale civil war inside Monrovia in July 2003, almost all government institutions had ceased to function effectively and the little capacity that had evolved over the years was ruined. Liberia, on par with many countries in Europe and Asia during the 1960s, had become one of the world's poorest economies.

During the years of crisis, poverty levels rose steadily reaching 76.2 per cent and 52 per cent in absolute and extreme poverty terms (the population living on less than 1 USD and 0.50 USD per person per day) respectively. Public financial performance levels have fallen over the years as a result of deteriorated governance systems and processes. The economy presently operates at about one-third of its pre-war level, with a GDP of less than 500 million USD, compared to over 1 billion USD in 1988. Various social and economic sectors are performing poorly, with all indicators on the decline (see Key Human Development table).

In fact, performance of key growth sectors has been dismal, reflecting the impact of the protracted crisis. With most farming areas suffering from the effects of conflict and farmers displaced as a result, the agricultural sector remains in ruins, an indication of the difficulty in restoring economic activities to pre-war levels. Other sectors have fared no better.

The mining sector collapsed from a relative 12 per cent share of GDP in 1988 to 0.082 per cent in 2004. Over the same period, the tertiary (service) sector dropped from 50.5 per cent of GDP to 17.4 per cent. Manufacturing stalled and exports were a mere 25 million USD, a sharp contrast from pre-conflict levels of 460 million USD. Unemployment in the formal sector had risen as high as 85 per cent of the total labour force (about one million people) and evidence of deteriorating living conditions and quality of life was palpable.

In human terms the decline of social indicators meant, that Liberians were denied access to basic social services and infrastructure. In parallel, the absence of a strong analytical capacity and weakened framework for strategic engagement undermined the prospect of advancing a robust human development dialogue in Liberia. It is within this context that the formulation of this human development report must be understood.

While observing the devastation wrought by Liberia's conflict and the enormous challenges that remain, it is important to stress that progress has been achieved in recent years. Since successful elections in 2005 and the inauguration of a new president, a number of initiatives have been launched and are beginning to bear fruit. In cooperation with the international community, the government and people of Liberia are making important strides towards reconstruction within the context of the RFTF.

All areas of the RFTF – security; governance, democratic development and the rule of law; elections; social development and community revitalization; infrastructure; and economic management and development – have shown marked progress. On this basis, the country has embarked on a series of national reconstruction efforts. Security, economic revitalization, infrastructure and basic services, governance and the rule of law have been identified as priority areas of action by the new government. There is reason to be optimistic and positive, despite the challenges ahead.

Indicators of human development in Liberia – covering employment, income, health, education, gender equality and child welfare – are amongst the lowest in the world.

KEY MESSAGES OF THE REPORT:

1. Violent conflict is one of the greatest impediments to human development. It reverses development gains, suppresses human rights and needs and destroys all capacity for human advancement.

Destroyed roads, bridges and power plants represent a crippling loss of choice for individuals, past investments and livelihoods. They also pose a threat to the future survival of the people and the nation.

Liberia's 14-year civil conflict inflicted grave suffering on its people. Scarce human and financial resources were diverted away from productive activities and instead spent on the military, which physically destroyed Liberian society and rolled back the few human development gains made during the pre-conflict years. Almost all government institutions ceased to function due to the massive flight of human capacity and the lack of essential tools, logistics and basic supplies. Food systems and stocks were disrupted, as farming communities were displaced and warlords and combatants plundered the fields. Over 270,000 people died as a direct result of the conflict or through illness exacerbated by the destruction of health facilities.

Roads, bridges and community-based water and sanitation facilities were destroyed, including the Mount Coffee hydropower plant and other smaller power plants. The conflict also ripped through the socio-economic fabric of Liberian society, breaking down family and social values. Nearly every family incurred loss and many suffered from psychological stress and trauma. Family and household incomes were eroded due to the collapse of economic activities. Loss of personal income, dignity and lives, the loss of physical abilities from wounds as well as brutal sexual violence perpetrated against women and female children were all by-products of the conflict.

The collapse of investments and mass unemployment led to depressed personal and household incomes. Limited personal incomes forced families to focus on survival at the expense of maintaining good health or pursuing an education. The breakdown of water and sanitary systems, widespread food insecurity and destroyed health facilities contributed to the extreme vulnerability of the population. The natural consequence has been widespread ill health and 80 per cent of Liberians living below the poverty line of 1 USD per day.

The loss of homes and other physical assets has left people with no means of sustainable livelihoods,

subjecting them to higher risks of malnutrition, shorter lives, illness and illiteracy. The devastated educational system increased the nation's illiteracy rate, further limiting peoples' choices and income-generating opportunities. Addressing the conflict-related costs is a pressing challenge and a priority for the government, beginning with the creation of new, requisite capacities and re-orienting existing capacities in order to allow the government and people to effectively manage and prevent conflict, reconcile the nation, sustain peace and security and improve human development.

2. Rebuilding Liberia and improving its human development status requires a holistic capacity-building agenda targeting individuals, organizations and society.

Capacity underpins performance and must be adequately developed at the individual level, within institutions and among communities. Capacity development refers to the ability of individuals and communities to address and fulfil essential needs beyond the narrow preoccupation with the provision of basic education, training and the use of technical assistance. It now involves building human, organizational and societal capacities within a broader governance framework to empower people.

Fundamental to expanding human choices is building human capacities: the range of opportunities for people to advance their living conditions. The basic tenets of human development include leading a long and healthy life, being educated, having access to the resources needed for a decent standard of living and being able to participate in the life of one's community.

In building individual capacities there are two critical challenges that have a high investment cost: proper planning and programming of present and future human capital stock, flow and skill-mix; and the requisite individual and institutional capacities needed to design and execute specialized training as well as general and professional education to meet the nation's needs. This can only be achieved with the active involvement and commitment of the entire population through the promotion of community action, focused on inclusiveness.

The sense of solidarity and the ideals of service should be the strengths to guide the reconstruction process. Given the sources of Liberia's violent conflict, including social inequality and the exclusion of sectors of the community from economic and political opportunities, it is essential that capacity-building and development activities are broad-based and inclusive. If they are not sensitive to conflict, there is the danger they may exacerbate remaining social tensions and even threaten the peace and stability that has been achieved.

Developing individual, institutional and societal capacities cannot flourish without adequate 'political capacity', expressed through an effective governance process and system. Appropriate public and private policies, people-oriented programmes and other mechanisms must be developed to provide a democratic space for people to freely apply their competencies. Capacity building also depends on a vibrant and responsible civil society. Yet the cost of building national capacities to address these developmental requirements is enormous, particularly in the face of other competing needs.

Despite this, the Liberian government and people have no choice but to create and use the necessary capacities to improve the country's poor human development status – failure to do so would be to repeat the mistakes of the past and possibly plunge the country into conflict once again. While the use of international technical assistance to supplement domestic capacity development efforts should be welcomed, new and innovative approaches must be found to make the assistance more effective than in the past. Assistance should be aligned with national priorities, development objectives and capacity-development initiatives in a way that comprehensively meets all mutually dependent needs.

It also requires that all relevant actors are embraced in the agenda. Human development is not only the domain of governmental and public authorities, but also the business sector. Business is essential in stimulating the economy and providing a livelihood and therefore must have a voice in reconstruction efforts. Non-governmental organizations and other civil society actors are equally integral to human development and capacity building. Because of the collapse of public authority during the years of war, civil society groups have developed various coping mechanisms that illustrate the determination of communities to deal with crisis. Community-driven reconstruction activities can build upon this spirit in many different policy areas, including education, protection of the environment and social services.

3. Capacity building, development and peace-building in Liberia must be linked to a shared national vision.

Capacity development must be considered in its broadest sense, beyond developing the capacity of individuals, institutions and society to perform functions. Though these are all critically important to Liberia's human development, the government and people will have to conceive of capacity development as part of the holistic functions of citizenship. Liberia is sorely missing a sense of unified identity and shared vision. While this is not something that can be achieved in the short-term, it is important to long-term reconciliation and peace-building efforts.

Creating capacities is not an end in itself and coming out of a destructive war means a host of immediate and longer-term national priorities and challenges that must be targeted by the Liberian government and people and their development partners. These must be clearly articulated and sequenced within the framework of a broad national recovery and development agenda aimed at creating capacities to permit Liberians, existing institutions and civil society to efficiently address the priorities and challenges related to the exercise of rebuilding post-conflict Liberia. Priorities for this agenda could include:

- Strengthening and consolidating reconciliation and peace – the foundation for beginning the process of national renewal following a destructive civil conflict;

- Restoring social capital by mobilizing and developing targeted human skills, including civil works planning and construction engineers, environmental and sanitation planning and construction engineers in order to rebuild infrastructure as well as human bonds;

- Reforming the system of governance, concentrating on strengthening the rule of law and justice, transparency and accountability in the use of national resources; and

- Strengthening national development management capacities in order to bolster strategic thinking and the capacity of politicians, legislators and bureaucrats on issues relating to human development and responsible government.

The capacity-development agenda must support overall human development goals, strategies and programmes in pursuit of a shared national vision. As a result of Liberia's history – and especially the complex relationship between descendants of settler communities and indigenous communities – a sense of shared identity and citizenship has been elusive. An attempt was made in 1999 to formulate one (known as Vision 2025), but the approach and process did not have the necessary level of research and community participation or the appropriate legislation required to make it a fruitful initiative. Although a national vision owned and shared by the people of Liberia is still not in place, a more promising attempt to initiate a vision taking into account the limitations of earlier attempts began in early 2006, under the direction of the GRC in collaboration with UNDP and the African Futures Institute.

While the use of international technical assistance to supplement domestic capacity development efforts should be welcomed, new and innovative approaches must be found to make the assistance more effective than in the past.

Liberia is sorely missing a sense of unified identity and shared vision. While this is not something that can be achieved in the short-term, it is important to long-term reconciliation and peace-building efforts.

4. An effective capacity-development agenda must rest upon a comprehensive, nationally-owned strategy based on a robust capacity needs assessment.

Experience suggests that in many countries, including Liberia, failure to formulate strategies to carry out national agendas has often led to articulating policies that ultimately generate few substantive results. A starting point for rebuilding post-conflict Liberia is for the government to create an integrated, comprehensive capacity-building strategy focused on individual, institutional and societal levels. The strategy should provide a comprehensive road map geared at achieving maximum results and safeguard against poor end results. The strategy formulation process must begin with a wide-ranging capacity needs assessment and also take into account the shortcomings of past capacity-development efforts in Liberia. Specific attention should be paid to technical assistance programmes that have injected funds and expatriate skills often with no evidence of immediate or long-term benefits to indigenous capacity upon their conclusion. Indeed, at a time of transition with major international engagement in the country, it is essential that the country avoids a culture of dependency.

Accordingly, it is essential for the government to survey the strengths and weaknesses of the present capacity situation, as well as of technical cooperation programmes and project future needs for achieving human development. The purpose is to know the strategic issues, national aspirations and key functions. Following the identification phase, the government should undertake a critical situational analysis of the levels, quality and relevance of existing individual capacities (including people living outside the country), organizational capacities and societal capacities in a stock-taking exercise. Using the findings from this exercise, capacity needs must be determined and prioritized. All of these elements will inform the scope, focus and content of a comprehensive, nationally-owned, capacity-building strategy. They would also provide insights into the economic and political environment in which adopted strategies are to be implemented.

5. Human development and capacity building in Liberia must be sensitive to latent conflict.

The process of human development in Liberia and the role of capacity development within this must be seen within the broader post-conflict challenges that characterize the country. The United Nations Secretary-General observed that, "Not only are development,

security and human rights all imperative; they also reinforce each other... We will not enjoy development without security, we will not enjoy security without development, and we will not enjoy either without respect for human rights."[4] This is exactly the case with Liberia; human capacity underpins development, security and human rights.

A number of inter-dependent demands exist, which must be tackled in an integrated manner. Security and peace are essential for development and employment in order to enable an environment in which investment, reconstruction and economic activity can take place. In turn, employment and development are essential for security: if large sections of the community do not have a livelihood, they will remain vulnerable to violence or instability.

The relationship between peace and development is mutually reinforcing. Capacity development is essential for this process, to give people – some of whom have been excluded from education and professional opportunities for 15 years – the wherewithal to engage in and support reconstruction and development. At the same time, investment and development are important parallels in capacity building in order to provide resources so the process can be self-sustaining, provide livelihoods and expand opportunities.

There is little point in providing capacity development and raising expectations at the individual level if there are no opportunities. At the same time, as capacity development involves reforms that will downsize certain sectors – especially the civil service – alternative livelihoods and re-training must be a part of the agenda. The different components are inter-related and demand a comprehensive approach sensitive to sources of conflict. More specifically, human development in Liberia must address the culture of exclusion and marginalization, which is at the heart of conflict.

6. To be of any value, development programmes in post-conflict Liberia must deliver security and improve livelihoods.

Traditional development policies prioritized economic growth in national incomes, with less or no emphasis placed on the human side of development. By the early 1970s, economists and social researchers began to rethink this practice. While income accumulation is necessary and might expand people's opportunities, increasing income is not a sufficient condition for the fulfilment of important human choices, nor does it assure equitable development. The consensus emerging from this re-evaluation was that development must

4 In Larger Freedom. "Towards Security, Development and Human Rights for All". Report of the UN Secretary-General to the GA, September 2005.

work to enhance people's choices and give them ample access to opportunities on a sustained basis. This renewed thinking gave rise to the 'human development' concept and approach.

The human development dialogue was initiated in Liberia in 1998 and resulted in the publication of the first National Human Development Report in 1999. The central message of the report, which is still valid, is that bad governance suppresses human development while good governance calls for improvements to institutions, systems and processes. Since the report's publication, key human development indicators have not improved in any significant way. Public and private institutional capacities have failed to provide basic social services. The systems required for ensuring efficiency, effectiveness and transparency in public life remain poor. Since 1999, poor governance and the renewal of armed conflict further eroded the already fragile governance system. Liberia's present governance system remains highly centralized, overly powerful at the top and weak at the community level.

To make progress, the government must ensure that the process and outcomes of development policies are formulated and executed around people's desires and efforts to live decent and longer lives. In other words, the post-conflict Liberia development agenda must be human-centred. Through this process, an enabling environment can be created in which the Liberian people can expand individual and collective capabilities and use them appropriately. The primary benchmark of success for the development process must be an improvement in the quality of life for a majority of Liberians.

7. The restoration of local authorities starting with the establishment of basic functionality must be a priority area of action in Liberia's recovery and reconstruction efforts.

Capacity development of local authorities must be a priority, thus enabling them to take on pressing development and recovery challenges. At present, the capacity of local government throughout Liberia is very weak – in line with the centralization of power that has characterized the history of the country and reinforced by the destruction of infrastructure during the years of war. The restoration of authority and capacity in Liberia's 15 counties requires training, physical rehabilitation and equipping of offices and a mechanism to ensure coordination with central government authorities.

While the use of international technical assistance to supplement domestic capacity development efforts should be welcomed, new and innovative approaches must be found to make the assistance more effective than in the past.

A DDRR tailoring training programme, Monrovia.
: UNDP Liberia

POLICY IMPLICATIONS

Building requisite human, institutional and societal capacities must be at the core of a strategy to help the government and people of Liberia stop the decline in the standard of living and move the nation up on the human development ladder.

At present, many national functionaries are incapable of producing and distributing desired development results. To leave them in their current ineffectual state is tantamount to nurturing corruption, inefficiency and poverty. The availability of national capabilities, essential to producing the quantity and quality of goods and services for ongoing improvements in human development, is a fundamental component in expanding human choices.

It is one thing to have the strategy in place, and quite another to generate the intended results in line with the special needs of Liberians. The successful implementation of a human development strategy cannot be assured without requisite policies and capacities to create and ensure:

(i) A peaceful and secure national environment;
(ii) An effective governance system and process;
(iii) An impressive economic recovery and growth trajectory; and
(iv) Credible, up-to-date social, economic and developmental data and information.

The new government, inaugurated in 2006, initiated a process of putting in place these four prerequisites. Continuing this process requires tackling multiple challenges given the years of disunity, destruction and stagnation.

Conflict Prevention and Peace-Building – the regional dimension

While the peace process in Liberia has made great progress, threats to peace and security still remain. The danger of broader regional instability, social tensions, the continued presence of disgruntled groups (including some former combatants) and the porosity of the borders mean that a resurgence of conflict in Liberia is not implausible. To prevent its recurrence, the Liberian government, working within sub-regional structures such as the Mano River Union and Economic Community of West African States, must be alert to any threat to peace and security. In addition to promoting cooperation between the forces of the

countries, expertise and information will need to be shared regarding civilian police activities, disarmament, demobilization, reintegration and rehabilitation programmes, humanitarian operations and human rights protection. Equally important are the root sources of conflict. Efforts will be needed to resolve outstanding and potential conflicts among ethnic and social groups within the country.

Ex-combatants in agricultural training, Bong County : UNDP Liberia

Reforming the Governance System and Conducting a Capacity-building Needs Assessment

Given the history of bad governance current efforts at reforming the system must claim the urgent attention of the government and be brought to their logical conclusion as a matter of policy. As a priority, targeted reform interventions must be mounted on several fronts:

• Bloated public institutions and agencies need to be streamlined, with duplication and redundancies in personnel functions harmonized;

• Inadequate remuneration and benefit packages for public employees must be enhanced to support basic requirements of survival and strengthen commitment and dedication as well as contribute to the eradication of corruption;

- The critical shortage of requisite capacities to organize and manage the governance process must be dealt with, prioritizing key posts at first;

- Policy analysis and development management capacity must be strengthened, including the establishment of an autonomous policy research and analysis entity;

- A country capacity-building profile and needs assessment should be undertaken as a first step towards outlining a national capacity-building programme.

the country. It is urgently needed to guide policy and decision makers, investors, managers and researchers to effectively formulate strategies and projects, monitor performance and progress in the development process and respond to international data requests. It is difficult to diagnose a problem and find the most feasible solution without it. The government will be unable to assess its progress towards the MDGs or monitor policies and programmes related to population, health, education, HIV/AIDS and nutrition. Although data generation and maintenance are expensive propositions, they are necessary for decision-making and meeting these costs is at the core of the challenge in Liberia.

Benson Street, central Monrovia : UNDP Liberia

Stimulating the Economy

In accordance with the principles of people-centred human development, preparing people and getting them back to work in the formal and informal sectors is crucial in the restoration of the Liberian economy. There are limits, however, to what government can do to stimulate economic activity. With the government playing a lead role, partnerships between the state, private sector and civil society are central to post-conflict reconstruction. In addition, there is a need for national policies dealing with trade, industry and entrepreneurship to support the revitalization process.

Rebuilding a Reliable Knowledge Base

A major problem for Liberia has been the lack of a reliable knowledge base and data about the current status of social, economic and human indicators in

Structure and Focus of the Report

The 2006 National Human Development Report for Liberia argues that creating national capacities will allow the people of Liberia to make informed choices and translate those choices into real progress in their living conditions. In articulating the case, the report makes a contribution to the ongoing debate on the inter-relationship between capacity building and sustainable human development in a post-conflict environment. It aims to provide a conceptual framework and a practical platform through which the government and its development partners can articulate a capacity-development strategy which is nationally owned, forward looking and long term, aimed at enhancing and sustaining human development in Liberia.

The report is intended to stimulate a constructive national dialogue amongst stakeholders including civil society, national and local policy-makers, politicians and development practitioners. Hopefully, the dialogue

will not only stir up discussions on finding ways for formulating and executing capacity development strategies and programmes, but will also prompt the necessary action as the foundation for rebuilding post-war Liberia. It is important to reiterate however, that the findings and conclusions are constrained by the lack of reliable and up-to-date data.

In addition to the overview, this report is divided into seven chapters along with relevant annexes on basic statistical information and a technical note. The first three chapters are aimed at illustrating the magnitude and complexities of the human development dimension and the challenges facing the government in rebuilding post-conflict Liberia. The intention is to provide a general framework that will guide the government in determining a short-, medium- and long-term capacity-building strategy.

- Chapter one briefly discusses the conceptual evolution and measurement of development, and how development is conceived and measured in today's debate, re-affirming the case that meaningful development goes beyond increased national income to include greater opportunities and wider choices for people to enjoy decent livelihoods.

- Chapter two presents a snapshot of the human development status of Liberia, giving a situational analysis of socio-economic and governance factors that have given rise to the persistent low levels of human development in the country.

- Chapter three highlights the human development costs inflicted by the civil conflict. The case is made that by diverting scarce human and financial resources from productive activities within the country to fuel and sustain the conflict – in addition to the direct impact of violence and destruction – the Liberian people paid a high price for plunging themselves into war against each other.

The following chapters consider the challenge of rebuilding post-conflict Liberia. They focus on the need for creating individual, institutional and societal capacities as prerequisites for the rebuilding exercise and to ensure long-term improvement in the human development status of Liberia.

- Chapter four looks at the dimensions of the capacity issue and the rationale for prioritizing capacity development in the early part of the post-conflict years. It conceptualizes the two-way relationships between 'capacity development' and human development'. A case is made that enlarging people's choices is enhanced greatly by expanding human capabilities. In addition, care must be taken to ensure a balanced approach in the use of capacity development for establishing national ownership of the process and consolidating national capacities.

Strategic issues and challenges, which are to be addressed in developing the necessary capacities for rebuilding post-conflict in Liberia, are also considered.

- Chapter five presents a road map and suggested action plan aimed at developing the necessary capacities as prescribed in chapter four. As a way forward, a call is made to the government to articulate a national capacity-building agenda that is set within the framework of a shared national vision and to formulate a comprehensive capacity-building strategy to operationalize the agenda. Respective components of the agenda and strategy are also outlined in the chapter.

- Chapter six presents a conclusion and highlights the challenges that face the new government. Policy implications of the challenges are also highlighted. Suggestions are made for initiating a national dialogue on the report with the aim of guiding the government and its development partners in the reconstruction efforts.

- The final chapter of the report outlines its major messages and key policy recommendations, and suggests a seven-point agenda for action for rebuilding and reinforcing capacity for human development from a crisis-prone to a crisis-free Liberia.

CHAPTER ONE

This chapter lays the foundation for the report, highlighting the conceptual and analytical foundations and framework of 'human development'. It traces the origins and growing criticisms of the leading development approaches of the 1970s and 1980s and embraces a sharper, more explicit definition of human development, putting it in a Liberian context. The chapter also establishes a conceptual linkage between human security and human development while introducing 'capacity development' as the overall theme of the report and relating it to human development.

1.1 DEVELOPMENT: GROWTH VERSUS SOCIAL IMPACT

The well being of people has traditionally been considered a by-product of growth, rather than the primary objective of economic policy. Within this context, levels of development were measured by the magnitude of national income as measured by economic growth, Countries with high GNPs and/or GDPs were characterized as 'developed' even when the majority of their people were impoverished and excluded from the benefits of development. Countries with low economic growth were considered underdeveloped, even if people had access to the basic necessities of life.

As it became clearer that the use of growth indicators to measure development missed the social aspect of development, economists (Seers, 1969; Goulet, 1971) and other social researchers began to rethink the purpose and meaning of development. Theorists and practitioners began to accept that the well-being of society depended not only on the growth factor, which is absolutely necessary, but more importantly on the uses of the increased national income for enhancing peoples' livelihoods and overall quality of life. The consensus that emerged was that high levels of income, if not properly managed and equitably distributed, would not necessarily contribute to human development, as was the case with Liberia over 50 years ago (Box 1.1).

While increasing aggregate national income might enhance people's security and is necessary, it is not sufficient in fulfilling some important human choices. Individuals and societies might make choices that require no income or wealth at all. For instance, a society does not have to be rich to be able to afford democracy, nor does a family have to be wealthy to

BOX 1.1: LIBERIA: GROWTH WITHOUT DEVELOPMENT

During the 1950s and 1960s, Liberia was a classic case in the dichotomy between growth and development. Following the adoption of a 'Free Enterprise Open Door' policy aimed at filling the capital gap, massive foreign investment poured into the country, particularly for extracting iron ore and rubber. As a result, exports expanded, and national income soared above an annual rate of six per cent. However, the welfare of the Liberian people – the most important aspect of development – did not markedly improve. In addition, the ability of Liberians to make choices and participate in the development process remained stagnated during those boom years. This environment nurtured the civil conflict.

respect the rights of each other. A person could be rich, healthy and well educated, but lack the opportunity to effectively participate in the development process, thus constraining individual choices. Valuable social and cultural traditions can and are maintained at all levels of income (HDR, 1994). While economic growth is an important means to development, the achievement of human outcomes such as participation and gender equality do not depend on economic growth and levels of income alone. They also depend on how these resources are used – whether for buying weapons instead of producing food, or building houses instead of providing health care (Box 1.2).

BOX 1.2: GOAL OF HUMAN DEVELOPMENT

"The basic purpose of (human) development is to enlarge people's choices. In principle, these choices can be infinite and can change over time. People often value achievements that do not show up at all, or not immediately, in incomes or growth figures: greater access to knowledge, better nutrition and health services, more secure livelihoods, security against crime and physical violence, satisfying leisure hours, political and cultural freedoms and a sense of participation in community activities. The objective of development is to create an enabling environment for people to enjoy long, healthy and fruitful lives."

Source: Mahbub Ul Haq, 1998, Reflections on Human Development

The essence of development is therefore to enhance people's choices and access to life-sustaining opportunities. Development should be human centred, with both the process and outcomes revolving around people. The process places the expansion of human choices and opportunities at the centre and focuses on

The essence of development is therefore to enhance people's choices and access to life-sustaining opportunities. Development should be human centred, with both the process and outcomes revolving around people

creating the necessary economic, social and political conditions in which people can expand their human capabilities and use them appropriately. Development outcomes are measured by the improved quality of life for a majority of people.

At the height of the debate regarding the core of development, Yale University professor and social theorist, Dr. Amartya Sen, published his theory on human capabilities. The thesis was that development is meaningful only when peoples' choices and opportunities were enlarged enough for them to: lead a long and healthy life; acquire knowledge and skills; have access to resources necessary for sustaining a decent standard of living; and fully participate in community life. This theory gave birth to the 'human development' approach. In essence, the core of development is about achieving sustained human development.

1.2 HUMAN DEVELOPMENT: MEANING AND DIMENSIONS

The human development concept ties together growth and the equitable distribution of the fruits of growth; both are essential to achieving human progress. This school of thought sees development as a process with multi-dimensional outcomes embracing the principles of sustainable livelihood, equality, self-esteem, participation and individual freedom. In fact, the first Human Development Report published in 1990 defines human development simply as "the process of enlarging people's choices".

> **BOX 1.3: HUMAN DEVELOPMENT: AN EVOLVING CONCEPT**
>
> Human Development has been an evolving concept within United Nations, academic and practitioners' circles. However, as an approach to development, it includes both 'evaluative' and 'agency' aspects. The former means improving human lives as an explicit development objective, while the latter refers to what people can do to improve their lives through individual, social and political processes. The essential elements of human development are: social progress (greater access to knowledge, better nutrition and health care); equity (distributive justice, fair distribution of incomes and assets through equal access to opportunities); sustainability (concern for not only present but future generations); security (from conflict, against disease, hunger, unemployment, displacement, famine, etc); and participation (empowerment, democratic governance, gender equality, civil and political rights, cultural liberty, etc). The approach is holistic and integrated in that it strives to find the balance between efficiency, equity and freedom and recognizes that there is no automatic link between economic growth and human progress.
>
> *Source: The Human Development Concept: Support Package to HDR Focal Points, HDR Office, UNDP, NY, 2006.*

Women making charcoal : UNDP Liberia

The concept of human development has since been evolving eliciting vigorous discourse within United Nations, academic and practitioners' circles (Box 1.3). It has also been elaborated upon in 15 reports under various themes starting 1990 (Box 1.4), each taking up a new policy issue such as globalization, poverty, human rights, gender, freedom, finance and security, among others. A careful review of these reports suggests that the human development concept has three broad inter-related dimensions: people; governance; and international. Elements of each are briefly discussed below.

PEOPLE DIMENSION: Human development is concerned with the conditions necessary for people to live healthier, longer, happier and more creative lives using individual and collective capabilities. It implies that people play a central role in the development process, particularly in determining the path and level of development. At the same time, people are the primary targets of the process and therefore the prime benefactor of development efforts and outcomes. One aspect of the people dimension is securing human freedom and human rights. People must be free and secure under the laws of the land to effectively exercise their choices, apply their capabilities in making those choices and participate in making decisions that affect their lives.

GOVERNANCE DIMENSION: Human development relies upon good governance, which is essential to enable people to utilize collective power and resources to manage their affairs for the common good and in accordance with their needs and aspirations. From the human development perspective, governance – especially political governance – allows people to participate in the decision-making processes that affect their livelihood. These relate mainly to the principles of democracy, representation and power sharing.

INTERNATIONAL DIMENSION: Global partnerships and the effective participation of a nation in the global socio-economic space are vital to enhancing opportunities and choices. Participation in trade, for example, can offer greater opportunities for increasing living standards of people, especially those in poorer countries (HDR, 2005). The search for equitable

YEAR	THEMES
1990	Concept of Human Development - Enlarging People's Choices
1991	Financing Human Development
1992	Global Dimensions of Human Development
1993	People's Participation
1994	New Dimensions of Human Security
1995	Gender and Human Development
1996	Economic Growth and Human Development
1997	Human Development to Eradicate Poverty
1998	Consumption for Human Development
1999	Globalization with Human Development
2000	Human Rights and Human Development
2001	Making New Technologies Work for Human Development
2002	Deepening Democracy in a Fragmented World
2003	Achieving the Millennium Development Goals
2004	Cultural Liberty in Today's Diverse World
2005	International Cooperation at a Crossroads: Aid, Trade and Security in an Unequal World
2006	Water and Human Development: Power, Entitlements and Scarcity

access must consequently extend beyond national borders into the global arena. Science, technology and communication provide the needed opportunities for improving personal and national income by accessing global human, financial and product markets.

1.3 HUMAN DEVELOPMENT: CONCEPT IN A POST-CONFLICT CONTEXT

What does the concept of human development mean in a post-conflict context? This question introduces the human security dimension to understanding human

development, focusing attention primarily on concern for overall security of individuals from violence, economic distress and environmental degradation.[5]

In Liberia, the concept of human security calls attention to the causes and consequences of individual insecurity. It enables us to define the problems which obstruct the realization of the full potential of individuals caught up in 14 years of violent conflict resulting in death, displacement, economic collapse and extreme human poverty. While human development strives to enlarge people's choices while guaranteeing their ability to fulfil them freely, conflict severely undermines the fulfilment and protection of these options. The drive to eliminate insecurity, restore peace and achieve reconciliation is informed by considerations of promoting human development and protecting human rights.

Since the 1994 Human Development Report pioneered the concept of human security, some 42 national reports have dealt directly or indirectly with it. Of the over 400 others that have been prepared since 1990, a number have touched on elements of human security.[6] The 1994 HDR shifted the focus of security from the protection of the state and its borders by

5   See National Human Development Reports and the Human Security Framework: A review of Analysis and Experience, By Richard Jolly and Deepayan Basu Ray, Institute for Development Studies, Sussex University, February, 2006 p.22
6   ibid, p 19.

military means, to the protection of individuals from a wider range of threats to their well-being and security by a wider range of measures and policies at all levels. It defined human security as including "safety from such chronic threats as hunger, disease and repression and protection from sudden and hurtful disruptions in the patterns of daily lives, whether in homes, jobs or communities."[7] This implies protecting people and communities against critical threats beyond their control, such as violent conflicts, crime, terrorism, human rights violations, hunger, unemployment and disease. Without these it is impossible to think of human development.[8]

The Commission on Human Security defines human security as intended "to protect the vital core of all human lives in ways that enhance human freedoms and human fulfilment. Human security means protecting fundamental freedoms – freedoms that are the essence of life. It means protecting people from critical (severe) and pervasive (widespread) threats and situations. It means using processes that build on people's strengths and aspirations".[9]

Conducting district development committee elections in Bomi County : UNDP Liberia

In light of these acute difficulties, the human development process in Liberia needs to be informed by the principle of human security since it helps capture the needs of volatile, post-conflict societies. Human security also stresses the importance of accommodating root causes of conflict in the process of peace-building, an approach that ultimately helps us understand the importance of conflict-sensitive development and capacity building.

Today, the humanitarian and security needs of the population remain enormous and urgent and the priority is to mobilize and build capacities to provide basic services. As a consequence of the war and associated political and social upheaval, capacity building must take a multi-dimensional approach: implementing programmes to provide education, health and sanitation and creating an environment to ensure the provision of these services reaches the target beneficiaries by strengthening the capacity of individuals and institutions meant to deliver them. Short-term achievements and the quick delivery of results are essential. However, a long-term capacity-development plan anchored on a national vision and linked to the achievement of the Millennium Development Goals is imperative for consolidating peace and security, fostering national reconciliation and improving governance.

In determining choices for reconstruction and development, those responsible must ensure that they proceed with realistic achievements and avoid overly ambitious capacity development programmes that exceed political and and/or institutional capabilities. It is equally essential that capacity development supports rather than erodes existing capacity.[10] Nevertheless, the relevance of capacity development for Liberia to improve its human development and building sustainable peace cannot be overemphasized.

BOX 1.6: LINKS BETWEEN HUMAN SECURITY AND HUMAN DEVELOPMENT

Human Security	Human Development
Protection	Fulfillment
Threats	Options
Basic Rights	Entire range of options
Negative liberties	Positive liberties

Source: Conflict Prevention NHDR Thematic Guidance Note, 2004, UNDP

If human development is concerned with the enlargement of people's choice, human security allows people to exercise these options safely and freely. People not only need to be educated, well-nourished and respected, they need assurances that nothing will prevent them from exercising these rights. Human security becomes a condition to exercise and enjoy the basic necessities of human development and must therefore be consistent with people's human development aspirations (see Box 1.6).

The concept of human security also highlights the acute challenges of promoting human development in a post-conflict environment. Liberia remains in crisis. The unemployment rate is estimated at 80 per cent; illiteracy 70 per cent; and poverty 76 per cent. There continues to be massive human suffering due to the disruption of agricultural activities, the continued displacement of the population, the destruction of private and public property and widespread poverty marked by lack of access to basic social services. Many young people are deprived of the basic skills necessary to secure a livelihood.

A long term capacity development plan anchored on a national vision and linked to the achievement of the Millennium Development Goals is imperative for consolidating peace and security, fostering national reconciliation and improving governance.

[7] United Nations Development Programme, Human Development Report 1994, New York, Oxford University Press, 1994, pg. 23
[8] Conflict Prevention NHDR Thematic Guidance Note, UNDP, 2004, p. 11
[9] Human Security Now, p4.
[10] Living Up to the Capacity Development Challenge: Lessons and Good Practice (DAC, 2005 Network on Governance), p. 9

1.4 MEASURING HUMAN DEVELOPMENT
The Human Development Index (HDI)

In addition to establishing the human development approach, it has been necessary to find tools to measure development status and progress within the human development concept. Accordingly, development scientists began to investigate different explanatory variables and indicators to capture the broader view of a country's development status. To this end, UNDP began to advocate a new approach to measuring development and in 1990, introduced the Human Development Index (HDI) as the primary measure of human development.

HDI is a composite index, which measures the average achievements in a country in three basic dimensions:

- Longevity — vulnerability to death at a relatively early age, as measured by the probability at birth of not surviving to age 40;

- Knowledge – measured using the adult literacy rate and the combined primary, secondary and tertiary gross enrolment ratio;

- Standard of living – measured by GDP per capita (PPP USD).

Complementary Indices

Three indices have also been developed to complement the measurement of human development. These indices, briefly described below, are: Human Poverty Index (HPI); Gender-Related Development Index (GDI); and Gender Empowerment Measure (GEM). Variables used in calculating these indices are listed in Box 1.7.

HUMAN POVERTY INDEX (HPI) reflects the distribution of progress and measures the backlog of deprivation in economic provision that still exists. HPI is measured in two streams: HPI–1 (HDR 1997) and HPI-2 (HDR, 1998). HPI-1 is typically used to measure human poverty in developing countries focusing on longevity, knowledge and a decent standard of living. HPI-2 is used to measure human poverty in industrialized countries focusing on the same dimensions as the HPI-1 plus an indicator to capture social exclusion as measured by long-term unemployment rates.

BOX 1.7: DIMENSIONS OF COMPLEMENTARY INDICES TO THE HDI

DIMENSION	Human Poverty Index (HPI-1)	Human Poverty Index (HPI-2)	Gender-related Index (GDI)	Gender Empowerment Measure (GEM)
LONGEVITY	Probability at birth of not surviving to age 40	Probability at birth of not surviving age 60	Female and male life expectancy at birth (years)	_
KNOWLEDGE	Adult illiteracy rates	Percentage of adults (16-65) lacking functional literacy skills	Female and male adult literacy rates Female and male combined gross enrolment ratio (GER) for primary, secondary and tertiary schools	_
DECENT STANDARD OF LIVING	Deprivation in economic provisioning, measured by: - Percentage of population not using improved water sources; - Percentage of children under five underweight for age	Percentage of people living below income poverty line (50% of the median disposal household income)	Estimated female and male earned income (PPP USD)	Estimated female and male earned income (PPP USD)
PARTICIPATION	_	Long-term unemployment rate (12 months or more)	_	Female and male percentage shares of participation in parliament seats Female and male percentage shares of position in legislation, senior officials and managers; Female and male percentage shares of professional and technical positions

GENDER-RELATED DEVELOPMENT INDEX (GDI) measures the average achievement using the same indicators as the HDI (life expectancy, educational attainment and income) in the context of the disparity between females and males. The greater the downward disparity in basic human development, the lower the country's GDI combined with its HDI.

GENDER EMPOWERMENT MEASURE (GEM) measures the degree to which women have power over economic resources and political participation in relation to their male counterparts. The focus is on women's opportunities rather than capabilities. GEM measures gender inequality in key areas of economic participation and policy decision-making. For example, GEM tracks the participation of women in parliament, senior administrative and managerial positions, and professional and technical works, as well as the gender disparity in earned income.

1.5 LIMITATIONS

Building effective governance capacities is the bedrock for accelerating participatory and people-centred development.

Although the HDI has been found useful, it is agreed that the composite measure fails to cover other significant aspects of human development. The ability of a person to participate in making the decisions that affect his or her life is not fully captured. A person's ability to interact within, and enjoy the benefits from, the community is also neglected. For these and other reasons, measures of cultural freedom, human security, democracy and participation are considered vital in human development, and have found relevance in the global human development dialogue. Consequently, two other indices followed the first Human Development Report: the Human Freedom Index (HFI) in 1991; and

Political Freedom Index (PFI) in 1992. Neither measure survived past their first year, due mainly to the difficulty in capturing the variables in a single index. But that does not mean that indicators of political and civil freedoms can be ignored entirely in considering the state of a country's human development paths and progress.

1.6 INITIATING THE HUMAN DEVELOPMENT DIALOGUE IN LIBERIA

The Government of Liberia and the UNDP country office, in collaboration with other development partners, began discussions in 1998 to initiate the human development dialogue. The result was the 1999 publication of the first National Human Development Report (NHDR) which traced the founding of Liberia, the socio-economic setting and the institutional framework of government. It also revealed that the country's administrative and governance systems were highly centralized and weak. The report identified persistent civil conflict as the biggest threat to improving governance and underscored the important role played by political parties and pressure groups in helping stimulating debate on critical national issues, including conflict resolution.

In the area of economic governance, the report showed a collapsed economy and stressed the urgency of revitalizing that sector through strategic planning, structural reforms and capacity development. Emphasis was placed on peace and security as the necessary prerequisite for sustainable development in Liberia, while acknowledging that peace-building is a delicate and time consuming process that demands consolidated

Participants of orientation workshops for the new legislature : UNDP Liberia

A Swamp Rice Farmer in Nimba County : UNDP Liberia

commitment and political will. In concluding, the report called for the consolidation of the gains made during the peace-building process and argued that building a better equipped and more professional security force, re-structuring the public administration system and maintaining a sound macroeconomic environment would be the best way forward.

Following the publication of the first report, Liberia's key human development indicators did not improve in any significant way. Public and private institutional capacities needed to expand basic social facilities actually declined. Systems required for ensuring efficiency, effectiveness and transparency in public transactions remained poor or ceased to function properly. At the height of the civil conflict, efforts toward pursuing good governance, promoting gender equality and fulfilling the domestic and international obligations of government came to a halt. In short, the government was unable to implement the recommendations contained in the 1999 NHDR due to the eruption of the conflict. Bad governance and the renewal of armed conflict continued, further breaking down the already fragile governance system.

In 2002, a process was initiated to extend the human development dialogue in Liberia through the publication of the second edition of the NHDR. Papers were commissioned, study teams established and consultations held between partners. It was concluded that rebuilding post-conflict Liberia depended largely on the availability of requisite capabilities. But progress still could not be achieved as renewed fighting escalated from month to month until August 2003, when the Comprehensive Peace Accord was signed in Accra, Ghana.

Though very little was achieved in policy terms, the findings and recommendations of the 1999 NHDR stimulated a major policy debate which provided the basis for the formulation of a national governance framework document in early 2003 but again, the government of the day was unable to implement the interventions prescribed in the framework. During the peace negotiations in Accra, the governance debate resurfaced where it was seen as central to secure peace and security. Bearing this in mind, interventions to revisit the governance programme and to address the recommendations of the 1999 NHDR were incorporated in the peace agreement.

The governance issue also found relevance in the RFTF 2004 put in place by the NTGL and development partners. Several specific initiatives aimed at improving governance were included, particularly under cluster 4, which deals with governance, democracy and the rule of law, and cluster 9, which deals with economic policy and development strategy.

The second Human Development Report is a continuation of the governance debate, focusing on the capacity development as a prerequisite for lasting peace, security and development. Putting in place a viable system of governance, and operating and monitoring the system, all require requisite capacities to ensure effectiveness.

CHAPTER TWO

The ultimate mission of capacity development is for people to increase their incomes and improve their quality of life.

This and following chapters present an agenda for rebuilding post-conflict Liberia focused on the need for creating individual, institutional and societal capacities as prerequisites for national reconstruction and improving the human development status of Liberia. The dimensions of the capacity issue and the rationale for prioritizing capacity development in the early part of the post-conflict years are examined, as are the opportunities – political, economic and social (at individual, group and institutional levels) – as a basis for moving in the right direction and avoiding regression. The two-way relationship between 'capacity development' and 'human development' is examined and a case made that enlarging people's choices and expanding human capabilities are interdependent and mutually reinforcing. Strategic issues and challenges in rebuilding post-conflict Liberia are also considered.

2.1 LINKS BETWEEN CAPACITY DEVELOPMENT AND HUMAN DEVELOPMENT

Capacity development has direct links with human development. In fact, there are a range of issues where the two are closely intertwined. These include: human capital development through health and nutrition, education and training; the accumulation of physical capital that increases the levels of investment to generate employment opportunities; strengthening governance through institutional and policy reforms;

and the application of improved technologies, logistics and systems to enhance organizational performance. The ultimate mission of capacity development is for people to increase their incomes and improve their quality of life.
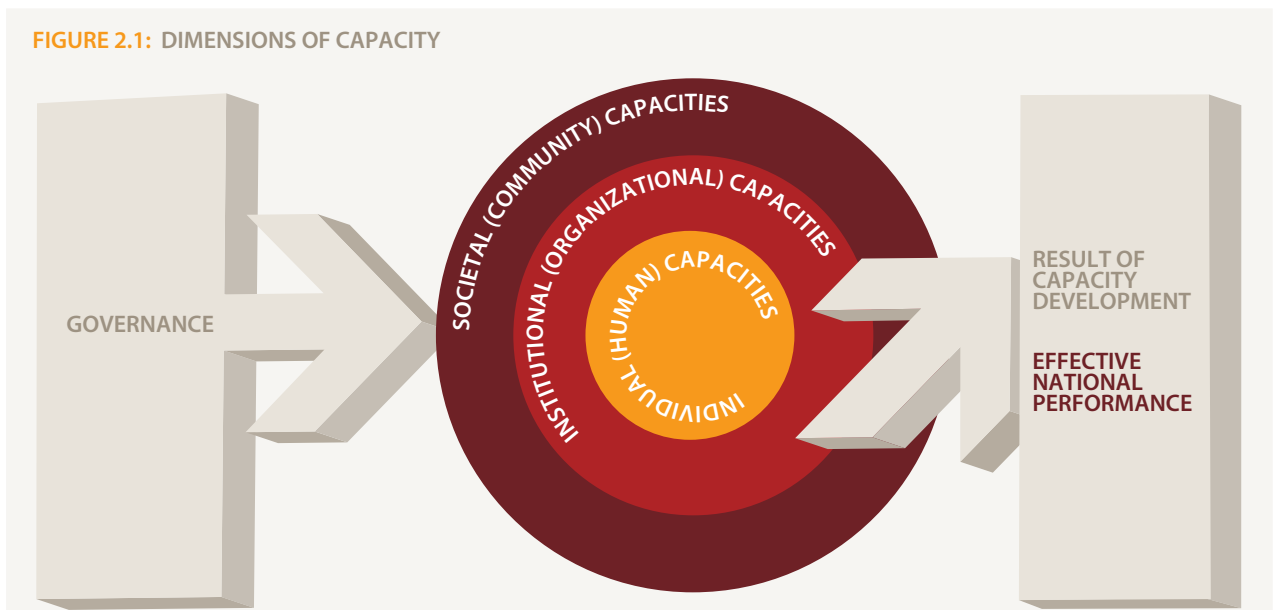
Capacity building helps create conditions that enable people to derive maximum benefits. It is an ongoing process that involves developing competencies (skills, knowledge, attitudes) to enable people to make things happen.

2.2 DIMENSIONS OF CAPACITY DEVELOPMENT: INDIVIDUAL, INSTITUTIONAL, SOCIETAL

Capacity is the engine that enhances performance and translates into an ability to undertake appropriate action to achieve desired results. As a development input, capacity is a dynamic phenomenon that must always be present if human development indicators are to be enhanced positively. In this context, there are three interlinking dimensions to the capacity issue, as illustrated in Figure 2.1.

Individual, institutional and societal dimensions cannot flourish without an effective governance system. Creative and supportive governance facilitates individuals, institutions and societies to create and effectively use capacities that will deliver desired results.

Capacity is the engine for enhancing performance. It translates into the collective abilities to determine and undertake appropriate action to achieve desired personal, community and national results effectively and efficiently.

FIGURE 2.1: DIMENSIONS OF CAPACITY

GOVERNANCE

SOCIETAL (COMMUNITY) CAPACITIES

INSTITUTIONAL (ORGANIZATIONAL) CAPACITIES

INDIVIDUAL (HUMAN) CAPACITIES

RESULT OF CAPACITY DEVELOPMENT

EFFECTIVE NATIONAL PERFORMANCE

This condition is the political dimension of the capacity issue, which places emphasis on the overall environment within which people and communities operate and interact for the advancement of human choices and living standards. Ensuring that this condition is met is one of the greatest challenges for Liberia.

Appropriate political, economic and social governance must be developed to provide a democratic space for people to freely apply their competencies. In addition, willpower and leadership are needed to install and enforce appropriate laws, regulations, policies and budgetary support to enhance the effective planning, development and utilization of national capabilities. Capacity development requires strong domestic political ownership at the highest levels with wide participation, transparency and clear accountability. Each dimension is briefly described in the sections that follow.

2.2.1 Individual (human) capacities

This dimension relates to the availability of the right quantity and quality of human capital to achieve and sustain national human development. There are two key components needed:

(i) Planning present and future human capital stock by skills and expertise. Periodic human resources surveys are needed and a human capital plan should be prepared with the aim of mapping current and future capacity development needs, strategies and programmes; and

(ii) Ensuring that there are adequate teachers, school administrators and education planners in place to design, mount and execute specialized training as well as general and professional education to meet the nation's needs in accordance with the human capital mobilization plan.

The process of individual development involves a number of changes in innate resources such as knowledge, practical skills, mindsets, values, perceptions, stamina and relationships. The goal is for the individual to be empowered to live a happy, long and comfortable life. This may include providing general education and vocational training; creating a competent and motivated cadre of people that will guarantee a high level of productivity and growth; and providing good health services and nutritious food to improve health.

2.2.2 Institutional (organizational) capacities

This dimension is concerned with institutional and organizational capabilities, both public and private, to attract financial and quality human capital and put it to productive use. Effective national performance is a condition stemming from efficient use of quality human and financial capital through institutions and organizations that enable the delivery of desired results.

Weak institutions are often central to the failure of development efforts. For example, poor management of public resources undermines the state as a guarantor of public welfare and security. Consequently, developing capacity at the organizational or institutional level involves reforming, as and where necessary, the structures, mandates, functions, remuneration, management systems, corporate culture and operational processes of organizations – especially the public sector. Institutions must also be adequately equipped to attract and make the best use of available resources. This involves improving physical facilities and equipment, institution linkages, networking and relations and institutional philosophies.

2.2.3 Societal (community) capacities

Often referred to as 'social capital', this dimension focuses on society's and community's abilities to support development efforts through the norms and networks that enable collective action. It encompasses institutions, relationships and customs that shape the quality and quantity of social interactions. Growing evidence shows that social capital is critical in empowering communities to demand public services, hold leadership to account, promote inclusive decision-making and inspire people to undertake collective action to address needs.

In order to apply the concept of social capital at a practical level, it can be broken down into five key elements:

- Groups and networks – collections of individuals that promote and protect personal relationships to improve welfare;

- Trust and solidarity – elements of interpersonal behaviour that foster greater cohesion and more robust collective action;

- Collective action and cooperation – the ability for people to work together to resolve communal issues;

- Social cohesion and inclusion – mitigates the risk of conflict and promotes equitable access to development benefits by enhancing inclusive participation; and

- Information and communication – breaking down negative social capital and enabling positive social capital to flourish by improving access to information.

These elements capture the structural and cognitive forms of social capital. Seen from the perspective of Liberia, social mobilization by women has been especially important. As victims of some of the most severe consequences of war, they have been able to organize to address their common needs, fostering greater inclusion and cohesion, resulting in greater attention to their plight and self-help (see Box 2.1).

The process of developing an individual involves a number of changes in the person's innate resources such as knowledge, practical skills, mindsets, values, perceptions, stamina and relationships

Capacity and good governance are mutually reinforcing. An effective state is crucial for capacity to develop in a sustainable way. Simultaneously, capacity development is central to the overall goal of building prosperous nations.

Through the efforts of the Liberia chapter of WIPNET, the St. Peter's Lutheran Church women's organization began organizing in 2002. In their daily life and work, women recognize the reality that Liberia's people — individually and collectively — have been traumatized by war. With the war having ended and with the imminence of the 2005 elections, the women began their daily sit-in for peace in September on the Monrovia Airfield next to the main road leading into the city. Under the hot sun and in pouring rain, the women of Liberia gathered to convey their commitment to peaceful elections. They gathered to express their desire to break with the past and build a new society. They chanted: "Sun and rain are better than the bullets of war. Our vision is for the unity of families and the elimination of hunger and disease. We believe God's hands are under us in this effort now. God has turned ears toward us."

The prolonged violence in the country and the repeated displacement of tens of thousands of women and children are central concerns of the women of the Lutheran Church of Liberia. They decided that they cannot accept violence and suffering for themselves, their children or their nation. With determination to end the violence, the women infused their action with a resolve reflected in statements such as this: "In the past we were silent, but after being killed, raped, dehumanized and infected with diseases, and watching our children and families destroyed, war has taught us that the future lies in saying NO to violence and YES to peace! We will not relent until peace prevails." They marched in the streets for peace, they held peace vigils in mosques and churches, they met with women in the refugee camps, and they held public sit-ins for peace every day, up to the election. In the sand where they sat, they formed a huge circle. Sample ballots were used to teach those who could not read or write how to mark their choice based on the pictures of the candidates. The women's action found support across Liberia. Men and women, including United Nations soldiers, government employees and journalists stopped at the airfield sit-in to thank the women for their witness and to give them water, food and money to support their efforts.

WIPNET played a key role in motivating women to vote in the elections through a civic education campaign. As the elections drew closer, the women intensified their vigil. In the end, their efforts bore fruit: Liberia not only witnessed peaceful elections, but the first ever female president in modern Africa was elected to office, which to them was a manifestation of their answered prayers.

2.3 CAPACITY-BUILDING AND CAPACITY DEVELOPMENT

In recent years, the terms 'capacity', 'capacity building' and 'capacity development' have been increasingly interchanged in development discourse, often replacing the terms 'institutions', 'institution building' and 'institutional development'. Capacity can be defined as the ability of individuals and organizations to perform functions effectively, efficiently and sustainably. This definition has three key traits: it indicates that capacity is not passive but part of a continuing process; it ensures that human resources and the way in which they are utilized are central to capacity development; and it requires that the overall context within which organizations undertake their functions will also be a key consideration in strategies for capacity development.[11] The term capacity development does not imply that there is no capacity in existence; rather, it includes the building up and strengthening of capacity, usually on the basis of existing capacity, improving the utilization of capacity and restoring capacity that has been eroded or destroyed.

A consensus has emerged that the objective and process of capacity development has gone beyond the narrow preoccupation of providing the individual with basic education and formal and informal training through technical assistance. It does not take place simply through training and adding additional staff but requires that skilled people be used effectively, retained within organizations that need their skills and motivated to perform their tasks.

Capacity development now encompasses developing the required individual, organizational and societal capabilities to meet immediate and future needs (Box 4.1). It is intended to increase the efficiency, effectiveness and sustainability of development by placing responsibility on those people, communities and enterprises to whom efficiency, effectiveness and sustainability matter.

It is also about ensuring that those who are empowered have the information, technology, skills and support to exercise their new authority responsibly. In other words, capacity building is about empowering people on a sustained basis. This can happen by developing competencies (skills, knowledge, attitudes) that will enable people to develop themselves. Human development involves the achievement of national development, which becomes meaningful only when people are fully empowered to live happier and longer lives.

The empowerment of people, in turn, is enhanced by the existence of adequate individual, institutional and societal capabilities, which in real terms is the bedrock of human development. This logic suggests mutually reinforcing linkages between capacity development and

[11] Capacity Development: Lessons of Experience and Guiding Principles, UNDP, 1995, p.3

Rebuilding works in the outskirts of Monrovia : UNDP Liberia

human development in the context of the broader project of economic growth in a country. The development challenges facing Liberia now demand more flexible and responsive management styles, organizational structures and relationships. They also call for new relationships between different organizations that have a role in human development. However, bringing about such organizational changes often depends upon institutional changes that are beyond the capacity of any single public/private sector or network of sectors.

Capacity development is an ongoing and dynamic process – as people develop themselves in new dimensions,

new problems and issues may arise that demand the development of a new set of capacities. Capacity-building efforts should endeavour to accomplish certain common goals at the individual, organizational/institutional and national levels but individually, a primary goal is to develop capacities so as to ensure a fulfilling and comfortable life and livelihood.

At the organizational/institutional level, capacity development should create a competent, motivated cadre of people to guarantee a high level of productivity and growth. Without competent people who provide labour, little can be achieved even in the face of a good resource base. At the national level, capacity development ensures that people have sufficient knowledge and skills to function in a way that maximizes human development, individual social welfare and effective participation in the political process (Figure 4.2).

Accumulation of necessary human, organizational and societal capabilities will allow people to make informed and wider choices in securing better lives for themselves and their dependents. The result is greater human development, which in real terms means improved national development. As national development improves, new problems and issues arise that demand the development of new sets of capacities or abilities.

At the same time, a strengthened human development index has direct influence on enhancing basic capabilities for human development, including living a longer and healthier life, being functionally literate, having access to the resources needed for enjoying a decent standard of living and being able to participate in one's community. If these basic capabilities are not present, many choices are simply not available and many opportunities would remain inaccessible.

Accumulation of necessary human, organizational and societal capabilities will allow people to make informed and wider choices in securing better lives for themselves and their dependents

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BOX 2.2: WHAT IS CAPACITY-BUILDING?

"Capacity-building can be defined as the ability of organizations, individuals and societies to identify constraints and to plan and manage development effectively, efficiently and sustainably. This definition involves both the development of human resources, institutions, and society, and also a supportive policy environment. It encompasses the process by which individuals, groups, organizations and societies develop their abilities individually and collectively, to identify their problems and constraints on development, set development objectives, formulate policies and programmes, perform functions required to solve those problems, and achieve a set of development objectives…In this regard, therefore, the broad concept of capacity-building comprises various processes of creating new capacities (capacity creation), effective mobilizing and utilizing existing capacities (capacity utilization) and sustaining the created capacity over time (capacity retention). These dimensions of capacity development are interactive and dynamic."

Source: ACBF Occasional Papers #3, 2004

CHAPTER THREE

This chapter presents a descriptive and analytical look at the trends and status of human development in Liberia. Building on ideas introduced in the preceding chapter, it utilizes available data and evidence to assess critical elements and indicators in the prevailing macroeconomic context. Human poverty indicators are examined and related to the human development situation and the information draws on data and indicators from recently published sources, including the Millennium Development Report.

3.1 COUNTRY PROFILE

The Ministry of Planning and Economic Affairs has estimated Liberia's total population in 2005 to be 3.0 million people. There are 18 major indigenous ethnic groups living with a small number of the descendants of the settlers. These are: Bassa, Belle, Dahn (Gio), Dei, Gola, Gbandi, Gbe, Grebo, Kissi, Kpelle, Krahn, Krao (Kru), Lorma, Mandingo, Mahn (Mano), Mende, Sapo and Vai. The population is young, with nearly 47 per cent estimated to be under 17 years old and at least 50 per cent below the age of 20[12] (LDHS, 1999). Gender distribution is fairly even: 50.1 per cent female and 49.9 per cent male. About half of the females are within the childbearing ages of 14 to 49, giving rise to high fertility rates.

Before the civil conflict, about 75 per cent of the population lived in rural areas, working mainly as subsistence farmers. The conflict forced many thousands of rural dwellers to flee into cities and neighboring countries. The rural–urban shift mainly took place from the north-western parts of the country. Before the October 2005 elections, a great majority of displaced persons were repatriated to their respective counties, cities, towns and villages to begin putting their lives back together.

Liberian soil is fertile: timber, a number of tree crops, rice and cassava production can support healthier and happier livelihoods.
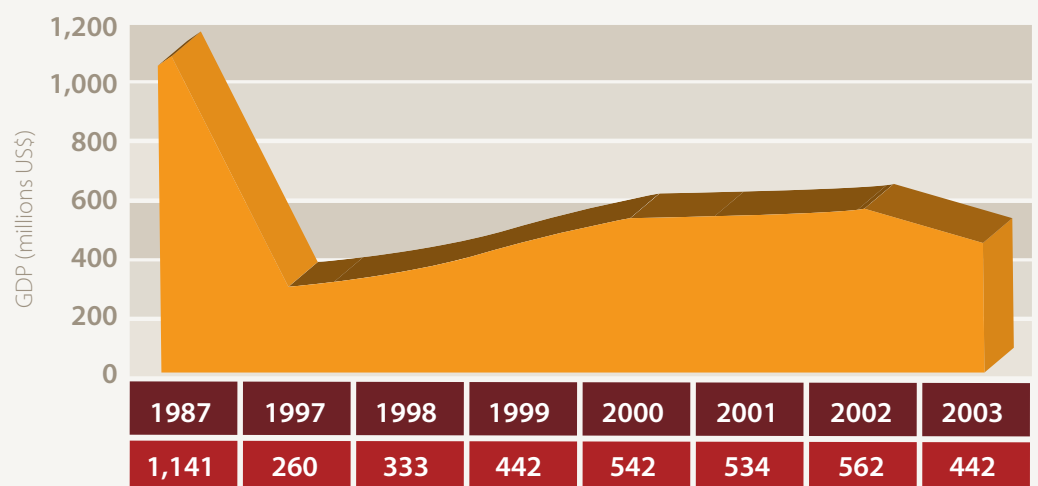
3.2 THE ECONOMY

3.2.1 National Income

GDP growth rates in the 1950s and 1960s averaged 9 per cent annually. Between 1955 and 1965, foreign investment increased from 60 million USD to 500 million USD, three-fifths of which were invested in the mining sector. By the first half of 1970, annual growth dropped to 1 per cent and registered a negative 3.7 per cent by 1975. However, by late 1970, Liberia had a per capita income of 460 million USD.

Since the change of government in 1980, the economy slowed down and fluctuated over the years (Figure 3.1). In absolute terms, GDP dropped from over 1.14 billion USD in 1987 to a mere 260 million USD in 1997, representing a drop of approximately 22 per cent over the period. It rose slightly in the following three years, averaging about 2 per cent annually, and experienced a slight fall in 2001. Growth picked up marginally in

FIGURE 3.1: COMPARISON OF PRE-AND POST CONFLICT GDP CONSTANT 92 PRICES

GDP (millions US$)

1987	1997	1998	1999	2000	2001	2002	2003
1,141	260	333	442	542	534	562	442

[12] Youth accounted for more than 70 per cent of the combatants engaged in the civil war, with children (child soldiers) making up as much as 15 per cent of the total fighting force.

2002 only to decline in 2003 due to the conflict, which was at its peak. The prolonged conflict that followed exacerbated an already declining economy. By mid-2004, GDP stood at 207 million USD.

The structure of the economy suffered as well. The mining sector collapsed – from a relative 12 per cent share of GDP in 1988 to 0.82 per cent in 2004. Over the same period, the tertiary (service) sector dropped from 50.5 per cent of GDP to 17.4 per cent. Manufacturing has become virtually non-existent in the last three years, contributing nothing to growth. The real sectors, such as agriculture and industry also performed dismally.[13]

TABLE 3.1: SECTOR SHARE TO GDP (PERCENTAGES)

Year	Agr.	Forestry	Mining	Manuf.	Tertiary
1987	33.2	4.9	10.8	7.5	45.9
1988	27.8	5.4	8.4	8.1	49.9
1989	33.6	5.1	10.7	7.4	46.5
1997	61.6	15.3	2.9	5.5	15.1
1998	62.9	14.6	2.4	4.7	15.8
1999	61.8	13.5	2.2	4.8	18.4
2000	60.2	13.2	2.0	5.0	20.2
2001	59.2	13.1	1.9	5.2	21.3
2002	58.7	12.8	1.9	5.3	22.6
2003	58.0	12.6	1.8	5.5	23.6
2004	54.2	20.5	0.06	5.2	25.5
2005	54.9	19.4	0.05	6.0	26.3

Sources: UNDP/Liberia Poverty Profile, 2001, p4. and LER July 2000/June 2001

The total collapse in growth had a devastating impact upon the livelihood of the Liberian people. Reoccurrence of the civil conflict, coupled with sanctions imposed by the Security Council in early 2001, worsened the poverty situation. The necessary capacity required to generate and effectively manage domestic and international resources in order to revive the economy to its pre-war levels is still lacking.

3.2.2 External Trade

Prior to the civil conflict, exports stood at over 460 million USD. At the time of the 1997 elections, export earnings had dropped dramatically to a mere 25 million USD but rose substantially in the following year to 42.7 million USD. The country's traditional exports consist of rubber, timber, iron, diamonds, cocoa, and coffee. Relative shares over the years have shifted substantially from other sectors to rubber and timber. Out of a total of 108.7 million USD export earnings in 2003, 94.8 per cent was contributed by rubber (54.3 million USD) and timber (39.3 million USD).

TABLE 3.2: IMPORTS AND EXPORTS FOR 1978-2004 (IN MILLIONS USD)

Year	Imports	Export	Trade Balance
1978	480.9	486.4	5.5
1987	307.6	383.3	75.6
1988	272.3	396.3	124.0
1989	247.8	460.7	212.9
1995	84.4	5.7	-78.7
1997	243.2	25.3	-217.9
1998	161.2	42.7	-118.5
1999	168.7	55.7	-111.8
2000	146.4	67.7	-78.7
2001	228.7	127.7	-101.0
2002	178.3	166.2	-12.1
2003	169.7	108.7	-61.0
2004	336.8	10.3	-325.5

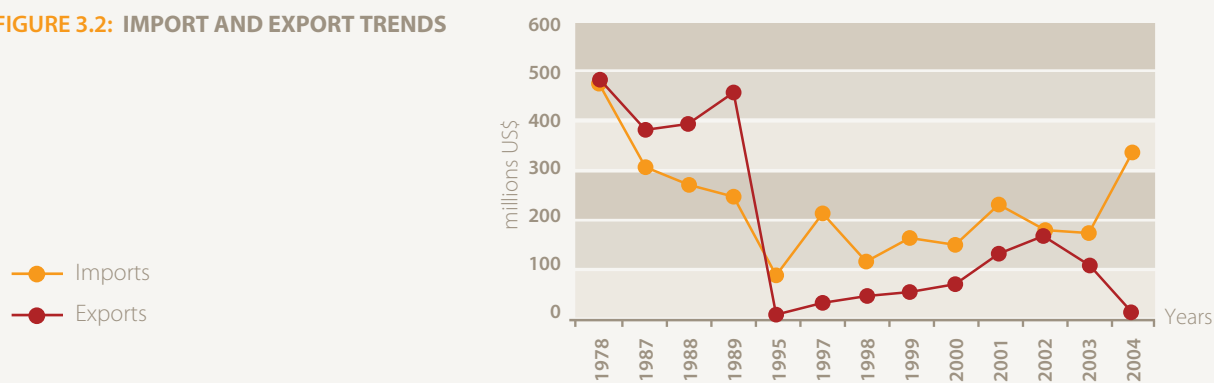*Source: MPEA, MOF, WB, CBL, Liberia Poverty Profile, 2001*

Pre-war imports amounted to over 250 million USD but were reduced by over 100 per cent by 1998. Fuel, chemicals, transport equipment and food products dominate the import basket. Imports declined gradually from a peak of 481 million USD in 1978 to an estimated 146.4 million USD in 2000, picking up dramatically in 2001 reaching 229 million USD. After a slight fall, imports reached almost 400 million USD in 2004. Figures 3.2 and 3.3 give comparative trends of both imports and exports and trade balances respectively.

External trade balances have continued to be negative since 1997. Imbalances reached an all time low in 1998 and began an upward trend through 2002. The trade deficit stood at approximately 50.4 million USD by the end of 2003. Between January and June 2004, the World Bank-projected deficit stood at 50.8 million USD, a situation that suggested a bigger deficit could happen at the end of 2004. Trade imbalances have taken their toll on the performance of the economy, largely due to the decline in purchasing power, with negative consequences on the human development status of Liberia.
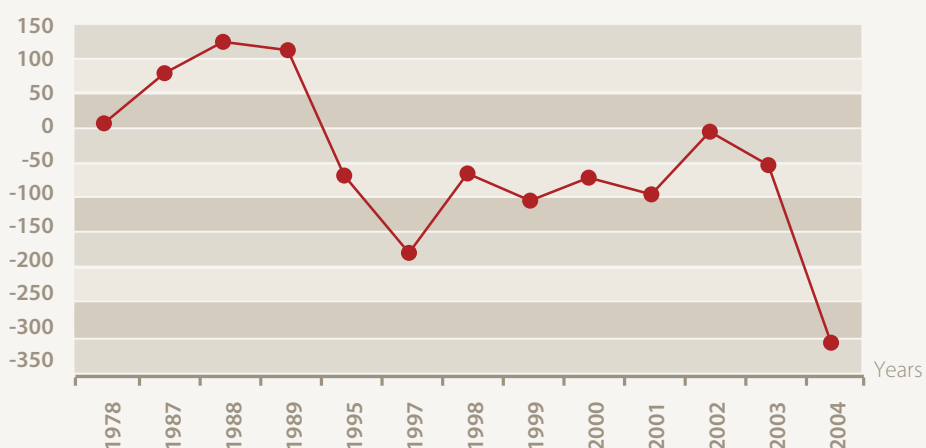
Firstly, there is the high demand for foreign currencies to sustain imports with a corresponding effect on purchasing power and thus on living conditions. Secondly, the shortfall in export earnings translates into low productivity and rising unemployment. As a consequence, people's choices are curtailed and their livelihoods compromised.

[13] Liberia Joint Needs Assessment, UN/WB, 2004

FIGURE 3.2: IMPORT AND EXPORT TRENDS

Imports
Exports

millions US$

600
500
400
300
200
100
0

1978 1987 1988 1989 1995 1997 1998 1999 2000 2001 2002 2003 2004

Years

FIGURE 3.3: TRADE BALANCES

150
100
50
0
-50
-100
-150
-200
-250
-300
-350

1978 1987 1988 1989 1995 1997 1998 1999 2000 2001 2002 2003 2004

Years

3.2.3 The Informal Sector

The informal sector in Liberia is mainly one of subsistence enterprise, such as cook shops, petty trading in dry goods, used clothing and domestically consumed agriculture products such as okra, beans, sugarcane, palm oil and vegetables. The bulk of income generated in this sector is used for food, 59.2 per cent, with education taking a 12.2 per cent share, transport 13.4 per cent and health care 7.6 per cent (CCA, 1998). Accordingly, this sector appeals mostly to women who are largely illiterate (76 per cent) and lack the collateral to access formal bank credit. Despite the poor conditions and constraints in this sector, it has become the main coping mechanism for the urban poor.

Women Preparing Cola
Nuts in Rural Liberia
: UNDP Liberia

The near collapse of the formal sector and the massive movement of displaced people into Monrovia and other urban centres during the civil war gave incentives for entry into the informal sector. For example, the population of Monrovia swelled from 450,000 in 1989 to 1.2 million in 1991 and then dropped to 700,000 by 2000, still about 156 per cent of its pre-war level. The majority of IDPs who came to Monrovia lacked the skills needed for urban employment. The most attractive activities have therefore been those of the informal sector, which require little or no skills. The 1998 United Nations CCA reported that 52 per cent of unemployed people were actually self-employed in the informal sector. In 2001, the informal sector accounted for 300,000 – or 30 per cent – of total employment. Raising capital to sustain sector investments is largely done outside the formal Liberian money market. For the most part, capital formation in the informal sector is done in one or more ways as listed in Box 3.1.

UNDP has instituted micro-grant and micro-credit schemes to support these initiatives. Under the micro-grant scheme, each beneficiary is given 100 USD in two instalments to undertake micro-business in the informal sector. Under the micro-credit scheme, an initial amount of 3,000–4,000 Liberian dollars was given to each beneficiary as a loan, with 16 per cent interest charged for a 16 week period. The beneficiaries were expected to stay in business and to save 10 per

cent of their earnings during that period. The principal, interest and savings was required for a follow-up loan, which is equivalent to the initial principal plus the savings of the beneficiary. The micro-credit project is now operating in five counties (Montserrado, Bong, Nimba, Margibi and Bomi).

Informal sector improvement strategies should also seek to minimize hardships faced by women and children, for example by establishing daycares and playgrounds for children near marketplaces, thereby relieving mothers of the burden of childcare while they work to make a living. The strategies should be designed to raise women's ability to relocate to more profitable ventures through training, improving productive technology and making market information more accessible.

3.2.4 Prices and Inflation

From 1997 to 1999 the economy experienced relatively low inflationary pressure, fluctuating between 4 and 7 per cent annually. The situation changed sharply in 2002, when the rate doubled to 15 per cent and has since continued to be high.

The sharp increase was in response to pressure exerted by prices in global oil markets combined with sporadic shortages of essential commodities such as building materials, cement and rice on the local market.

In addition, inflationary pressure was exerted by poor pricing policies adopted by government. Although the Liberian and United States dollar are legal tender in Liberia, almost all essential commodities and direct government services are priced in United States dollars. This practice continues to increase demand for United States dollars, causing a steady depreciation of the Liberian dollar.[14]

Masonic Temple, Monrovia : UNDP Liberia

Interest rates and commercial bank borrowing and lending policies needed to regulate the size and movement of money supply within the economy were not clearly formulated or shared with the public. This only helped exacerbate inflationary pressures, the human development consequence of which – i.e. significantly higher costs of living – was borne directly by the people.

In Liberia, incomes are low and have not changed over several decades despite rising prices. For example, a resident physician at a general hospital receives 4,600 Liberian dollars (82.14 USD) per month. A teacher with both a university degree and a teaching certificate is paid at best 1,290 Liberian dollars (22.63 USD) per month. Annual average consumer price changes moved upward, increasing from 12 per cent in 2001 to 14.2 per cent in 2002 and 15 per cent in 2003. With prices of basic commodities relatively high, and given a depressed economy and negligible wages, people's living conditions have been deteriorating, with negative consequences on savings and investments and even a rise in crime rates.

The combination of the relatively high cost of basic commodities and a depressed economy has inevitably led to a deterioration of living conditions.

14 The exchange rate of 54 Liberian dollars to 1 USD has been relatively stable. The Central Bank had imposed effective interest rates ceilings at 18 per cent but has since raised it to 25 per cent effective July 2004.

LIBERIA: SELECTED ECONOMIC AND FINANCIAL INDICATORS, 1999 - 2004	**2001**	**2002** Est	**2003** Est	Proj. **2004** Jan-June
	(Annual percentage change, unless otherwise indicated)			
Output and Prices				
Real GDP 1/	4.9	3.3	-29.5	16.4
Consumer prices (annual average)	12.1	14.2	15.0	...
	(In percent of GDP)			
Central government operations (calendar year)				
Total revenue and grants	13.0	12.9	10.8	13.5
Of which : tax revenue	11.4	12.5	9.5	11.9
Total expenditure and net lending	13.7	14.2	10.2	15.7
Of which : current expenditure	7.6	4.6	5.5	...
capital expenditure	6.1	9.6	4.6	...
Overall fiscal balance (cash basis)	-0.7	-1.3	0.7	-2.2
External sector				
Current account balance, including grants (deficit, -)	-20.3	-1.1	-7.6	-11.2
Of which : public interest payments due	-12.7	-8.0	-10.1	-14.0
Current account balance, excluding grants (deficit, -)	-26.6	-12.7	-12.0	-24.1
Trade balance (deficit, -)	-12.9	-4.6	-11.4	-24.6
Exports, f.o.b.	23.9	26.2	21.4	9.8
Imports, c.i.f.	-36.9	-30.7	-32.8	-34.3
Public sectors external debt outstanding (total)	486.4	497.6	649.1	703.3
	(In millions of U.S. dollars, unless otherwise indicated)			
Current account balance including grants (deficit, -)	-108.5	-6.1	-333.5	-23.2
Trade balance (deficit, -)	-65.9	-15.3	-50.4	-50.8
Nominal GDP	534.4	561.8	442.2	206.8
Official exchange rate				
(Liberian dollar per U.S. dollar; end of period)	49.5	65.0	50.0	...

Sources: Liberian authorities; and IMF staff estimates and projections. 1/For 2004, growth rates compared to second half of 2003.

3.2.5 Public Revenue and Expenditure

In 2002, total national revenue was estimated at 72 million USD. The year before, revenue stood at 82 million USD. The fall was mainly attributed to a drop-off in revenue from the Liberian International Shipping and Corporate Registry. Annual public revenue accumulation has not exceeded 85 million USD over the last three years. The share of tax revenue to nominal GDP in 2002 and 2003 was estimated at 12.5 per cent and 9.5 per cent respectively (Table 3.3).

Public expenditure fell from 82.5 million USD in 2000/2001 to about 79 million USD in 2003.[15] Recurrent expenditure accounted for 68 per cent of total revenue; of which salary and personnel services accounted for 33 per cent, and goods and services 32 per cent. Expenditure on social services has not exceeded 10 per cent of actual revenue since 1997. About 85 per cent of activities in the areas of health, education, water and sanitation are donor funded. The debt burden as of 2005 is estimated at 3.7 billion USD with 90 per cent being external and 10 per cent internal (both principal and interest are in arrears). The share of external national debt to GDP at current prices is as high as 707.8 per cent. This macro-economic context has undermined efforts to create, utilize and retain capacity, particularly in the public sector.

[15] These levels of public expenditure do not reflect the large debt-servicing for which costs and other arrears the Government of Liberia is liable.

3.3 GOVERNANCE AND INSTITUTIONAL LANDSCAPE

3.3.1 Governance Structure and Framework

The administrative structure in Liberia is confusing and would benefit greatly from being streamlined. There are currently 15 major administrative subdivisions called counties. Within each county, there are at least five administrative and two statutory districts. At this level and downward, the governance structure becomes ambiguous and difficult to manage. There are two parallel lines of operation and authority.

One line is based on customary administrative practices, comprising of districts, headed by commissioners, followed by a line of chiefs, from the paramount chiefs who head chiefdoms, to clans, towns and quarters. The other structure is municipal, with cities headed by city mayors, and towns by township commissioners.

Superintendents appointed by and accountable to the president of Liberia head each county. A problem of accountability and responsibility exists with the superintendents directly responsible to the president in the management of county affairs.

3.3.2 Governance Systems and Practices

Liberia emerged from seven years of devastating civil conflict and held presidential and legislative elections in 1997. The much anticipated peace and stability following the elections did not last long. The country returned to war in 1999, which came to an end in August 2003 through the Accra Comprehensive Peace Accord. The accord brought into power the National Transitional Government of Liberia. Despite the transition, the perennial problems of poor governance in Liberia were not reversed in any appreciable way and Liberia remained a country in a crisis of governance.

Bad governance practices, particularly when it comes to the issues of transparency, justice and accountability, intensified over the last two decades, reaching a peak during the last eight years. During the transitional period, corruption assumed grave proportions. But even aside from this, the administrative structure for the governance of political subdivisions of the country is outdated, particularly for fostering balanced development, democracy and citizen participation.

The prevailing system is punctuated by two critical ills. A master-agent relationship has prevailed between the presidency and a chain of local administrators appointed and sent into the hinterland. Adding to this, the rural population has grown distrustful of the central government owing to a long tradition of broken promises and corruption. There has not been equal treatment for members of society in terms of the redistribution of national endowments and the political and economic benefits they are all equally entitled to. Consequently, a crisis of public confidence has emerged regarding the central government's ability to establish sustainable local administrative institutions to deliver basic services to a large majority of Liberians.

3.3.3 Public Institutional Environment

The Constitution of Liberia establishes three branches of government: the legislature; the executive; and the judiciary. Each is given specific roles with the aim of providing necessary checks and balances to ensure good governance. The Governance Reform Commission carried out an institutional review in early 2005, revealing capacity deficiency in particular areas.

The respective roles of the three branches have become confused, with the executive playing a more dominant and intrusive role than required by the constitution. For example, releasing of budgetary expenditures of the legislature is subject to the approval of members of the executive branch. There are also cases where members of the executive branch unilaterally undertook transactions that, in theory, should have required the approval of the legislature. This executive dominance has stifled initiatives and the independence of the other branches, vital to the building of strong democratic institutions in the country.

Government in general and the executive branch in particular has become bloated thanks to a hands-on executing role, unclear mandates and mixed-up functions for the different institutions and agencies. Taking on too much has compromised the government's coordination, monitoring, evaluation and policy formulation roles at the expense of improving people's lives. The administrative competency, operational efficiency and integrity of the public sector management has been severely eroded.

Three key governmental establishments – the Civil Service Agency, the General Auditing Office and the Bureau of State Enterprises – that should ensure

efficiency, effectiveness and transparency in public transactions have not been functioning well.[16] Inadequacies in their structures, authority and funding have prevented them from executing their respective mandates. An overall institutional framework and mechanism adequately capacitated to bring pressure to bear for reform in post-war Liberia as well as for promoting and protecting good governance practices on a continuous and sustained basis, is absent. UNDP, together with other international development partners and the Government of Liberia have begun discussions on a successor to the GRC to perform this important task.

During the war years, almost all government institutions ceased to function. There was a massive flight of human capacities, which created shortages of a critical mass of experienced and knowledgeable development managers needed to support nation-building efforts during and after the conflict. Furthermore, institutions that were not physically destroyed lacked essential tools, logistics and supplies needed to maintain even the most basic functions. These, combined with weaknesses in public administration, particularly with respect to the implementation, monitoring and evaluation of government programmes has resulted in public and private institutions unable to effectively mobilize and utilize the nation's resources to improve livelihoods. Health and education services were accordingly compromised.

The review exercise of the GRC revealed specific deficiencies in the nation's public institutions:[17]

- In several cases, a logical relationship between institutional mandates and functions hardly exists in the Liberian governance system. As a result, the role of government is unclear, taking on more direct executing function than would have been desirable and as a result compromising essential coordination, monitoring, evaluation and policy formulation roles.

- There are duplications of functions between a number of ministries and in some cases between sections within ministries. As a result, there is always misunderstanding as to which ministries/agencies should take full responsibility and the associated resources, and who is to be blame for non-performance in a particular circumstance.

- There are neither mission statements nor work plans for ministries and agencies, making institutional accountability nearly impossible.

- There is a pattern of inconsistency in the way many public institutions are set up and structured and in the nomenclatures given. For example,

inconsistencies were observed in the structural layers denoting line hierarchy of command and reporting.

- Public service institutions, including state enterprises, are overstaffed. Recruitment over the last few decades has not followed any order or been carried out in response to meeting essential needs.

- There are many redundant layers between the ministers, the deputies and the assistants, leading to wastage as well as increasing the time involved in undertaking assignments.

The transitional years witnessed slow signs of institutional revival. Minor repairs to the physical destruction of institutions was attempted, but very little was done in the areas of structural reform and institutional capacity building. Substantial work is now underway, however, to deal with the structural reform aspect of the problem. The GRC, the Public Procurement and Contracts Commission and the Supreme Court are currently engaged in identifying areas where reforms are needed and the types of measures to be undertaken, with the participation of the Liberian people and development partners in accordance with the foundation laid under the RFTF.

3.4 DATA SITUATION

Prior to the conflict, the periodic production of social and economic statistics was institutionalized under the lead of the MPEA, with sector ministries building up the necessary capacities. For example, data was collected monthly or quarterly on consumer price indices, external trade, industrial production and energy consumption. A series of social statistics (such as health and education) was assembled and published every six months. Specialized surveys dealing with issues such as demographic trends, agriculture, population, housing and labour force were undertaken as needed. The capacity to repeat pre-conflict data gathering has deteriorated.

By the end of the 1980s, MPEA was equipped with personnel and logistics to provide the needed services. A rigorous human capacity-development programme, instituted throughout the 1970s was bearing fruit. There were sectoral data gathering units in the various agencies, with MPEA serving as the focal point.

The challenge of getting back on track is enormous. The National Transitional Legislative Assembly passed an act in 2004 which created the Liberia Institute for Statistics and Geo-Information Services to assist in formulating and coordinating national strategies for the development of national statistics. However, LISGIS is yet to fully discharge this function owing to capacity constraints.

'Youth in Action' project, Monrovia : UNDP Liberia

year period (Project #LIR5P104). Office equipment such as computers, desks, chairs, cabinets and mapping equipment to process and store data are non-existent and must be purchased. The current situation in terms of meeting these essential requirements is bleak. The 2005/2006 National Budget has given no attention to the minimum requirements to get this work started.

A manpower profile of the current data gathering team in the MPEA tells a sad and symptomatic story. Of the total 78 statisticians, demographers and statistical assistants in the Ministry, only seven hold either a Master of Arts or a Master of Science degree. Only three of these seven have been on the job for 3 to 5 years; the rest share an average of 35 years in the post and are ready for retirement. No more than 12 of the remainder of the personnel hold bachelor degrees, and three of those are in fields unrelated to statistics. Seventy per cent of these staff are also ready for retirement. A new crop of statisticians must be prepared to meet the increasing demands for reliable and timely information and data (Civil Service Census, draft report, UNDP 2005).

A challenge in filling the enormous data gaps and deficiencies in national information starts with constructing a framework closely aligned with national policies. In addition, resource allocation and political will for generating statistics will have to be prioritized if the challenge is to be met. Recognizing the importance of meeting the challenges posed by the demands for data, the 2004 Marrakech Action Plan for Statistics called on all countries, including Liberia, to prepare a national strategy for the development of statistics by 2006. One of the objectives is to enable countries to generate the required data for measuring human development status and monitoring progress on the achievement of the MDGs.

Ensuring quality and geographic coverage of the required information to measure the status of various dimensions of human development is the most difficult part of the challenge.

Generating and maintaining data, particularly the logistical requirement to support fieldwork and data processing, is very expensive. To carry out a successful national survey, the household and demographic data collection cells that were eliminated in the various counties during the war would have to be replaced. Given the state of the roads in the country, special vehicles would be required to move survey teams into the different enumeration areas. For example, at least 600,000 USD is earmarked just for vehicles in a 2.2 million USD budget to execute the planned 2006 Liberia Demographic and Health Survey over a one-

TABLE 3.4: COUNTRIES LACKING DATA FOR MEASURING HDIS 1990-2001 (PERCENTAGES)

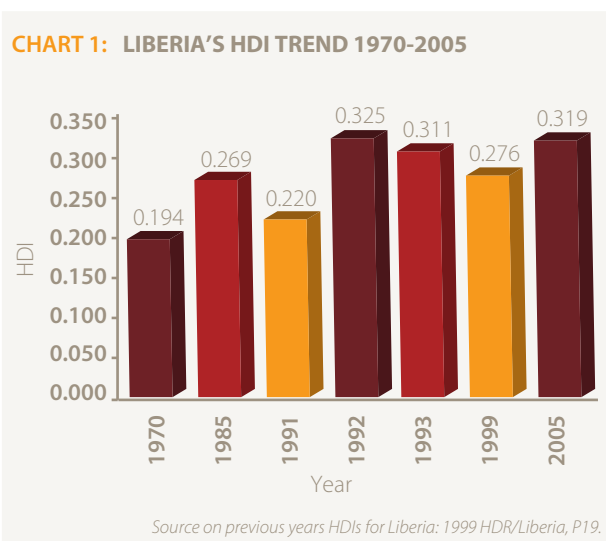| INDICATOR	DEVELOPING COUNTRIES LACKING TREND DATA	DEVELOPING COUNTRIES LACKING ANY DATA
Children underweight for age five	100	22
Net primary enrolment ratio	46	17
Children reaching grade five	96	46
Birth attended by skilled health personnel	100	19
Female share of non-agricultural wage employment	51	41
HIV prevalence among pregnant women ages 15-24 in major urban areas	100	91
Population with sustainable access to an improved water source	62	18
Population living on less than 1 USD a day	100	55

Source: HDR, 2003; p 35

3.5 MEASUREMENT CONSTRAINTS FOR LHDR 2006

The 1999 Liberia Human Development Report suffered from many data gaps and measuring problems. The 2006 country report is equally constrained by the absence of reliable aggregated and disaggregated data. Adjustments and estimates were heavily relied upon in the preparation of the 2006 LHDR and the basic assumptions made to derive estimates are highlighted in Annex I.
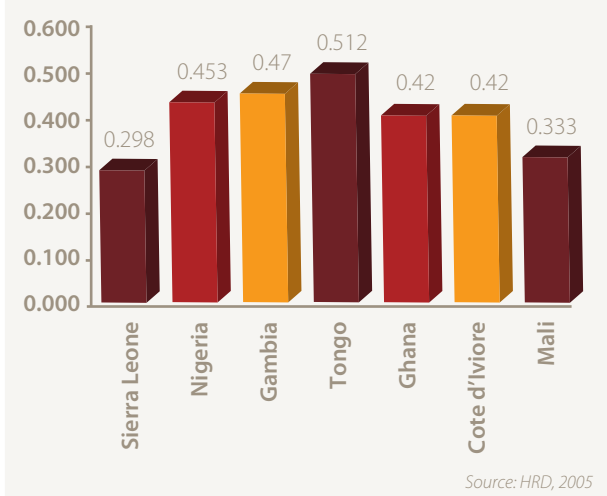
3.6 LIBERIA HUMAN DEVELOPMENT STATUS AND TREND

3.6.1 Human Development Index

Liberia's human development index has, for some time, been at the bottom of the list of countries with the lowest human development indices (see chart 1 below). Bad governance practices have made a significant contribution to this state of affairs. The HDI picture in the West African sub-region in 2003 is presented in chart 2.

CHART 2: 2003 HDIs IN SELECTED WEST AFRICAN COUNTRIES

Source: HRD, 2005

CHART 1: LIBERIA'S HDI TREND 1970-2005

Source on previous years HDIs for Liberia: 1999 HDR/Liberia, P.19.

3.6.2 Gender Related Index

While the HDI measures average achievement, the Gender Development Index adjusts the average achievement in life expectancy, educational attainment and income by presenting the disparity in achievement between women and men. Three steps are involved in the calculation of the GDI. The status of females and males in each of the three dimensions (life expectancy, educational attainment and income) are calculated where data is available. Calculations of the first two (longevity and literacy) were made using fixed minimum and maximum values as indicated in Annex I. The results are found in Table 3.5. The equally distributed income index could not be calculated because of the lack of data. Had it been possible, female and male indices in each of the three dimensions would have been combined to derive the Gender Development Index (GDI) using an unweighted average. The importance of building the necessary database for future reports cannot be stressed enough and should be a priority for the government and people of Liberia.

TABLE 3.5: EQUALLY DISTRIBUTED GENDER-RELATED INDEX

INDEX	1999		2005	
	MALE	**FEMALE**	**MALE**	**FEMALE**
1. EDI (LONGEVITY) = 0.2893 (1999); AND 0.3043 (2005)				
Population Share (percent)	49.9	50.1	49.6	50.4
Life Expectancy index	0.275	0.305	0.270	0.338
2. EDI (LITERACY) = 0.3786 (1999) AND 0.3543 (2005)				
Adult Literacy	0.446	0.188	0.446	0.188
Combined Enrolment	0.652	0.523	0.643	0.550
Education Attainment	0.515	0.300	0.512	0.309
3. EDI (INCOME) NOT CALCULATED FOR LACK OF DATA				

3.7 LINKING MDGs AND HUMAN DEVELOPMENT

At the Millennium Summit in 2000, heads of state and governments established eight goals to be achieved within 15 years, commonly referred to as the MDGs. Eighteen specific targets were also established in meeting the eight goals (see Table 3.6).[18] Achieving the MDGs is for all practical purposes achieving the human development objective on a sustained basis. The goals address many of the most enduring failures of human development and provide building blocks for enhancing key capabilities for human development, with each relating to a particular dimension of the process.

In drawing a link between the MDGs and the human development approach, three points are evident. While the MDGs are human development goals, they do not reflect all the key dimensions of human development. Additionally, the MDGs highlight the 'distance' to be travelled, while the human development approach focuses on how to reach these goals. And, while human development is concerned with equity and distribution and attempts to understand the causes and effects of inequality, the MDGs indicators are, on the whole, inequality-neutral.[19]

Reducing poverty and hunger (goal 1) amounts in real terms to improving people's living standards and opportunities. Achieving universal primary education and promoting gender equity and empowerment (goals 2 and 3) enhance people's minds and build their capacity. Education allows people to participate effectively in the development process and make rational choices on matters related to their individual and collective well-being. Goals 4, 5, and 6 promote longer, more productive and healthier lives, which are all basic factors for promoting human rights and livelihood. Goals 7 and 8 are aimed at laying the essential conditions for human development, for example, providing sustainable safe drinking water and moving people out of slum areas to enhance their lives and health. Equally, good governance and a good social environment and equitable distribution of social and economic benefits increase people's opportunities, choices and participation.

TABLE 3.6: MDGs ESTABLISHED TARGETS FOR 2015

GOALS		TARGETS
1. Reducing Extreme Poverty and Hunger	1	Halve, between 1990 and 2015, the proportion of people whose income is less than 1 USD a day
	2	Halve, between 1990 and 2015, the proportion of people who suffer from hunger
2. Achieve Universal Primary Education	3	Ensure that, by 2015, children everywhere, boys and girls alike, will be able to complete a full course of primary schooling
3. Promote Gender Equality and Empower Women	4	Eliminate gender disparity in primary and secondary education, preferably by 2005 and in all levels of education no later than 2015
4. Reduce Child Mortality	5	Reduce by two-thirds, between 1990 and 2015, the under-five mortality rate
5. Improve Maternal Health	6	Reduce by three-quarters, between 1990 and 2015, the maternal mortality ratio
6. Combat HIV/AIDS, Malaria and Other Diseases	7	Have halted by 2015 and begun to reverse the spread of HIV/AIDS
	8	Have halted, by 2015 and begun to reverse the incidence of malaria and other major diseases
7. Ensure Environmental Sustainability	9	Integrate the principles of sustainable development into country policies and programmes and reverse the loss of environmental resources
	10	Halve by 2015 the proportion of population without sustainable access to safe drinking water
	11	Have achieved by 2020 a significant improvement in lives of at least 100 million slum dwellers
8. Develop a global partnership for development	17	In cooperation with pharmaceutical companies, provide access to affordable essential drugs in developing countries
	18	In cooperation with the private sector, make available the benefits of new technologies, especially information and communications

[18] Not shown in the table are targets 12, 13, 14, 15 and 16, which are mainly the responsibilities of the developed countries with the compact.
[19] The Concept of Human Development : Support Package for HDR Focal Points, HDRO, New York.

TABLE 3.7: LIBERIA: MDGs BALANCE SHEET

GOALS	WILL GOAL BE ACHIEVED?	STATE OF SUPPORTIVE ENVIRONMENT	MONITORING CAPACITY
Extreme Poverty	Unlikely	Weak	Weak
Achieve Universal Primary Education	Probably	Weak	Weak
Promote Gender Equality and Empower Women	Probably	Weak	Weak
Reduce Child Mortality	Unlikely	Weak	Weak
Improve Maternal Health	Unlikely	Weak	Weak
Combat HIV/AIDS, Malaria and Other Diseases	Unlikely	Weak	Weak
Ensure Environmental Sustainability	Probably	Weak	Weak
Develop a global partnership for development	Probably	Poor	Fair

3.8 LIBERIA'S PERFORMANCE IN RELATION TO THE MDGs

Although Liberia was unable to be represented at the Millennium Summit because of widespread civil unrest at that time, the outcome of the summit was endorsed by the Government of Liberia. Upon its establishment, the NTGL also pledged its commitment to working towards the achievement of the MDGs.

In 2003, the first status report on the MDGs of Liberia was prepared by the government with assistance from UNDP. On the whole, the report showed little progress in addressing the MDGs. Today, the majority of Liberian people are still languishing in poverty. Many people survive on less than 1 USD a day. Living conditions have deteriorated drastically, with as many as 80 per cent of people out of work. Liberia continues to be among the most food-insecure countries with an estimated 35 per cent of the population undernourished. The percentage of people with access to basic social services such as clean and safe drinking water, averaged about 40 per cent of their pre-war levels.

Literacy rates continued to be below 33 per cent as compared to 58 per cent for sub-Saharan Africa. The stark gender-based differentials (national enrolment rate for boys is 20.3 per cent and 14.5 per cent for girls)[20] is reflected by the disproportionate number of girls out of school. The GER declined from 78 per cent in 1989 to 56.2 per cent in 2001/2002. Between 2000 and 2002, GER for boys declined from 72.9 per cent to 48.5 per cent, while GER for girls fell from 72.5 per cent to 35.5 per cent in the same period.

Liberia also faces major gender disparities in terms of women's access to productive assets. Many women are unable to fully benefit and enjoy access to business opportunities. In addition, women's participation in public life and the decision-making process is limited. For example, there are only four women in a 64-person national legislature and there were only two women in a 20-person Executive Cabinet of the NTGL.

The situation improved dramatically following the 2005 elections, with the president, seven senators and 13 members of the House of Representatives being women.

Regarding health, the story of poor performance is the same. Malaria prevalence was estimated around 56.9 per cent in 2003 and remains the primary cause of death amongst children. Between 1997 and 2000, the disease accounted for over 10 per cent[21] of all deaths and 36 per cent of diagnoses in health facilities.[22] Malaria is also the main cause of severe anaemia in pregnant women and therefore a major contributor to maternal mortality in a country where access to quality emergency obstetric care is almost non-existent. The combined impact is reduced life expectancy leading to depressed human development.

Other diseases with high morbidity and mortality incidences include tuberculosis, measles, diarrhoea and acute respiratory infection. Tuberculosis has become a serious public health problem, with recent data indicating a prevalence ratio of 40:10,000. The official HIV/AIDS prevalence rate was estimated at 12 per cent in 2003 jumping from 8.2 per cent in 2000. Testing centres show a similar increase that warrants urgent attention. In addition, efforts to ensure environmental sustainability are far from adequate.

On the whole, the Liberia Millennium Development Goals Report (MDGR) gives a gloomy picture of what is likely to happen in the absence of drastic changes in policies, strategies and programmes. As can be seen from Table 3.7, under the prevailing situation, four goals are unlikely to be achieved. Four others could probably be achieved provided the supportive environment is strengthened. Supportive environments and monitoring capacities for achieving all but one of the eight goals are currently weak and could lead to failure, thereby depressing Liberia's human development indices in the years ahead.

20 MDGs Report 2004
21 MOHSW surveillance system
22 Needs Assessment Report, 2

CHAPTER FOUR

This chapter explores the impact that 14 years of conflict in Liberia have had upon vulnerable groups, knowledge production and management, the health care delivery system, the environment and food security and the impact on all aspects of governance – political, economic and social. The chapter also examines the different policy choices and prescriptions made by Liberia over the years and how they have affected the country's human development landscape, concluding with an examination of the strategic choices available to the government and people of Liberia.

4.1 THE HUMAN DEVELOPMENT COSTS OF THE LIBERIAN CONFLICT

The Liberian civil conflict, like most violent conflicts, erupted against the backdrop of structural deficiencies such as poverty, illiteracy, weak governance systems and inadequate human and institutional capacities. Fourteen years of conflict have inflicted major setbacks on the already fragile state, devastated Liberian society as a whole, and rolled back the meagre human development gains that were made during the pre-conflict years.

Apart from the economic losses inflicted by the conflict, the country suffered greatly due to the diversion of scarce national resources away from productive activities towards the physical destruction of the country. Experiences the world over show that military spending increases during civil wars and inflicts high opportunity costs to society which in turn increase the suffering of the people, particularly the poor and marginalized. In this respect, the Liberian people suffered losses from severely degraded food production, employment opportunities, education, health and transportation services.

The combined effects of these losses took an enormous toll on the nation and its people, and has equally restrained the ability of Liberians to make rational choices in altering their current living conditions. Loss of personal income, dignity and human lives; the loss of physical abilities from wounds; and brutal sexual violence perpetrated against women and girls are all derivatives of the conflict. The following quotation, covering the effects of violent conflict, summarizes, in the context of Liberia, how conflict acts to undermine human development:

BOX 4.1: UNDERSTANDING THE HISTORICAL ORIGINS OF THE LIBERIAN CONFLICT

The origins of Liberia's civil war are rooted in the country's unique and peculiar history. Since the country's establishment, Liberia's political history has been characterized by group domination. From 1847 to 1980, the indigenous people were dominated and marginalized by the Americo-Liberians, freed slaves from the United States who settled in Liberia. The hegemony of the Americo-Liberians ended in 1980 when Master Sergeant Samuel Doe, a member of the Krahn indigenous ethnic group, led a *coup d'état* that overthrew President William Tolbert's government. The euphoria with which the coup was embraced soon faded as Doe replaced one repressive government with another. The Krahns, a minority ethnic group, simply became the new elite, replacing the Americo-Liberians. Successive political administrations repeated these same abuses, with the minority group in power becoming the social and political elite. Charles Taylor, an Americo-Liberian, manipulated existing ethnic divisions to support his quest for power, further dividing the country on ethnic lines.

The civil conflict can be categorized into two periods: The first war – known as and referred to here as the Taylor war - started in 1989 and ended in 1996 with a peace agreement, followed by the election of Charles Taylor as president in 1997. The second war - now referred to in Liberia as the last war or by some as WWIII – began slowly towards the end of 2000 as an insurgency when Liberians United for Reconciliation and Democracy (LURD) - infiltrated Lofa County from Guinea. Another group of insurgents, the Movement for Democracy in Liberia (MODEL), also attacked the Taylor Government around this time, entering the east from neighboring Côte d'Ivoire in 2001. This last war ended in August 2003. In a peace deal brokered principally by the international community under the auspices of ECOWAS, President Taylor agreed to step down and go into exile in Nigeria.

(Source: Elections Risk Assessment Report, UNDP 2005)

"…..to state the obvious, war kills people, increasingly civilians rather than combatants. Armed groups may specifically target individuals or particular groups to eliminate them. Additionally, the most vulnerable in society are usually the ones who suffer the most from violence, particularly women, children, minorities, the rural population and the poor. They are usually the most ill-prepared to face violent attack and the consequences of armed conflict, like having access to health and education services, or paying for security. Even when the conflict is over, certain people remain at risk, for example demobilized guerrillas." [24]

[24] ibid, p.13

Losses sustained from the conflict have inflicted enormous costs on the living conditions of the Liberian people and restrained their abilities to make choices and access opportunities.

There is a strong association between low human development and violent conflict. Indeed, violent conflict is one of the surest and fastest routes to the bottom of the HDI table – and one of the strongest indicators for a protracted stay there.

Statistics alone cannot reflect the full costs of conflict. The discussion below represents a small fraction of the human development price that Liberia paid for its violent war.

4.2 DIRECT HUMAN COSTS: DEATHS AND DISABILITIES

One of three direct human costs associated with the Liberian civil conflict is the loss of human lives and physical disabilities inflicted on a large segment of the population. Although the exact number of deaths is hard to gauge and estimates vary, it is safe to say that since the beginning of the conflict (1989) through mid-2003, over 270,000 persons died as a direct result of the conflict.

Particularly tragic is that the most affected were civilians, especially the poor and the marginalized, many of whom were children, women and the elderly (Box 4.2). Many other people died simply because health facilities were not functional or were poorly equipped to deal with ordinary and curable illnesses. Amongst those who survived, many are maimed and can no longer exercise their choices freely and take full advantage of opportunities to improve their livelihoods.

BOX 4.2: THE IMPACT OF ARMED CONFLICT ON WOMEN

Men, women, boys and girls experience conflicts in different ways. Women often take over non-traditional roles brought on by changes and transformations during conflicts that render them both victims and actors. On one hand, war is a burden for women and girls, including gender-based and sexual violence (rape as a weapon of war); the spread of HIV/AIDS; increased vulnerability; lack of mobility and the use of women as sexual slaves by soldiers. On the other hand, women also get involved in the conflict as combatants, by taking care of extended families in extremely adverse circumstances and by developing coping mechanisms to take over non-traditional occupations that enable them to gain exposure outside the private sphere.

Source: Gender Approaches in conflict and Post-Conflict Situations, UNDP, 2001

4.3 HUMAN INSECURITY

Insecurity negatively affected human development in two critical areas. Nearly every family in Liberia incurred some kind of loss as a result of the conflict. Some family members suffered from psychological stress and the ongoing trauma of not knowing whether there would be food or death the next day (Box 4.3). Assets were lost either from looting, physical destruction or the collapse of the financial sector. Loss of homes

BOX 4.3: PSYCHOSOCIAL CONSEQUENCES OF WAR: DEALING WITH TRAUMA

A recent study on the psychosocial cosequences of war revealed the effect of the crisis on Liberians. Commissioned by UNDP and conducted by Dr. Hilary Dennis, a leading Liberian psychiatrist, the study brought up a number of concerns, particularly among ex-combatants and IDPs. These include:

- Post-war trauma and the need to have some form of counseling;

- Anxiety about returning to their communities;

- The need for assistance for children exhibiting hostility and violence in camps;

- Meeting basic needs, including education and social skills training.

During a meeting with over 300 ex-combatants in February 2005, participants displayed hyper-vigilance, anxiety and a lack of control - behaviour in part attributable to concerns over jobs, security and personal development.

and other physical assets left people with no means of sustainable livelihoods thus subjecting them to higher risks of malnutrition, shorter lives, illness and illiteracy. The Liberian conflict destroyed the socio-economic fabric the society, breaking down family values and community coping mechanisms. While it is true that entire communities suffered from being denied these necessitates, women were worst off. Many suffered the brutality of rape, sexual exploitation and abuse, both during and after the conflict had subsided.

To compound problems, the nation's food systems were disrupted due to the displacement of farming communities and plundering from warlords and combatants, contributing to food insecurity and malnutrition. Available information shows that Liberia remains among the most food insecure countries in the world, with an estimated 35 per cent of the population undernourished. The food problem was most pronounced in rural areas and IDP camps. According to the 2004 CAP for Liberia, at least 300,000 people were given food assistance in several camps in Montserrado, Margibi, Bong, and Grand Bassa counties in order to cope with the food crisis. This was in addition to the provisions given to displaced Liberians who were residing with relatives and friends in Monrovia and its environs. During the first half of the civil conflict (1989-1996) the country relied heavily on humanitarian food aid. Food production declined to about 20 per cent of the pre-conflict era. The country also experienced increases in infant and maternal mortality and widespread malnutrition.

Women and children washing clothes : UNDP Liberia

4.4 HUMAN POVERTY

Losses sustained from the protracted Liberian civil conflict are also manifested in the form of indignity imposed on the Liberian people as a result of pervasive poverty.[25] The civil war exacerbated income poverty, capacity poverty and participation poverty. Although the conflict has ended, the increasing number of ill-prepared youth coupled with a lack of basic infrastructure and investments in rural Liberia will further exacerbate each of the three forms of poverty, the components of which are briefly described below.

4.4.1 Income Poverty

Nearly 80 per cent of the Liberian population suffers from income poverty, living below the universally established poverty line of 1 USD per day. According to a Poverty Profile Study, poor households in Liberia live on approximately 11.32 USD per month to feed an average of six people. This means that a typical poor household lives on a daily amount less than 0.50 USD per day. Even more detrimental to human development is that more than two-thirds of that income is spent on providing food for the family, leaving little or nothing for basic education, health care and leisure.

The direct cost is a drastic deterioration in the living standards and quality of life of Liberians, with most not having jobs that can support a decent standard of living. Income-generating opportunities are limited as a result of the conflict, a narrow economic base, disruption in local farming and trading systems, loss of personal assets and a breakdown in social capital. These limitations have contributed substantially to income poverty and impaired human development.

4.4.2 Capacity Poverty

With the total collapse of the education system, most young Liberians lack basic knowledge, skills and resourcefulness to elevate themselves out of the poverty. Being poor in this sense makes it difficult, if not impossible, for one to set and achieve goals, budget and use scarce resources for agreed purposes, or think through and manage complex processes and interactions. Capacity poverty also excludes one from taking advantage of limited domestic and international employment opportunities that are available from time to time, thereby prolonging the stay in poverty. Ironically, the deficiency in capacity persists in Liberia while at the same time, a very significant proportion of the nation's skilled and professional sons and daughters are working in other markets due to poor incentive structures and attractions from the international employment market.

4.4.3 Participation Poverty

Participation poverty means a vast majority of the population are deprived of their right to be a part of decision-making processes and the general life of the community or society. Their voices are not heard when policy objectives are being established and decisions are being made. Besides the lack of institutional and human capacities to foster participation, poor governance practices deprived many Liberians from participating in the nation's development process.

BOX 4.4: **VIEWS BY THE LIBERIAN PEOPLE ON PARTICIPATION IN GOVERNANCE**

Over 2,500 people including traditional, religious and cultural opinion leaders, elders and Zoes, teachers, women, students/youths, professionals, community organizations, special interest groups and the public at large were consulted on this issue. They complained that Liberia's present governance system is highly centralized, overly powerful and paternalistic. As a result, the majority of the rural population is kept in the dark about what government is or is not doing. This heightens suspicion, fear and a 'don't care' attitude for public transaction and properties. A common plea from the participants was for the distribution of quality and affordable education and health services throughout the country. In addition, a plea was made for capacitating rural actors, organizations, communities and institutions so they would be able to effectively identify specific development problems and constraints; set development goals and objectives; formulate policies and programmes; and manage their scarce resources.

Source: GRC Nationwide Consultations Initiatives, 2005.

[25] According to the Poverty Profile of Liberia (2001), poverty is defined in Liberia as "having no money". Most people surveyed believe that the availability of money will facilitate their material well-being, security, social acceptance and respect in the community.

4.5 LOSS OF SOCIAL AND HUMAN CAPITAL

The conflict destroyed physical and social infrastructure and the rural and urban road networks, including farm to market roads, have not been maintained or repaired for decades. Destroyed roads, bridges and power plants represent not only a loss of investments and livelihoods, but also pose a threat to future survival of the people and the nation. By destroying infrastructure, the chances for capital formation as well as entrepreneurship have been severely undercut. Local trading systems, on which people's livelihoods and survival depend, were disrupted and getting goods from farms to markets or getting buyers from markets to farms was made almost impossible by the damaged social infrastructure. The difficulties provided disincentives for domestic and foreign investments that could have provided much needed jobs and incomes.

> **BOX 4.5: WEAKENING OF HONEST BEHAVIOUR**
>
> The behavioural shift that resulted from the conflict is not unique to Liberia. It is a common phenomenon during protracted conflicts and one that is very difficult to reverse once it has occurred. "Once the reputation for honest interaction has been lost, the incentive for honest behaviour in the future is greatly weakened and the cost of enforcing transactions increases exponentially."
>
> *Source: ACB Occasional Papers #3, 2004*

The intense violence associated with the conflict also helped to generate fear and mistrust in Liberians, resulting in massive human capital flight. Fearing for their lives, close to a million people fled from cities, villages and towns to the neighbouring countries of Guinea, Sierra Leone, Côte d'Ivoire, Ghana and Nigeria, as well as other countries.[26] Over 350,000 people moved into IDCs within the country. This mass movement of people robbed Liberia and its communities of skills, knowledge, experience and resourcefulness during those difficult years. Furthermore, many Liberians and foreign investors shifted their financial capital out of the country. The cost is high unemployment, at a staggering 80 per cent, and low personal disposable income.

Another major cost is the switch that occurs in mindsets and value systems of people who have suffered prolonged violent conflict. The 14-year conflict eroded family and societal values, creating a situation of widening gaps between the status and responsibilities of children and their parents, and between people's behaviour and societal norms. The traditional practices of protecting collective well-being, in which communities and individuals pool resources to realize their potential, have become lost to a pernicious sense of individualism.

[26] Joint Needs Assessment Report, 2004.

A switch also occurred between honesty and corruption, and between hard work and laziness. Mischief and the search for 'values' not obtainable through honest labour seem to be a new way of life. Almost everybody in both public and private sector enterprises seems to be engaged in schemes of various types for personal interests at the expense of the corporate interest. Corruption is rampant in almost every sphere of national life, disrupting plans and programmes to support the restoration of basic social services and jobs.

4.6 COSTS TO SOCIAL SERVICES PROVISION

4.6.1 Deteriorated Health Care

> Most of the basic social infrastructure (schools, health facilities, public latrines, power systems, water and sanitation) was destroyed during the civil war, causing immense losses to the country's social services. Some 954 primary, secondary and vocational schools, two teachers training institutions, 82 health facilities and over 20,000 wells and latrines are in need of immediate rehabilitation and reconstruction nationwide.
>
> *(RFTF, 2004)*

The breakdown of water and sanitation systems, widespread food insecurity, the destruction of health facilities and the flight of qualified health workers contributed to the extreme vulnerability of the population and their disposition to ill health. The 2004 Joint Needs Assessment Report estimated that less than 10 per cent of Liberians have access to any kind of health care, down from a pre-conflict level of 30 per cent. The World Bank estimated that total expenditure of the health sector averaged about 2 USD per capita between 1997 and 2000 – below the pre-conflict levels.

The social costs of the deterioration of the health system on the well-being and living conditions of the Liberian people were high. Access to quality health services and information became non-existent in some regions of the country and remained very poor in others. Trained midwives and medical staff in the country fled for their lives. The situation exerted a corresponding negative impact on human development. For example, the war constrained access to quality maternal and child health care services, which inflated infant death rates and reduced longevity. The 1999 Liberia Demographic and Health Survey estimated that during the tenth year of the conflict, of about 90 per cent of women who sought maternal care when they were pregnant, less than one-third (29.4 per cent) were actually seen by a medical doctor, approximately one in five pregnant women were seen by a physician assistant and about 44 per cent were seen by a nurse. Trained

Total fertility rate in Liberia is very high. Child mortality is 194 per 1000 with maternal mortality estimated at 578/100,000 live births. The contraceptive prevalence rate for modern methods is low at 8 per cent, with adolescent women accounting for about 11 per cent of the total fertility rate, coupled with a very high abortion rate at 7 per cent.[31] Developing capacities is also complicated by the global problem of HIV/AIDS, which kills people in the prime of their lives and leads to severe financial and institutional debilitation.

4.6.2 Lost Opportunities in Education and Training

On the eve of the civil conflict, the education sector had expanded in line with national demands (NHDR/Liberia, 1999). Following the conflict, the nation's educational system was devastated. Schools, colleges and other training institutions were closed down for a protracted period with a few operating on an ad hoc basis. Even when some schools were available, many parents were reluctant to send their children to school, particularly female children.

> "Violent conflict destroys educational infrastructure, reduces spending on schools and teachers and prevents children from attending classes. Schools are often a target for groups hostile to the government because of the association with state authority. The capacity of governments to maintain education systems is further eroded by budget constraints as military spending crowds out social spending".
>
> *HDR, 2005*

Many qualified teachers were either killed or fled from assigned areas, with some going into IDP camps and others going outside of the country. School buildings, teaching materials and library resources were lost to plunder and destruction. Over 75 per cent of the educational infrastructure was either destroyed or damaged and some turned into military warehouses and war rooms. All these experiences led to a total collapse of educational services and thus to a breakdown in one of the main building blocks of human development, with terrible costs (Box 4.7).

A resulting human development cost is the prevailing high illiteracy rate in the country, estimated at nearly 80 per cent, with youth accounting for over half of the illiterates. Choices and income-generating opportunities for improving livelihoods are extremely limited when a large majority of the people cannot read or write the language in which transactions are

The maternal mortality rate has been on an upward trend. It is believed to be higher than the pre-war ratio of 578 per 100,000 births, one of the highest in the world.

and untrained traditional birth attendants saw, on the balance, 5 per cent of women seeking maternity care. As a consequence, the maternal mortality rate has been on an upward trend. It is believed to be higher than the pre-war ratio of 578 per 100,000 births,[27] one of the highest in the world.[28]

Prevalence rates of other major diseases have consistently increased as a consequence of disrupted health care delivery systems and services and the non-availability of drugs.[29] Diarrhoea prevalence rose from 22 per cent to 23 per cent and the prevalence of pneumonia was as high as 29 per cent in 2000.[30] According to the LDHS, life expectancy declined to the pre-1980 level of 47.7 years (PPL, 2001). Today's estimate puts it at 49.3.

[27] DHS, 2000
[28] This is primarily due to anaemia, postpartum haemorrhage and sepsis, pregnancy-related complications and toxaemia, and infections associated mainly with illegal abortions.
[29] The bulk of the drugs and medical supplies for public health comes from donations by aid agencies such as the European Union, UNICEF, international NGOs and friendly governments.
[30] DHS, 2000
[31] Ibid

BOX 4.7: SOME TRENDS IN BASIC EDUCATION ENROLLMENT

According to 2003 estimates from the Ministry of Education and UNICEF, there are 1,329,342 school-going pupils aged between 5-24 years. About 48 per cent of these are concentrated at the primary school level. With a primary school Net Enrolment Rate of 46 per cent, more than half of Liberian children of school-going age are out of school. The war kept most out of school with a sizeable number engaged in fighting the war and destroying lives and properties.

Transition rates are equally low. According to the MDGR, the proportion of pupils starting grade 1 and reaching grade 5 was 34.6 per cent for boys and 26.6 per cent for girls in 2000. The survival rate for both boys and girls is 31.2 per cent. The dropout rate for both sexes increases from 7.3 per cent in grade 1 to 9.4 per cent by the time pupils reach grade 5. At the same time, the dropout rate for boys accounted for 9 per cent, while the rate for girls is 11 per cent. This clearly indicates that by the time pupils reach grade 5, the survival rate for boys is much higher than for girls.

The situation with regard to secondary school education is largely similar. More than half of the pupils who enroll in primary school do not make the transition to secondary school, where the Net Enrolment Rate is 34 per cent. In addition, girls are particularly affected, with only 25 per cent of them enrolling in secondary school.

The low level of secondary school enrolment, together with the low level of learning achievement at primary school level (at only 42 per cent) impedes the capacity to build, in any sustainable manner, a pool of skilled national professionals. This will depress GDP and increase illiteracy rates and thereby reduce HDI. The MDGR 2004, quoting UNICEF and Ministry of Education statistics, puts the literacy rate for 15-24 year old pupils at 34.7 per cent (male 20.0 per cent, and female 14.7 per cent, 2002), having improved from 32.9 per cent in 1989 (boys 39.8 per cent; and girls 26.3 per cent.)

Source: Joint Assessment Report; and the Integrated RFTF Humanitarian Appeal, 2005; MDGR 2004

officially conducted. Education is not only a basic human right, but one that provides a foundation for progress in other human development areas such as health, nutrition, security and freedom.

Another effect of the breakdown in the education system is the vicious cycle of violence, accompanied by further destruction of social and human capital and sustained poverty. Loss of education and training facilities has denied many young people opportunities to enjoy the standard sequencing of life (from school with livelihood skills to gainful employment). Driven by the degree of human insecurity, hunger and unemployment, and skilled in handling weapons that were developed during 14 years of conflict, many young people are easily predisposed to committing violence when given the slightest opportunity. The unrest in

Monrovia and its environs in late October 2004, when lives and property were lost, demonstrated the fragility of the situation resulting from human insecurity.

4.6.3 Limited Access to Safe Drinking Water

The protracted war in Liberia led to the destruction of community-based water and sanitation facilities. In causing massive displacement, it also reduced the proportion of the population that has access to safe drinking water. Prior to the war, about 45 per cent of the urban population enjoyed access to pipe-borne water; the figure for rural Liberia was 23 per cent. Almost all headquarters of the 15 counties had treated water for use in households.

Young men making bricks at a factory in Monrovia : UNDP Liberia

The conflict-related damage significantly reduced the percentage of Liberian households with access to pipe-borne water, which in 1999 was estimated at 11.2 per cent (LDHS, 1999). It was also noted that wide disparities in water quality existed, with only 4.1 per cent of rural households having access to safe drinking water, compared to 25 per cent of urban households (MDGR, 2004). These low percentages eroded further following the reoccurrence of the civil conflict in 2002 and 2003. Pipe-borne water is now essentially non-existent in Liberia, replaced by house wells, water trucks and street water traders. Unprotected wells, streams, and rivers became, and still are, the primary sources of water for drinking and other uses. About 82 per cent of households depend on wells, ponds and rivers, 28 per cent of which appear to be protected. Only about 4 per cent of households use rainwater as a major source of drinking water.

Lack of access to safe drinking water has an enormous impact on human development. Untreated water is prone to diseases such as typhoid, cholera and other diarrhoeal diseases. These are amongst the most common causes of high infant and maternal mortality rates in the country.

4.7 ENVIRONMENTAL COSTS

4.7.1 Breakdown in Waste Management Systems

Prior to the conflict, domestic and commercial solid waste was collected in the capital, Monrovia, and other municipal areas such as Buchanan, Gbarnga, Greenville, Harper, Kakata and Robertsport. Waste in rural areas was either burned or buried. The war destroyed the already very poor sewage treatment and waste management facilities and systems, with garbage collectors fleeing for their lives and garbage collection vehicles and garbage transfer stations looted or destroyed (see Box 4.8 for the costs inflicted on Monrovia).

Public sanitation services (public toilets and garbage collection) are absent in most parts of the country. Only about 11 per cent of households have access to flushing toilets; 25 per cent use latrines, most of which were constructed by aid agencies. The remaining 64 per cent of households dispose of their human excrement in bushes, streams, rivers, ponds, beaches or a hole in the ground. About 26 per cent of households dispose of their solid waste in public rubbish heaps; 34.6 per cent of private rubbish heaps; and about one in every three households dispose their waste by throwing it in

An old bridge, Nimba County : UNDP Liberia

bushes and streets; 5 per cent bury, and 4 per cent burn their rubbish.

As a result of the conflict, designated public or private sites for dumping rubbish no longer exist. Rubbish is simply thrown on street corners, behind dwellings, in front of offices or on footpaths, lying uncollected for days or weeks and causing a serious health hazard for the population. The sanitary impact of rubbish disposal on the progress of human development is high. Many of the public or private rubbish heaps are in close proximity to dwelling places, which contributes to diarrhoea and other water-borne diseases. This situation also encourages disease carrying pests such as flies, cockroaches, rats, and the drinking water sources of are also contaminated by run-off from the heaps. All these affect the people's longevity and health.

4.7.2 Breakdown in Sources of Energy

One of the greatest losses incurred as a result of the conflict was the complete destruction of the Mount Coffee hydropower plant and other smaller power plants. The destruction resulted in high environmental costs to the country, particularly in two areas. Firstly, it has brought forests under severe pressure as trees are cut to meet increasing energy demands. Following the loss of the facilities, electric energy supply plummeted, resulting in a massive increase in the use of charcoal and wood fuel. It is estimated that at least 99 per cent of the population now depend on the use of these sources of energy to satisfy their basic needs for cooking, heating, and generating income for a living. It is estimated that the current 4.3 million hectares of forest remaining in Liberia is reduced by 0.3 per cent every year (Desk Study on Environment in Liberia, 2004).

Second, the loss of energy supply facilities has added to atmospheric pollution, with consequences for public health. The use of private generators has been on the increase to meet the energy needs, especially in urban areas. These generators are a source of air emissions such as sulphur oxides and nitrogen oxides. They are also a source of noise pollution and oil spills. In the absence of health care facilities and personnel, the gradual and continuous intake of the transmitted oxides and air contamination could negatively affect longevity, and hence human development.

4.8 FRAGMENTATION OF LOCAL GOVERNANCE

Linked to the enormous toll on human life, the breakdown in basic social services and the collapse of infrastructure meant a breakdown in local government institutions (counties, districts and towns). The war destroyed the framework of both the organizational structure and human resource management of local authorities. As a result, the various layers of local government remain weak, highly fragmented and therefore unable to effectively coordinate local development activities. This vacuum has been filled by international and local NGOs and United Nations agencies, which are providing a range of assistance including construction of physical infrastructure and the renovation of water, health and other basic services. A recent local government assessment study summarizes the state of affairs of local governance in Liberia (Box 4.9).

BOX 4.9: DETERIORATION OF LOCAL GOVERNANCE CAPACITY IN LIBERIA

There is no distinct definition of local government in Liberia, but it is assumed to cover the counties, statutory districts, county districts, chiefdoms, clans, city corporations, cities and townships. There are no criteria for establishing these various entities, and what are referred to as 'cities' and 'towns' do not approximate with internationally-accepted definitions of these categories of urban centres. Most of these entities have weak institutional frameworks, partly due to war, and largely due to overlapping jurisdictions, roles, functions and lack of well-trained personnel and logistics for operations.

The Liberia Local Government Capacity Assessment Study revealed that most personnel positions in local government entities are filled with unqualified people who do not have the requisite skills for their positions. Other positions are either not filled or the officers have not effectively taken office There are also people working without being on the payroll, while those on the payroll have low irregular salaries and have to collect their cheques in Monrovia. Other personnel are employed without following required procedures and without any letters of appointment. These factors have contributed to low capacity and local governments can hardly perform 20 per cent of their expected roles and functions.

The capacity assessment study recommended re-designing the local government institutional framework with clear roles and functions. It further recommended that training needs assessment at all levels of local government be immediately undertaken, a framework for efficient management of personnel at the local level – including a data base of personnel – be developed and local governments be provided with operational logistics required for efficient performance.

Source: Draft Report: `Liberia Local Government Capacity Assessment Study'. 4 March 2006. Commissioned by Governance Reform Commission with support from UNDP. Undertaken by Winnie V. Mitullah, Maxwell Poe and Lindsay Haines

4.9 PAYING THE PRICE OF CONFLICT: A STRATEGIC CHALLENGE

Moving from a state of fear to one of freedom, and from broken down and outdated social infrastructure and services to well functioning structures and processes is a part of the challenge in rebuilding post-conflict Liberia. Reforming society and individual mindsets to switch from the practice of dishonesty and mistrust towards social responsibility and solidarity is also needed. Finally, restoring, resettling and reintegrating a fearful and traumatized group of people is central to the heart of the strategy as Liberia moves towards peace, recovery and sustained human development.

New capacities need to be developed and old capacities strengthened, re-oriented and fully supported to strategically meet these challenges. Issues and strategies associated with the concept of capacity and capacity development must therefore be understood and addressed by national policy-makers and the donor community.

CHAPTER FIVE

This chapter looks at capacity development for sustainable human development in Liberia and articulates a capacity-development agenda to accelerate and sustain rapid improvements in the principal parameters of human development. It also examines the realities of the prevailing capacity environment and provides an analysis of the reasons for failure of past efforts at capacity building, making a case for new approaches that enhance national ownership and consolidating national capacities.

5.1 THE 'FACE' OF THE PREVAILING CAPACITY ENVIRONMENT IN LIBERIA

Poor governance and economic management, both in the public and the private sectors, have exacerbated the problem of capacity loss. Public and private institutions are unable to effectively utilize and retain available human capacity, while the infrastructure needed to make national functionaries effective is absent.

In addition to Liberia's staggering 3.8 billion USD external debt burden – nearly 700 times its GDP – the country has lost substantial capacity in terms of manpower and the socio-economic infrastructure needed to support nation building. Capacity has been lost due to brain drain, but more as a result of crisis-related death and destruction of infrastructure. Poor governance and economic management, both in the public and the private sectors, have exacerbated the problem of capacity loss. Public and private institutions are unable to effectively utilize and retain available human capacity, while the infrastructure needed to make national functionaries effective is absent. An assessment of public administration in Liberia reveals the following stark realities:

- Public sector resources are critically limited; public finances have not exceeded 85 million USD annually over the last four years. This level of inadequate financial resources has tended to be consistently mismanaged;

- Institutional capacity has been decimated. Most institutions lack essential tools, logistics and supplies. Poor physical working conditions, including the absence of a reliable supply of power, water and telecommunication services, are characteristic;

- The broader environment within which public sector institutions function is characterized by ethnic tensions, political instability, corruption and low social capital. There is also a general sense of cynicism and distrust of governmental intentions, sincerity and capacity to deliver needed social services;

- Morale is low; compensation is low, often in arrears by several months and insufficient to finance the rising cost of living. Consequently, it is difficult to enforce work ethics such as punctuality and the importance of meeting schedules and standards; the system tends to discourage meritocracy and instead promotes patronage and rent-seeking;

- Public sector bureaucracy is ineffective and inefficient. Policy analysis and formulation is weak; there is poor policy and organizational coordination, and a low quality of managerial skills and competencies;

- Shortages are found at all levels of manpower, limiting executive capacity. On account of continued instability, there has been a massive brain drain; expertise and orientation of the workforce are of low quality and since 1980, the turnover rate throughout the system has been high;

- There is no sufficient and reliable body of technical information (such as socio-demographic data or nation-wide surveys) essential for decision making. Systematic analysis of policy options is inhibited by attitudes, political culture and conditions;

- Although the private sector has also been impacted by brain drain and disinvestment since the 1980s, a substantial level of private sector technical capacity still exists in Liberia. Utilizing existing private sector capacity however, is constrained by a culture un-friendly to employing national consultants/advisors.

This situation notwithstanding, it must be noted that Liberia has invested in building governmental capacity to deliver services, with donors contributing significant resources to capacity building. A number of these have yielded positive results. For example, as a means to regain lost human resources, Liberia was the beneficiary of the TOKTEN programme implemented with the support of UNDP, to attract qualified talent from Liberians overseas.

Under this programme, qualified expatriate professionals returned for short periods of time to share the skills they have gained during their residence abroad. Some recipients of the TOKTEN programme remained and are actively contributing to the recovery and reconstruction programme.[32] This transfer of knowledge and skills occurs at a much lower cost and

[32] At least four of these professionals are still attached to some ministries including the Ministry of Planning and Economic Affairs and the University of Liberia.

at greater speed, since TOKTEN candidates need no period of adjustment to get acquainted with language or social and cultural context. Most other larger-scale capacity-building initiatives have not created the desired impact, raising questions about their design and mode of implementation. The section below highlights some previous capacity-building programmes and projects and examines the reasons for their failure. Efforts are underway to re-introduce TOKTEN as part of a national capacity-building programme.

5.2 WHY PREVIOUS CAPACITY-BUILDING INITIATIVES WERE UNSUCCESSFUL

Liberia's history illustrates a range of capacity-building initiatives and strategies. These have involved various policies and institutional reforms, focussing on academic and vocational school facilities and on building institutions. Some of these initiatives were boosted by external support. For example, in 1990 the United States government appointed a commission to assess Liberia's deteriorating economic, social and political trends and recommend measures for a capacity-building agenda. Moreover, almost 33 per cent of the 792.8 million USD the country received in external assistance between 1983 and 1988 was allocated to capacity building (UNSCOL, 1992). Some of the major donor-funded projects included: the 1959 USAID-funded Special Commission on Government Operations; the United Nations-funded Harvard Advisory Group in the 1960s; the 1960 United States-funded Carl Shoup Tax Reform Commission; the United Nations-funded Task Force on Decentralization of Administration in the 1970s; and the 1985 United States-funded Operational Experts project.[33] Throughout the 1990s, although the country was at war, piecemeal capacity-building initiatives continued.

Most of these initiatives have not had the desired impact, however, and the country continues to suffer from a serious lack of national capacity in many spheres of life. Experience in Liberia teaches that while reforms may be needed, efforts to implement initiatives and achieve desired results have been hampered due to the following:

- Every major previous attempt at public sector reform has been driven by the exigencies of crisis considerations. Under such circumstances, initiatives have been preoccupied with ameliorating the crisis facing the government, neglecting the need for longer-term institutional reform;

- Many previous reform efforts were either ill-conceived (for example, exclusively aimed at

reform of basic structures) or ill-targeted (focusing on systemic overhaul without adequate knowledge of, or appreciation for, the endemic social, cultural, and political causes of the problems). As such, capacity-building initiatives addressed the symptoms and collateral deficiencies rather than the underlying causes of the country's problems. The focus of past strategies was not informed by a systematic situational analysis of the economic, social and political environment in which the initiatives were to be implemented, nor were they informed by the exact nature of the gaps to be met;

- Irrespective of the subject or focus of reform through capacity building, attempts were externally initiated and driven. Each major effort has been designed in structure and content by foreign experts. The inputs of national experts familiar with Liberia's social, economic and political landscapes were limited, with no attempt made to engage Liberian allies to advocate, promote and assume political leadership roles in effecting the reforms. This adversely affected commitment levels, national ownership and achievements;

- From a governance perspective, many reforms were targeted at improvements in public sector management and capacity building but little effort was directed at examining the socio-political milieu for reform. Historically, a highly centralized power structure and a client-patron political system in Liberia inhibited good governance, transparency and accountability. It instead promoted a culture where loyalty stood over competence and where political power was used to access economic opportunities for the patron, his family and his associates.

The interplay between factors embedded in the operating environment, the existing governance regime and donor behaviour has a bearing upon the success or failure of indigenous capacity-building efforts. In the case of Liberia, all three have, in the past, negatively impacted capacity-building efforts (see Box 5.1).

In Liberia, organizational behaviour is governed less by official roles and responsibilities than by informal relationships and acquaintances. The relationships are linked to Liberia's ethnic and social crisis which has bred distrust, suspicion and ethnic hatred within the population. The problem of ethnicity – principally the relationship between Americo-Liberians and the indigenous tribal majority – has been allowed to continue unresolved. Successive governments failed to recognize the existence of ethnic problems. As a matter of implicit policy, debates and public discussion on the ethnic divide were discouraged as being divisive. Coupled with this, poor documentation of their historical identity and lack of a sense of social cohesion and national solidarity have plagued efforts at making progress at capacity development anchored on a national vision.

Many previous reform efforts were either ill-conceived (for example, exclusively aimed at reform of basic structures) or ill-targeted (focusing on systemic overhaul without adequate knowledge of, or appreciation for, the endemic social, cultural, and political causes of the problems.

[33] "Capacity-building policy framework for enhancing human development in post war Liberia", unpublished paper for UNDP Liberia by Prof. Willie Belleh, p.3

5.3 CAPACITY DEVELOPMENT IN THE TRANSITIONAL YEARS

At the inception of the NTGL in October 2003, national delivery capacities were at their lowest. Loss of lives coupled with the massive capital flight created a huge vacuum in human capacities. The breakdown in social capital and public and private institutions deepened the vacuum. At the same time, a downtrodden population was helpless in the face of a depressed economy. Given the need to redress the poor state of affairs, the United Nations Secretary-General, jointly with the World Bank and the United States government, hosted an international reconstruction conference on Liberia in New York in February 2004. The aim was to mobilize financial support for the reconstruction of post-war Liberia. The United Nations, international aid agencies and bilateral donors also committed to support the transitional government in implementing the CPA.

A total of 500 million USD was pledged at the conference for Liberia's recovery and reconstruction. To provide the basis for the pledge, a joint needs assessment exercise was conducted, focusing on 13 priority sectors grouped into nine clusters. These priorities were built into what came to be referred to as a 'Results-focused Transition Framework' covering the period 2004-2005, and subsequently extended to the end of the first quarter of 2006. Specific goals to be met under the RFTF are listed in Box 5.2.

At the inception of the NTGL in October 2003, national delivery capacities were at their lowest. Loss of lives coupled with the massive capital flight created a huge vacuum in human capacities.

District development committee meeting in Bong County: UNDP Liberia

A common humanitarian action plan, underpinning the consolidated inter-agency appeal, was also articulated and reflected the international consensus on development priorities encapsulated in the MDGs. It acknowledges that without national and international partners jointly addressing the most urgent humanitarian needs and implementing recovery and rehabilitation activities, Liberia will not meet MDG targets.[34] The overall assistance agenda had three streams:

[34] Joint Needs Assessment Report, p.18

- Quickly assemble and strengthen capacities to achieve short-term basic service delivery at a time when all institutional capacities were dysfunctional. Drinking water, basic health services and food were urgently needed in IDP camps and communities. Limited individual and organizational capacities on the ground were propped up and re-focused by international and national non-governmental organizations to meet these urgent daily human needs;

- Establish and maintain peace and security. Combatants had to be disarmed, demobilized and re-integrated into society. Lives and properties had to be protected. Domestic capacities to respond to these were lacking, and the international community took the lead. Today, Liberia enjoys one of the largest United Nations peacekeeping forces, involving at least 15,000 trained soldiers and over 150 civilians under the umbrella of UNMIL. In addition, human capital, organizational systems, processes and logistics were made available to enhance the performance of the mission;

- Focus on restructuring governance and holding elections. Capacities of the national elections commission had to be strengthened in terms of logistics and technical assistance. At least 18 million USD was mobilized to support the 2005 elections under the stewardship of the national elections commission and supported by donors. Considerable efforts were made to reform governance systems and processes, particularly within the framework of the RFTF. Annex II summarizes the specific capacity-building initiatives in the reform agenda.

5.3.1 Technical Assistance: Building or Substituting Capacity?

As early as the 1950s and 1960s, donors and academics undertook considerable work in the area of public sector institution building, with an emphasis on human resource development such as education, training and scholarships. This was heavily influenced by notions of knowledge transfer from North to South and with development cooperation viewed as transfer of capital, technology, knowledge and institutions. As the major macro-economic reforms of the 1980s proceeded, awareness grew of the strategic importance of developing

As the major macro-economic reforms of the 1980s proceeded, awareness grew of the strategic importance of developing indigenous capacities to manage reforms, leading to the emergence of the concept of 'capacity-building'.

indigenous capacities to manage reforms, leading to the emergence of the concept of 'capacity-building'.[35] The next two decades focused on the need for the reforms to be locally-owned and contextualized, which in turn uncovered issues of political will and good governance. Similarly, more recent initiatives such as the poverty reduction strategy processes have emphasized country ownership and leadership. This has included support to countries where governments are either not committed to growth and poverty reduction or where conflict or other issues have eroded state authority.[36]

Unfortunately, the effectiveness of donor capacity-building assistance to a number of countries, including Liberia, has been generally low; several reasons for the lack of success have been mentioned. Donor governments and development finance institutions provided technical assistance to satisfy official development assistance conditions but projects were externally designed and driven and often not harmonized with national policies. In addition, most of the focus has been on supporting the development of technical and sector-specific capacities and less attention has been paid in supporting cross-cutting capacities that include planning, managing, implementing, accounting for results and political decision making. These are critical in assisting countries to manage their own affairs.

National ownership of the capacity-development process has not been a prime concern in technical assistance programmes. As a result, linkages between individual, organizational and societal capacities are often not captured in the packages. Lopes and Theisohn send a clear signal on the dangers of this problem (Box 5.3).

The role of technical assistance in capacity development is currently being rethought (Box 5.4). An international consensus to shift the focus of capacity building from "technocratic notions of capacity development associated with knowledge transfer and gap filling to an endogenous process of social and political change" has emerged (Investing in Development, 2005). Traditional technical assistance approaches can no longer deliver the desired results, particularly if the assistance is to support country ownership and leadership and to take into account the political environment. The 2003 Rome Declaration on Alignment and Harmonization have re-prioritized technical assistance and placed development at the heart of development cooperation. The Paris High Level Forum on Aid Effectiveness, which took place in March 2005, sets out ambitious commitments to help strengthen partner countries' ownership.

Technical assistance for capacity building in specific areas should be planned in such a way as to eventually minimize the need for outside assistance. Part of this challenge is to ensure that there are incentives in place

to keep skills in the country and that qualified people are hired for relevant positions by setting clear rules and regulations for employment. This often requires civil service reform. Competition from international organizations can inhibit the development of a functioning civil service, so aid agencies also need to consider this issue in their own recruitment and management of local staff. It is essential to avoid a culture of dependency when international actors are deeply engaged in a country, as they are in Liberia. Building on existing capacities while involving local experts is at the heart of sustainable development and technical assistance. This is not only more efficient, but also more effective in developing local skills and capacities in the long run.

BOX 5.4: RETHINKING CAPACITY DEVELOPMENT

Supporting capacity development requires context-specific and in-depth understanding of existing capacities at the individual, institutional and societal levels. No 'one-size-fits-all' blueprint exists. Sustainable capacity development is a complex change process that affects roles and responsibilities of people and organizations, challenging the status quo and established power structures. Beyond requiring sound technical analysis, the success of capacity development depends on its integration within the broader social, political and economic environment. This reinforces the need for capacity development efforts to be managed, owned and carried out by partner countries themselves. External development partners can have a powerful and positive impact on these efforts – supplying financial support, based on global experience, policy dialogue and process facilitation – but the broader goals and development objectives of the partner country must define the overall strategy. Recent evaluation and comparative analysis of capacity also suggests:

- Capacity development is most likely to succeed when aligned behind strong political ownership and leadership at the highest levels, with wide participation, transparency and clear accountability;

- Incentives and motivation are essential to developing capacity, to unleashing and retaining existing capacity, and to translating it into development outcomes;

- Capacities flourish in the context of good governance and effective leadership. They languish and diminish where security is poor or government is unaccountable; it takes much less to destroy capacity than to develop it;

- The challenge of capacity development is intensified by the increased international mobility of skilled labour, which has important implications for policies in such areas as pay reform and attracting back the capital and skills of diasporas;

- Developing capacities is also complicated by the global problem of HIV/ AIDS, which kills people in the prime of their lives and leads to severe financial and institutional debilitation.

Source: OECD DAC "Living Up to the Capacity Development Challenge – Lessons and Good Practice", 2005

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[35] This issue is extensively discussed in a DAC Network on Governance Publication: "Living Up to the Capacity Development Challenge – Lessons and Good Practice",
[36] ibid, p.10

5.4 DEVELOPING CAPACITIES IN POST-TRANSITIONAL YEARS

Many of the capacity-building initiatives within the RFTF will have to be carried over into the post-transitional years. The framework introduced by the RFTF – and now taken over by national successor arrangements – is the only feasible option to creating the necessary capacities with the involvement of international assistance. GEMAP has also introduced important initiatives in the area of governance which will bolster the capacity-development environment. The programme consists of six inter-locking components:

- Financial management and accountability to protect the revenue streams of key revenue-generating agencies and institutions;

- Improving public budgeting and expenditure management systems;

- Improving procurement practices and granting of concessions and strengthening compliance;

- Establishing effective processes to control corruption, including the establishment of an Anti-Corruption Commission;

- Supporting key institutions that are responsible for ensuring transparency, accountability and good governance;

- Capacity-building focusing on reforming institutional mandates, structures and incentives.

How effective GEMAP is in avoiding the mistakes of the past by way of making a difference to the capacity-building issue is not clear. The GEMAP document does address national ownership and capacity building and also briefly mentions an 'exit strategy' for itself. The document does not articulate strongly the requisite capacities of national institutions, and where it does so, this is only in broad terms. The issue of capacity is also linked to the exit strategy for GEMAP, but neither issue is then defined or elaborated. The document does not identify how the monitoring and oversight functions performed by "international experts", who will form the core of GEMAP's implementation capacity, will be transferred to appropriately qualified, trained or recruited Liberian personnel. A conscious effort is therefore needed to elaborate the capacity-building component as a key result area within GEMAP. It should also include detailed measurable targets and indicators to ensure that past experiences on capacity building are avoided.

In the absence of deliberate interventions by the government to redress this limitation, GEMAP might suffer the same fate as its precursor programmes and exit without any relevant capacity left on the ground to manage the reform agenda effectively. It is in recognition of this deficiency that there were incessant

Traditional Liberian bricks being stacked at a brick factory in Monrovia
: UNDP Liberia

calls by the Liberian constituencies for the development of a capacity-building plan, with clear benchmarks, to complement GEMAP and ensure a prompt and effective development of national capacity to manage the commanding sectors of the economy.

It is generally agreed that a lack of requisite national capacity undermines state effectiveness, impedes revenue collection efforts, compromises delivery of basic social services (such as healthcare and education) and promotes corruption. In the absence of strong and coordinated support for capacity building, the efficacy of reform initiatives would be unsustainable in the long term. Emphasis must therefore be made for a coherent and outcome-focused capacity-building programme to translate GEMAP objectives into practical outcomes and underpin longer-term recovery and development.

CHAPTER SIX

6.1 EVOLVING A NATIONAL CAPACITY-DEVELOPMENT AGENDA ANCHORED ON A NATIONAL VISION

Strategies are not ends in themselves – they are a means to an end. A national capacity-building agenda should be linked to achieving national goals within the framework of a shared national vision. Unfortunately, a national vision owned and shared by the people of Liberia is not in place to provide that strategic framework for guiding human development initiatives.

In 1999, there was an initiative to strengthen the sense of national identity – Vision 2025 – but the process

A national vision owned and shared by the people of Liberia is not in place to provide that strategic framework for guiding human development initiatives.

BOX 6.1: TOWARDS A NATIONAL VISION FOR LIBERIA: A CONCEPTUAL AND METHODOLOGICAL FRAMEWORK

PROCESS

A multi-faceted process is necessary for building a Liberian national vision, involving action-oriented research and public dialogue. The former will explore the history of the country, the current challenges and potential future directions. The dialogue component will target citizens and external partners in order to build a picture of the aspirations of the different stakeholders. The goal is to forge a common understanding of Liberia's strengths, weaknesses, opportunities and challenges and to ultimately articulate a shared vision of a desirable future.

STRUCTURE OF VISION TEAM

The vision formulation team should have four interactive layers as follows:

Steering Committee: Composed of respected, non-partisan members of the community charged with the responsibility to facilitate access to information for the project, to maintain the momentum and interest for the national vision and to protect the integrity of the research team.

Core Team: Three to four national experts working full-time to drive the process forward using a larger group of researchers, facilitators and working groups along the way.

Researchers and Facilitators: Researchers will go out into the field to collect primary and secondary data, conduct analysis and produce reports. Facilitators will use the research outputs to initiate and sustain dialogue around thematic issues.

Working Groups: Approximately 20 people to discuss and debate various themes and solicit input from the wider community on these themes.

Synthesized from Mission Report of Dr. A. Sall, Executive Director, AFI; July 2005.

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and results were limited. The initiative never picked up the necessary political support, momentum or public participation. The turbulent years that followed also contributed to the weakness of the vision. A fresh approach to building a national vision has begun under the direction of the GRC, in collaboration with UNDP and the African Futures Institute. In this context, a methodological and conceptual framework for the formulation of a national vision for Liberia has been prepared (Box 6.1). Among the basic principles that have guided the preparation of the framework is that the process should be Liberian-driven and owned with every segment of the population being given the opportunity to participate in the formulation of the vision.

The importance of having a shared national vision to build long-term goals and public support and to guide the capacity creation process in post-conflict Liberia cannot be over-emphasized. A national vision will develop a sense of direction and commonality, particularly as there are so many different ethnic identities in Liberia, and create a sense of ownership of the development process.

6.2 BUILDING BLOCKS OF A CAPACITY-DEVELOPMENT AGENDA IN POST-CONFLICT LIBERIA

Public expectations in Liberia are high, particularly following the successful 2005 elections. There are, therefore, a host of immediate capacity development objectives that must be targeted. At the same time, the agenda needs to address medium- and longer-term national capacity needs and development objectives. Coming from a destructive war, capacity-development strategies in post-conflict Liberia must evolve around certain critical areas.

6.2.1 Fostering National Reconciliation and Sustaining Peace

National reconciliation, sustainable peace and genuine capacity development are interdependent. As far back as 1994, the 'Triple R' project – reintegration, recovery and reconstruction – set out its objectives: "To reconcile and unify Liberian society while rebuilding the nation; to create and maintain a conducive environment for sustainable human development; and to facilitate the empowerment of all sections of the population to

Cola nut production, Nimba County : UNDP Liberia

participate in the affairs of the nation and share the burdens and benefits there from".[37]

Liberia is once again a society in which peace-making and peace-building efforts are desperately needed. Capacities (skills and competencies) that work toward building confidence, trust and promoting national reconciliation in the achievement of genuine national peace and reconciliation are urgently required. Peace-building is a complex process requiring long-term commitment. Once it is achieved, proactive steps should be taken to identify, establish and support structures for strengthening and consolidating reconciliation and peace – the foundation for beginning the process of national renewal following a destructive civil conflict.

Conflicts are natural to all societies and they can sometimes provide opportunities for change. However, it is impossible to characterize Liberia's violent conflict in a positive light. The challenge now is for the government and private sector to build necessary capacities to enable individuals, organizations and communities to reconcile the nation, manage conflict and maintain peace in non-violent ways. In most self-achieving societies, there are mechanisms

(such as effective police, transparent courts, free and fair elections) to manage conflict and maintain order. Strengthening these and other peace-building and conflict-management mechanisms will have to be integral parts of the national capacity-development agenda in post-conflict Liberia.

6.2.2 Restoring Damaged Social Capital

Major bridges and nearly 800 kilometres of primary road network require immediate rehabilitation. Restoring facilities for providing safe drinking water is of immediate concern. The Ministry of Rural Development, the government's agency responsible for rural water and sanitation services, is dormant. It does not have the resources or equipment to provide the required services. As for Liberia's capital, the Monrovia City Cooperation and the Liberia Water and Sewage Cooperation also lack the resources and equipment to provide water and sanitation services to the city. Worse still, the health situation in Monrovia has fallen to

[37] UNDP, RRR Project, 1994

its lowest level, particularly in the slum communities of West Point, Slipway, New Kru Town, Struggle Community, Clara Town and Gaye Town. A lot has to be done if the MDG targets of increasing access to safe drinking water, as well as improving sanitation conditions, are to be achieved.

Accordingly, the agenda should focus on mobilizing and/or developing targeted human skills, including civil works planning and construction engineers; environmental and sanitation planning and construction engineers. Enhancing capacities of national public and private institutions and agencies to provide the necessary coordination, monitoring and service delivery should be part of the agenda. At the core is the task of reforming society and individual mindsets towards greater social responsibility and public accountability.

Capacity development strategies should be integrated fully within national development policies, plans and strategies.

6.2.3 Reforming the Governance System

The current governance system could be trimmed down, with a focus on supporting transparency, accountability and productivity. The rule of law also needs to be strengthened, as it has generally broken down in a nation consistently said to be "a country of laws, not of men". The past two decades of conflicts have introduced violence as an alternative to rational problem solving. This ugly situation has been fed by a culture of impunity that characterized Liberia's political culture of patronage. There is still a sense of vulnerability within the population. No society can advance in a terrain of lawlessness and continued conflict. Respect for human rights and peaceful co-existence under a regime of freedom and rule of law are the foundations on which democratic societies are built.

National capacity to strategically and effectively manage the development process must be enhanced, so as to effectively manage human development initiatives.

Resource management remains a serious problem in the Liberian governance process. Institutions and processes to ensure transparency, accountability and productivity, largely within the public sector, are weak and remain casualties of a system characterized by patronage and corruption. Building the requisite capacities to deal with this problem is essential. The reform exercise starts by establishing national human development needs and objectives and determining how the government should respond to those in need, bearing in mind the existence and importance of the private sector. Following that, each segment of the three branches of government would then situate their respective mandate towards meeting the established needs. Clarifying these inter related mandates and the inter-relations between the branches of government as clearly as possible would also ensure accountability and the desired checks and balances within the system.

6.2.4 Strengthening National Development Management Capacity

> **Key development actors should be trained to formulate and evaluate comprehensive and sector-specific policies and to set up systems and procedures that would mainstream human development.**

National capacity to strategically and effectively manage the development process must be enhanced, so as to effectively manage human development initiatives. To meet this challenge, a number of actions are required, including strengthening strategic thinking and anticipatory capacity of government and training and sensitizing politicians, legislators and bureaucrats on issues relating to stimulating and sustaining national human development. It would also involve building on local ownership and focusing on reinforcing the capacities of local and district governments as well as traditional institutions.

6.2.5 Fighting Corruption

The issue of deep-rooted corruption must be tackled. A scoping study conducted in late 2005 by two independent teams supported by UNDP and the United Kingdom Department for International Development (UK/DFID) concluded that the existing legal framework which supports the "pillars of integrity"[38] and anti-corruption is inadequate because of poor infrastructure, limited resources and lack of political will. Besides the negative effects of the civil conflict on corruption, pervasive unemployment and desperation has only helped feed and reinforce its prevalence.

The challenge must be met on two fronts: reforming and strengthening the pillars of integrity, and fighting poverty. The need for a national anti-corruption policy, strategy, operational framework and action plan supported by an anti-corruption legislation cannot be overemphasized. Hard choices must be made to prevent the further spread of corruption and to investigate cases and prosecute as appropriate.

Local development works, Bong County : UNDP Liberia

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[38] The classic pillars of integrity are the judiciary, Ministry of Justice, the Legislature, the Civil Service Agency, Auditor General Office, civil society organizations.

Youths training in engineering works : UNDP Liberia

6.3 A STRATEGIC FRAMEWORK FOR CAPACITY DEVELOPMENT FOR LIBERIA

6.3.1 Rationale and Cornerstones of a Capacity-Development Strategy

Reference is often made to the fact that many African countries, including Liberia, are characterized by wide gaps between policies and actual results. Lessons from countries such as Botswana, Thailand and Singapore suggest that the nature of adopted strategies, and how they seek to carry out policy, determine the extent of the gap between policy and results. In the case of Liberia, having policies or strategies on the books does not lead to desired results.

A major cause of this discrepancy is the absence of a required critical situational analysis to inform decisions during the policy or strategy formulation stage. The result contributed to the failure of technical assistance for capacity building in Liberia, outlined previously. The design and implementation of appropriate laws, regulations, institutions and systems to operationalize policy and strategy frameworks have been mostly inadequate. Furthermore, a general lack of institutional and human capabilities to guide the programme implementation process within the strategic framework have been missing.

The capacity-development challenges in Liberia are enormous and cost intensive, but the costs of doing nothing could be even steeper on the livelihoods of the people. Given the low human development status, Liberians must do what it takes to improve their situation or face regression to violent conflict as a worst case scenario. An important message therefore, is that the country must intensify efforts to build the necessary capacities for reconstruction and the improvement of its human development status. Accordingly, programmes and projects to create the requisite capacities will have to be formulated and implemented in a rational and systematic manner to make the desired impact. A strategy is required for ensuring such rationality.

It is important to understand the significance of a strategy in the process and to begin with developing a national capacity-development strategy. A strategy gives a road map that integrates, into a coherent whole, desired goals, intended interventions and assumptions to be monitored. It provides a broad approach that is comprehensive in scope and focused on targeted interventions on strategic issues and challenges to achieve desired results. A strategy is also aimed at producing optimal results. Consequently, an initial step towards rebuilding post-conflict Liberia is for the government to formulate an integrated comprehensive capacity-building strategy with a focus on creating

individual, institutional and societal capabilities to mange development affairs.

On the basis of the analysis derived from the capacity assessment exercise, a range of options for reform and the associated capacity-development programmes will be identified. The options could range from measures aimed at strengthening existing systems, without any major structural reform in the institutions involved, to a major reorganization of functions and responsibilities, perhaps involving shifts in the division of labour between the public sector, the private sector and non-governmental institutions. This could involve a process of rethinking the purpose, scope and role of the government and performance management systems to guide and improve productivity.

As a consequence of limited analysis, national capacity-development initiatives during the last 15 years have been faulty in their design. They have been limited in their scope and focus, and have failed to target pending strategic issues, such as humanitarian service delivery, conflict management, and mass displacement of people, among others things, which could have achieved improved human development.

For effectiveness, it is important to scan the national, regional and global scenes during the strategy formulation stage in search of opportunities that could support capacity-building and human development efforts. While an effective strategy formulation process is a necessary condition for maximizing desired results, an effective strategy management process, including the implementation of associated programmes, is equally required if the gap is to be reduced to a minimum. Meeting this second condition has been problematic in Liberia. One must understand the social, economic and political environment in which strategies are to be implemented.

In formulating a capacity-development strategy, a basic requirement for achieving results, it is essential for the government to assess the strengths and weaknesses of the present situation, project future trends and have a feel for life-sustaining opportunities and possible threats posed to the achievement of the national human development objective. The first essential and required step as Liberia moves forward in creating capacities for national reconstruction and development is to conduct an assessment of the capacity situation and needs

6.3.2 Capacity Needs Assessment – An Essential First Step

A systematic process should be followed in formulating a realistic capacity-development strategy for post-conflict Liberia. With an agenda, and using the national vision framework as a guide, the first step is to assess and determine the exact areas of need. Given the mass displacement of human capabilities and breakdown in institutions and societal values and systems, the

next step is to determine the exact areas of needs with respect to each of the three dimensions of capacity. Specifically, the country requires a comprehensive capacity needs study. This study is critical to the formulation of a coherent and effective capacity-development strategy that is aimed at improving living standards. It is important that the exercise is well-conceived if maximum results are to be achieved. To this end, the assessment must be focused on, but not limited to, answering three fundamental questions in a scientific way.

WHAT ARE THE STRATEGIC ISSUES? What are the strategic issues, national aspirations and key functions that are to be the focus of the strategy? This question must be answered as a departure point in determining urgent and future individual, institutional and societal capacity needs. Understanding the pressing human development issues and how they relate to each other is a vital prerequisite of the process. The exercise would, for example, help to stratify the overall strategy into successive short, medium and longer-term feasible options and determine the exact form of interventions to achieve the established milestones. The Joint Needs Assessment, which benefited from other studies, led to the RFTF. This study started the process in providing an answer to the key question, but in a general and overarching manner. The required national dialogue and consensus building were not fully integrated in the identification process. The national consultation exercises that were spearheaded by the GRC, in collaboration with UNDP, were attempts to achieve public participation but again, the exercise was not geared towards the formulation of a capacity development strategy.

WHAT ARE THE STRENGTHS AND WEAKNESSES OF EXISTING CAPACITIES? Following the issue identification phase, the next action for the government is to take stock of what exists and locate the gaps. The stock-taking exercise should give, where applicable, a critical situational analysis of the levels, quality, quantity, weakness and relevance of existing individual, organizational and societal capacities. Although expensive, coming out of nearly 25 years of state weakness or failure, a comprehensive situational analysis will lay the basis for future capacity-development policies, strategies and programmes. To assess individual capacities, a comprehensive 'National Human Resources Survey' is required, preferably within the framework of a national census exercise. It would be appropriate when evolving a capacity-development strategy to know the level, quality and quantity of skills in the Liberian labour market stratified in age groups, geographic distribution and gender. This should be complemented by area-specific surveys.

Liberians with critical skills and expertise living and working overseas should also be surveyed. Liberia has suffered tremendously through the loss of well-

trained and experienced people. The biggest employer, the public sector, cannot employ and retain skilled people since it cannot compete with the overseas opportunities to which highly-educated people have gravitated. In addition, the civil conflict has created a hostile environment to retain and utilize this well-developed human capital. Policies and strategies to reduce the international brain drain, or to encourage the return of those working in other lands, may make a significant contribution to capacity development and retrieval for the rebuilding of the country.

WHAT ARE THE PRIORITY NEEDS? Using the findings from the stock-taking exercise, existing individual, institutional and societal capacity needs must be determined and prioritized. For relevance, the determination process must be done within the overall context of creating national capabilities to enhance Liberia's human development status. Consequently, the exercise should not only rely on the findings of the stock-taking exercise, but should also include using results from other assessments that take into account the social, economic and political environment in which adopted strategies are to be implemented. In the absence of policies to improve the functioning and attractiveness of the labour market, the social returns on further investment in high-level training and education will be unnecessarily low and other measures to support capacity development may be correspondingly ineffective.

Assessment must be done within the overall context of national capacity development. It should therefore examine broad economic, social, cultural and political conditions prevailing, as well as resulting constraints on, and opportunities for, capacity development. Major issues such as processes of change and trends in the context for capacity development should be assessed.

Major socio-economic issues arising from the labour market must be examined, and pegged against the stock-taking results. For example, the functioning of the labour market and in broad terms, the extent to which the labour market brings about an appropriate matching of jobs and skills, as well as productivity in both public and private sectors must be examined. The level and direction of the inflows and outflows of highly trained and experienced technical and professional Liberians in the labour market must also be brought into the picture. Furthermore, an analysis of the state of human development in Liberia cannot be complete without an understanding of the regional and global dimensions. The country's prolonged conflict is partly rooted in regional political and economic instability, the effects of which have further undermined efforts to rebuild indigenous capacity.

The policy and institutional environment of the public sector has pervasive effects on the capability of any unit to perform its functions. The environment needs to be assessed with focus on regulatory, legal and budgetary frameworks. The first two involve redefining or strengthening the mandates, structures and functions of ministries and agencies as well as the rules and regulations governing their activities. They also involve strengthening the nature of the overall relationship between the public sector, non-governmental and independent organizations and the private sector. The third involves assessing budgetary procedures and allocation mechanisms that affect resource availability, the share of salaries in operating budgets and the adequacy of non-salary budget allocations that provide people with access to the equipment and materials they need in order to perform their tasks.

An assessment of the economic policy environment is also needed since it will affect the performance of specific functions. For example, the effectiveness of decentralized service delivery may depend on the overall adequacy of resources available to local governments; the delivery of services themselves require complementary availability and affordability of basic commodities (school books, pencils, vaccines, essential drugs, seedlings). In turn, the willingness of government officials to locate themselves in remote areas to perform basic services will depend on living conditions.

Another area for assessment is the pay and incentive system, a critical element of capacity since incentives affect each individual's performance, motivation and willingness to remain in the public sector or even in the country. The assessment of the pay and incentive system involves an indication of the adequacy of overall levels of earnings in relation to the cost of living and how these have been changing over time, plus an assessment of the relative salaries for key categories of professional workers in the private sector compared with the public sector. In the case of Liberia, where salary levels of public sector employees are lower than a living wage, it is unlikely that capacity development strategies will succeed unless there is serious commitment to reforms of public sector salary and personnel policies and major changes in personnel management systems. In other words, capacity development strategies will require a fundamental change in approach to public sector reform, with an emphasis on creating the conditions for a capable government rather than on particular quantitative targets for either the number of civil servants or the size of the public sector salary bill.

Liberia has suffered tremendously through the loss of well-trained and experienced people. The biggest employer, the public sector, cannot employ and retain skilled people since it cannot compete with the overseas opportunities to which highly-educated people have gravitated.

The country's prolonged conflict is partly rooted in regional political and economic instability, the effects of which have further undermined efforts to rebuild indigenous capacity.
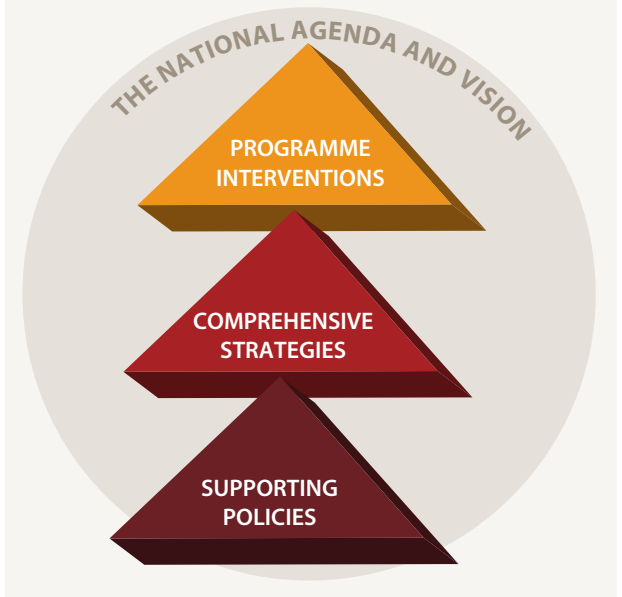
6.4 COMPONENTS OF THE STRATEGY

Human development is attained through the formulation and implementation of sound policies, effective strategies and targeted programmes. This close relationship among policy strategies and programmes is illustrated in Figure 6.1. The three pillars must be anchored on an agenda that is rooted in a shared national vision. All these must be present and properly managed in establishing the necessary capacities to rebuild Liberia. They are mutually reinforcing and each should receive adequate attention. Operationally, development strategies and programmes cannot be successfully implemented without strong and purposeful supporting policies. Likewise, policy objectives cannot be realized without effective strategies and programmes. Strategies without programmes will lead nowhere.

The post-conflict capacity-building exercise in Liberia should not be limited to building capacities at the central government level. Capacities of local government institutions must also be built and strengthened for them to play a role in facilitating development initiatives at the local level. Private sector capacities also need to be built or strengthened. All of these considerations are integral elements of the capacity-development strategic framework that would contribute substantially towards moving Liberia up the human development ladder. The current poor situation, as demonstrated

In the case of Liberia, where salary levels of public sector employees are lower than a living wage, it is unlikely that capacity development strategies will succeed unless there is serious commitment to reforms of public sector salary and personnel policies and major changes in personnel management systems.

FIGURE 6.1: CAPACITY DEVELOPMENT STRATEGY FRAMEWORK

THE NATIONAL AGENDA AND VISION

PROGRAMME INTERVENTIONS

COMPREHENSIVE STRATEGIES

SUPPORTING POLICIES

in preceding chapters, calls for policy commitment and institutional reforms on various fronts including the constitution, the judiciary, local government, civil service, national resource allocation and private sector development. The challenges associated with these are multiple and intense.

Randall Street, Monrovia
: UNDP Liberia

CONCLUSIONS AND AGENDA FOR ACTION

CHAPTER SEVEN

This chapter provides a recap of the report, outlining its major messages, key lessons and policy recommendations. It suggests an agenda for action and conditions for rebuilding and reinforcing capacity for human development from a crisis-prone to a crisis-free Liberia.

7.1 SUMMARY OF ISSUES CONTAINED IN THE REPORT

Liberia's human development index has, for some years, been at the bottom of the list of nations with the lowest human development indices. The 2005 estimate puts Liberia's HDI at 0.319, far below the estimated 0.515 for sub-Saharan Africa in 2003. Poor transition governance practices have contributed significantly to this regretful state of affairs. Fourteen years of civil crisis have also clearly undermined Liberia's human development. Civil conflict devastated the country's social structure and inflicted very high human development costs. As a consequence, the choices and opportunities for Liberians to live longer, healthier and more prosperous lives have been eroded. What little human development gains were made during the pre-conflict years have been rolled back.

To make the necessary progress, the development agenda must take on new and broader dimensions. From a process and outcome standpoint, the agenda must be centred on the rights of people to live decent and longer lives. Several national strategies are required to reverse the downward trend of the human development index and to accelerate its move upwards. No matter which strategy is adopted, building requisite human, institutional and societal capacities must be at the core of the process. Two compelling reasons underpin this proposition.

All national functionaries are incapable of producing and distributing desired development results. To leave them in their current state is to nurture corruption in public transactions, reward non-performance and maintain national poverty. Additionally, the availability of national capacities to meet pressing and future needs at the individual, institutional and community levels is fundamental to enlarging human choices. Without these capacities, it would be very difficult to produce the level of growth or the quantity and quality of goods and services needed to sustain human development. There is a strong correlation between the processes of capacity building, sustainable human development and overall national development, with the availability of capacities playing a catalytic role.

7.2 A SEVEN-POINT AGENDA FOR ACTION

There is an overall rationale that flows throughout the 2006 Liberia Human Development Report for prioritizing capacity development in the rebuilding of Liberia. Failure to achieve human development progress risks plunging the country back into social instability or even armed conflict. In contrast, by undertaking the necessary capacity-building exercises, Liberia could become self-sufficient and productive, empowering people to rebuild their society and to advance their standard of living.

However, a systematic approach must be taken when designing strategies if efforts are to bear fruit. This means the capacity-development agenda must focus on programmes aimed at achieving human development goals within the framework of a shared national vision. The next move is to formulate an integrated, comprehensive and relevant capacity-development strategy within the framework of the agenda to serve as the road map for building individual, institutional and community capabilities. Below is a proposed seven-point agenda for action:

7.2.1 Rebuilding Government Capacity

During the period of post-conflict transition, Liberia needs overarching, robust and results-oriented measures to strengthen government capacity. This involves providing ministries, public agencies, and municipalities with assistance to define their mission and functions, rationalize their structures, simplify their

Capacity-development initiatives must be clearly articulated and sequenced within the framework of a broader national recovery and development agenda.

administrative procedures and build staff knowledge and skills to enable them to formulate and implement policies and programmes. In addition, action is needed to provide for effective utilization of limited financial and human resources to improve performance and instil a culture of integrity, transparency and accountability in providing service to the public.

Capacity development assistance covers a range of initiatives that can differ widely in scale, from the short-term engagement of a single consultant to provide expert input for a single piece of legislation, to a full-fledged programme of technical assistance designed to overhaul the structure, functioning and staffing of the government machinery. Core types

No matter which strategy is adopted, building requisite human, institutional and societal capacities must be at the core of the process.

By undertaking the necessary capacity-building exercises, Liberia could become self-sufficient and productive, empowering people to rebuild their society and to advance their standard of living.

of capacity-development initiatives that are urgently needed include:

• Interim policy advice on specific development management issues related to reform efforts;

• Transitional human resources and staffing facilities to provide the government with the human resources necessary to design and implement governance and economic recovery reforms and to steer the transition to long-term MDGs-based planning;

• Specific and general training (and coaching) for civil servants; linking intensive and continued training and mandatory replication of lessons learned from other countries;

• Support for public service reform, building the requisite capacity at the central and local levels to deliver services – education, health, agriculture;

• Institution building, including the establishment of a professional civil service based on a comprehensive legal framework which assures independence from political interests and prevents corruption and abuse of power.

At this early phase of the reform process in Liberia, substantial donor support will be required to implement these measures in the short to medium term. International expertise will be required across the institutional landscape and the implementation of GEMAP clearly demonstrates this. However, this should not be at the expense of long-term sustainability. In other words, these efforts should not be allowed to evolve into capacity substitution, in which international experts are relied upon to perform functions or provide expertise that the government should have or should be developing.

Too much outside policy advice can actually prove counterproductive and induce a dependency culture, where provision of massive donor-funded policy advice actually reduces pressure on the government to enact structural reforms. In order to avoid this trap, the government should ensure that, where possible, expertise is transmitted to local civil servants so that capacity building has permanent rather than transitory impact. Two ways to achieve this are:

• On-the-job coaching and advisory services for senior policy-makers and civil service middle managers who support them; and

• 'Twinning' arrangements, whereby a capacity-building consultant or institution is teamed up with a civil servant or agency from a relevant host country.

7.2.2 Responding to Transitional Human Resource Needs - Salary Supplements

One of the biggest challenges facing the Liberian government is generating adequate salaries for civil servants. Low salaries are rendering government institutions unable to attract skilled professionals, including those in the diaspora, to support the urgent recovery and development priorities. Faced with this reality, the government may be left to appeal to altruism, idealism and patriotism to lure talented professionals into public service, which is unlikely to work. In an effort to remedy this situation and secure the human resources urgently needed to design and enact reforms quickly, transitional salary supplements for key officials are necessary.[39] In doing so, the risks associated with topping up salaries have to be weighed against the reality in which appointments to government were made, on the basis of political or ethnic affiliation. These supplements should be aimed at personnel in positions with the greatest impact on service delivery and the wider reform efforts of government. The programme should be designed to help the government create powerful teams of people whose employment in high-profile positions will reinvigorate the public sector, bringing new ideas, experiences and professionalism to support the reform process linked to performance, which can be monitored.

In addition, this mechanism should be a transitory measure addressing a specific, time-bound need, taking into account the potential distortion it might cause in civil service pay scales and potential antagonism that can generate resistance to reform. The nature of top-ups for selected posts needs to be carefully communicated, so that it is clear to the public and civil service that the implementation of the full package of civil service reform will result in increased remuneration for all posts once ministries have been restructured.

If this rationale is not carefully explained to all stakeholders and to the public, it risks causing widespread unhappiness. The initiative must not be misconstrued as payments to a select few or as excessive incentives for privileged diaspora or expatriates. Thus the only antidote is a well-organized public information campaign launched before the initiative is implemented. Complete transparency in publishing the details on salary supplements is also a must. In this respect, salary supplements should be channelled through a neutral fund manager with clearly defined lines of responsibility and accountability between itself, the government and other donors to reduce the risks of misperception and increase support to national sovereignty by political actors and the recipients.[40]

[39] Discussions with the new government on this issue led to the formulation of the Liberia Emergency Capacity-building Support Project to be implemented over a two-year period to the tune of 2.2 million USD with support from the United States-based Open Society Initiative, who provided 1 million USD with UNDP providing a matching contribution of 1.2 million USD and managing the fund through the established trust fund mechanism.

[40] UNDP Liberia has offered to manage the Liberia Emergency Capacity-building Fund, utilizing its trust fund mechanism. UNDP has played this role in many countries, such as Geogia, Kenya and Nigeria.

Down Town Monrovia : UNDP Liberia

7.2.3 Developing a National Capacity-Development Programme

Capacity development efforts and salary supplements make little sense unless they are enacted within the context of an overarching strategy for public sector reform. In the absence of such a strategy, interventions will remain piecemeal and transformation efforts needed to foster economic, political and social reforms – however important for individual institutions – will fail. Adoption of such a plan is therefore a priority in the short to medium term. This would also be a vital exit strategy for interim measures, so that capacity-building efforts support a quest for government self-sufficiency rather than dependency.

There is another reason why a national capacity-development programme is urgent. Over the last two years, a wide variety of capacity-development initiatives has been initiated – public sector reforms, civil service reorganization, institutional support and management reviews, amongst others. These initiatives need to be anchored to a coherent and coordinated framework. In the absence of strong and coordinated support for capacity development, the efficacy of ongoing and planned reform initiatives would be unsustainable in the long term.

7.2.4 Promoting Donor Coordination on Capacity Building, led by Government

Capacity building for Liberia will be most effective if pursued on the basis of a consolidated platform for donors and other actors involved in capacity building with government leadership. It is therefore imperative that the government establishes a credible national aid

management capacity as soon as possible to promote better allocation of all investments, including support for capacity development, in line with nationally identified priorities. If this is not done, capacity-development efforts run the risk of disintegrating into a set of disparate projects funded by different donors based on individual interests. Execution of numerous projects that are only loosely related may be unsustainable in the long run. The GRC could be empowered to undertake the role of promoting overall coherence in capacity building. In addition, even in the midst of budget constraints, the government should make a provision from its own funds to the capacity development programme. This is crucial to ensure that it takes full ownership of the reform process and plays an active role in implementation, rather than acting as a passive recipient of capacity-development programmes.

The international donor community needs to be flexible in the forms of support which are extended to Liberia. Guidelines exist regarding the focus of programme support and equally, what donors are not willing to support. It is important to maintain an open mind and creative outlook regarding emerging or unexpected local needs, which do not always conform to preconceived or universal notions. The donor community prefers to support 'hard infrastructure' – such as physical reconstruction – and is less enthusiastic about supporting human projects such as topping-up civil service salaries or meeting other remuneration gaps. Such guidelines are legitimate, but flexibility is useful; at relatively small cost, creative solutions, which may not conform to preconceived assumptions, can sometimes bring great assistance and help service broader objectives.

7.2.5 Strengthening Policy Management Capacity

In view of the widespread policy and institutional weaknesses caused by the deterioration of national capacity during the years of conflict, there is now an urgent need to rebuild the macroeconomic and policy analysis capacity and infrastructure. Recognizing this shortcoming, the new government has expressed a desire to establish an independent 'think tank' to undertake rigorous studies of Liberia's macroeconomic policy framework, including fiscal and monetary issues.[41] This approach is not new. In 1998, the Government of Liberia initiated LIMCAP, establishing an autonomous policy research unit within the government to serve the ministries. Unfortunately, delays in securing funding stalled the process.[42] The outbreak of the civil war in 2002 disrupted the whole initiative. ACBF has already expressed a willingness to undertake, in partnership with other donors, a country capacity profile for Liberia, which could pave the way for the development of an ACBF country programme.

With the new government having spelled out a number of reform measures under the framework of the National Agenda for Reconstruction and Development, the establishment of an autonomous entity to provide policy advice is an important imperative for strengthening domestic policy formulation and monitoring at the national level. By being able to stand back from the day-to-day work and the political pressures of regular government ministries and agencies, this entity can take a more independent view and provide the government with more rigorous and objective advice on socio-economic development issues. Since there are previous efforts in this direction, this should be pursued and LIMCAP reactivated and given the requisite support to perform the functions for which it was established. UNDP, in partnership with the ACBF is providing technical support to the government in developing capacity in this area.

7.2.6 Undertaking a Country Capacity Profile

A baseline capacity assessment, together with a set of basic indicators that would record and measure changes as a national capacity-development programme is implemented, is urgently needed. This is particularly important in the post-conflict transitional period in Liberia where public expectations are extremely high. The indicators of progress identified through the assessment should be carefully monitored and linked to a strong communication drive in order to convey the message that progress has been made. A successful public information campaign can build support for the longer-term reforms. This assessment would encompass both the short-term capacity needs that may be addressed through more direct support, and the medium and longer-term capacity needs that require sustained efforts and resources to deliver on the

DDC elections, Bomi County : UNDP Liberia

reforms. A capacity assessment is key to providing a means of assessing the results achieved.

7.2.7 Building and Maintaining Reliable Databases

One of the greatest obstacles to improving human development in Liberia is the lack of up-to-date information to inform the development management process. What is needed is a holistic national statistical and spatial data system supporting an integrated national database. Reliable data is needed to guide four major areas of interest: planning and programming development paths; formulating policies, programmes and projects; monitoring performance and progress in the development process; and responding to international data requests. Without data, policy makers, decision makers, investors, managers and researchers find it difficult to diagnose problems and find solutions. Without reliable data, the Government of Liberia will not be able to assess achievement towards the MDGs or monitor policies and programmes related to population, health, education, HIV/AIDS and nutrition.

Another area of urgent action is training and retaining quality statisticians and demographers. Professionals with specialized technical skills are needed to operate at various stages of the data management process: survey design, data gathering, data processing, data storage and reporting. Currently the shortage of such skills to do statistical work in Liberia is acute. The second aspect of the challenge that lies ahead is for the government to put in place an institutional framework to formulate and coordinate the implementation of policies, strategies and programmes for the development and dissemination of national statistics. Finally, there is a need to enable LISGIS, along with other national statistical gathering agencies, in terms of logistics and quality staffing to deal with the high costs of data gathering and management and train quality statisticians and demographers.

41 Such policy analysis think tanks have been established in Nigeria, Kenya and Ghana and continue to provide advise and policy alternatives with respect to key economic management and governance issues.
42 The African Capacity-building Foundation was the primary financier for this project and had in 1998 approved a grant of 1.8 million USD to launch LIMCAP.

ANNEX I

I. THE HUMAN DEVELOPMENT INDEX

The human development index is a summary measure of human development. Before the HDI itself is calculated, an index needs to be created for each of these dimensions. It measures the average achievements in a country in three basic dimensions of human development:

• A long and healthy life, as measured by life expectancy at birth - vulnerability to death at a relatively early age, as measured by the probability at birth of not surviving to age 40

• Knowledge, as measured by the adult literacy rate (with two-thirds weight) and the combined primary, secondary and tertiary gross enrolment ratio (with one-third weight)

• A decent standard of living, as measured by GDP per capita (PPP USD)

Indices for each of the three dimensions were calculated. Fixed minimum and maximum values (goalposts) were chosen for each as follows:

• Life expectancy at birth: 25 and 85 years

• Adult literacy rate: 0 per cent and 100 per cent

• Combined gross enrolment ratio: 0 per cent and 100 per cent

• Real GDP per capita: 100 USD and 40,000 USD

Using the 1999 figures as base, together with some projected figures, estimates for each of the five indicators were made in consultations with officials of the Ministry of Planning and Economic Affairs (Table 2.5 for results).

With these established, the following formula was used:

$$\text{INDEX} = \frac{\{\text{Actual Xi value} - \text{minimum Xi value}\}}{\{\text{Maximum Xi Value} - \text{minimum Xi value}\}}$$

(a) Calculating the life expectancy index

The life expectancy index measures the relative achievement of a country in life expectancy at birth. For Liberia, with a life expectancy of 49.3 years in 2005, the life expectancy index is:

LEI = [49.3 – 25]/[85 – 25] = [24.3 /60 = 0.405

(b) Calculating the education index

The education index measures a country's relative achievement in both adult literacy and combined primary, secondary and tertiary gross enrolment. First, an index for adult literacy and one for combined gross enrolment were calculated. The two indices were combined to create the education index, with two-thirds weight given to adult literacy and one-third weight to combined gross enrolment.

(i) Adult Literacy Index = [35.6 – 0]/100 = 35.6/100 = 0.356
(ii) Combined Enrolment Index = [61.2 - 0]/100 = 0.612

Accordingly, the Education Attainment Index was calculated using the following formula: {2/3(Adult Literacy Index) + 1/3 (Gross primary, secondary and tertiary enrolment index).

EAI = {2/3(0.356) + 1/3(0.612)} = [0.237 + 0.204] = 0.441

DESCRIPTION	HDI		GENDER RELATED 1999		2005	
			MALE	FEMALE	MALE	FEMALE
Life Expectancy (Year)	42.3	48.3	39.0	45.8	40.9	48.1
Adult Literacy (Rate)	31.2	35.6	44.6	18.8	44.6	18.8
Combined Gross Enrolment (Ratio)	58.8	61.2	65.2	52.3	64.3	55.0
Real GDP/ Capita (PPP USD)	225	187*	n. a.	n. a.	n. a.	n. a.
Share of Population (per cent)	N/A	N/A	49.9	50.1	49.6	50.4

2004 estimate; n.a = not available; N/A = not applicable

(c) Calculating the GDP (income) Index

The GDP index was calculated using adjusted GDP per capita (187 USD). In the HDI, income serves as a surrogate for all the dimensions of human development not reflected in a long and healthy life and in knowledge. Income is adjusted because achieving a respectable level of human development does not require unlimited income. Accordingly, the logarithm of income is calculated using the following formula:

[log(187) – log(100)]/log(40,000) –log 100)]
= (0.2875)/(2.6021) = 0.1105

(d) Calculating the HDI

Using the three dimension indices calculated above, we determined the HDI for Liberia by deriving a simple average of the three indices. The calculation and resulting indices was as follows:

HDI/Liberia = 1/3 (0.405 +0.441 + 0.1105) = 1/3(0.9565) = 0.319

II. CALCULATING GENDER RELATED DEVELOPMENT INDEX (GDI)

While the HDI measures average achievement, the GDI adjusts the average achievement in life expectancy, educational attainment and income with the disparity in achievement between women and men. The GDI therefore reflects the inequalities between women and men. Three steps were involved in the calculation of the GDI. First, female and male indices in each of the three dimensions (life expectancy, educational attainment and income) were calculated where data is available. Second, the female and male indices in each dimension are combined in a way that penalizes differences in achievement between men and women. Third, the GDI is calculated by combining the three equally distributed indices in an unweighted average.

1. CALCULATING THE THREE INDICES

Fixed minimum and maximum values were established for each of these indicators as follows:

- Life expectancy at birth: Females: 28 years and 87.5 years; Males: 25.5 years and 82.5
- Adult literacy rate: Females and males 0 per cent and 100 per cent
- Combined gross enrolment ratio: Females and males 0 per cent and 100 per cent
- Real GDP per capita: Females and males 100 USD and 40,000 USD

Female and male indices in each of the three dimensions (life expectancy, educational attainment and income) were calculated where data is available.

(a) Life expectancy index

Females: (48.1 - 28)/(87.5 – 28) = (20.1)/(59.5) = 0.3378
Male: (40.9 – 25.5)/82.5 – 25.5) = (15.4)/(57) = 0.2702

With this, the Equally Distributed Index was estimated using the following formula:

Equally distributed index = {[female population share (female life expectancy index-1)] + [male population share (male life expectancy index1–_)]}1/1.

{[0.504 x 0.338] –1 + [0.496 x 0.270] –1}-1 = {(0.17035)-1 + (0.13392)-1} = 0.3543

(b) Adult literacy

Females: (18.8 – 0)/(100) = 0.188
Males: (44.6 – 0)/(100) = 0.446

(c) Combined gross enrolment

Females: (55.0 – 0)/(100) = 0.550
Males: (64.3 – 0)/(100) = 0.643

(d) Education Attainment Indices

Females: 2/3(0.188) + 1/3(0.550) = (0.1253 + 0.1833) = 0.3086
Males: 2/3(0.446) + 1/3(0.643) = (0.2973 + 0.2143) = 0.5116

2. CALCULATING THE EQUALLY DISTRIBUTED INDEX

With the three indices calculated, the Equally Distributed Index was estimated using the following formula:

Equally distributed index = {[female population share (female education attainment index-1)] + [male population share (male education attainment index1–_)]}1/1.

EDI = {[0.504 x 0.3086] –1 + [0.496 x 0.5116] –1}-1 = {(0.1555)-1 + (0.2537-1} = 0.4092

3. CALCULATING THE EQUALLY DISTRIBUTED INCOME INDEX

The process begins with estimating female and male earned income (PPP USD). Then the income index is calculated for each gender. As for the HDI, income is adjusted by taking the logarithm of estimated earned income (PPP USD): Income index = log (actual value) – log (minimum value) / log (maximum value) – log (minimum value)

Because of the lack of gender-disaggregated data, this index could not be calculated. For the same reason, the HPI-1, which measures deprivations in the three basic dimensions of human development captured in the HDI, could not be calculated.

ANNEX II

PUBLIC SECTOR CAPACITY

Government functions implemented through streamlined, efficient national institutions and operated by a restructured, professional and merit-based public service that functions as a disciplined and credible entity;

Develop the capacity of the Civil Service Agency so that it performs essential functions and required systems and hardware are established;

Streamlining of civil service rules and procedures for recruitment, promotion, conduct, discipline, pay scale fixation and performance evaluation;

Review the structure and mandate of government institutions/agencies, public corporations and autonomous agencies and to establish a Governance Reform Commission (as envisaged in the CPA).

LOCAL GOVERNMENT

Improved capacity for planning, coordinating and delivering essential services at the local level. Effective returnee monitoring in all resettlement areas established;

Training and other capacity-building activities for county, district officials and other stakeholders are initiated;

Examination of options for decentralization of government is initiated;

District recovery plans drafted for five additional counties where TRTs deployed;

Essential buildings reconstructed, vehicles supplies, computer equipment set up and operational on a country-wide basis. Technical assistance made available and monitored; in service management training operational.

THE JUDICIARY

Physically rehabilitated and equipped with material and human resources and facilities to become functionally effective;

Civil and other courts (magistrate, tax, probate, and juvenile courts) made functional in Monrovia and selected counties;

Training of circuit court judges, magistrates and justices of peace; compilation and indexing of unreported supreme court opinions; improving court reporting and record keeping; training prosecutors and public defenders and other members of the bar;

Establishment of legal aid schemes and clinics; establishing/improving communications between courts and prosecutors in Monrovia and those in the counties, rehabilitating the law school facilities;

Streamline judicial personnel rules and regulations and procedures for recruitment, promotion, conduct, discipline and pay scale fixation.

POLICE

Restructuring, consolidation and reorganization of principal law enforcement services in Liberia 'Interim Police' to be vetted, certified and trained;

Rehabilitation and improved management practice in Monrovia Central Prison (with full attention to human rights).

DEVELOPMENT OF CIVIL SOCIETY

Foundations laid for a strong, vibrant and involved civil society with civil society organizations enabled to exercise their rights with new laws, rules and regulations drafted;

Capacity building in administrative, financial, managerial and substantive areas for NGOs;

Training on project management and fund raising, human rights and protection monitoring and reporting.

HUMAN RIGHTS

National reconciliation fostered through the establishment of the Truth and Reconciliation Commission;

Training on international human rights obligations;

Drafting of laws or amendments to existing laws. Parliamentary debates.

MEDIA

Rehabilitation of infrastructure and equipment, strengthening organizational/management structures, local content programming;

Capacity building of media professionals and strengthening the development of independent media and the interface between media, civil society and political authorities.

HEALTH AND NUTRITION

Revitalization of the primary health care system to deliver community-based health and nutrition programmes in 70 locations; 50 community clinics rehabilitated; training for health care providers to staff clinics;

Strengthen the capacity of the Ministry of Health and Social Welfare for planning and implementation at central and local levels (technical assistance, training, equipment);

Repairing critical elements of health systems; rehabilitating part of JFK and up to six other key hospitals, 25 primary health care centers and four training institutions.

EDUCATION

Rehabilitation and revitalization of at least 25 per cent of public and private primary and secondary schools, vocational training system and part of higher education system;

Institutional capacity for education is assessed; policy papers on key issues (vocational, girls, decentralization, quality, standardization, higher education) developed; short term training of 200 education officers completed; project management unit set up in the Ministry of Education.

POWER AND TRANSPORT

Rebuild capacities of Liberia Electricity Corporation, electricity services in Monrovia restored, electricity services in rural areas developed, options for private sector participation explored;

Restoration of accounting and financial capacities;

Enhance capacity of the National Ports Authority.

REVENUE MOBILIZATION; BUDGET PREPARATION AND EXECUTION; FINANCIAL MANAGEMENT AND AUDIT

Enhance revenue collection, budgeting, and financial management practices strengthened and brought into line with current best practice; accounting systems and practices strengthened following establishment of a computerized financial management system;

Internal financial control mechanisms established and implemented and Auditor General's office properly equipped;

Reform public sector procurement system to enhance transparency, accountability, value for money and reduce risk of procurement-related corruption with an initial focus on health and education.

PUBLIC ENTERPRISES

Sound financial management of public enterprises established, and the mandate of public enterprises reviewed.

ANNEX III

TABLE A.1: EMPLOYMENT (PRIVATE AND PUBLIC SECTORS)

INDUSTRY	1998	1999	2000	2001*	2002
Agriculture/Forestry/Fishery	10,000	10,900	11,700	20,200	17,095
Banking/Insurance	700	812	900	5,200	4,865
Business Services	N/A	N/A	N/A	2,800	2,441
Community/Social Services	8,000	9,130	13,000	9,900	8,340
Manufacturing	900	970	1,070	3,000	2,775
Whole/Retail Trade	47,000	48,000	49,000	7,507	7,056
Transport/communication	200	900	1,300	2,600	2,265
Mining/quarrying Industry	1,000	1,000	1,020	1,900	1,442
Construction Industry	N/A	N/A	N/A	2,007	1,734
NGOs, INGOs and PVOs	N/A	N/A	N/A	5,720	4,291
Government	48,000	50,000	57,000	60,000	64,200
State Enterprises	N/A	N/A	N/A	5,007	5,358
Informal Sector (Petty Trading)/Self Employed	270,000	290,000	300,000	336,000	420,000
TOTAL	**385,800**	**411,712**	**434,990**	**461,841**	**541,862**

*Source: Ministry of Labour; (*2001 figure revised)*

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The 2006 Liberia National Human Development Report, the first in the post-conflict era, is much more than just a publication. It captures the country's vital socio-economic indicators and conveys key analytical and policy messages in a comprehensive and compelling manner. With technical and financial support from UNDP, the government consulted with a wide variety of stakeholders in Liberia to produce this report.