

**PRO POOR AGENDA  
FOR PROSPERITY AND DEVELOPMENT  
(PAPD)  
A FIVE-YEAR NATIONAL DEVELOPMENT PLAN  
TOWARDS ACCELERATED, INCLUSIVE, AND SUSTAINABLE  
DEVELOPMENT  
(July 2018 – June 2023)**



**REPUBLIC OF**

**LIBERIA**

September 30, 2018

## Message from the President of the Republic of Liberia

My Fellow Citizens,

On January 22, 2018 you entrusted me with the responsibility of leading the effort to build a capable state that is united in purpose and filled with hope and prosperity. This ushered in the first generational change in national leadership through the popular vote since the introduction of universal suffrage in 1951. I will remain eternally grateful for this sacred trust and will, to the best of my ability and with the help of God, strive to change the narrative on Liberia and bring about a more stable, prosperous, and democratic state in Africa.

Therefore, I take this opportunity to present the Pro-Poor Agenda for Prosperity and Development (PAPD)—our national development plan for July 2018 to June 2023. The Pro-Poor agenda is a framework for inclusion, more equitable distribution of our national wealth, and a rights-based approach to national development. It is the second in the series of plans leading towards the goals of Vision 2030. It aligns our national plans with the African Union Agenda 2063 and the global Sustainable Development Goals (SDGs).

Over the next five years, we will do a few things and do them well. We will focus on bringing growth back to the economy by increasing productivity through value chains with emphasis on agricultural processing and marketing. We will promote the production of rice, cassava and vegetables using new and appropriate technologies because the agricultural sector is a major source of foreign exchange and livelihood of our people. The forest sector remains another area with significant potential for growth. While developing the potential in those areas, we will pay close attention to natural resource governance so local communities can increase their share of the benefits from our natural resources and work with the government to improve regulations of artisanal, small scale, and large-scale activities.

We cannot develop Liberia without good quality infrastructure and a skillful labor force. Therefore, over the next five years, my government will invest in high quality infrastructures including roads, affordable energy, air and sea ports, Telecommunication/ICT, housing, water, and sanitation. More importantly, we will invest in our people particularly into their education, health, and in ending widespread vulnerability.

Our government inherited a difficult fiscal situation and the only way forward is to cut and rationalize expenditure in the short term while growing the revenue base over the long term. Even with those measures, our progress will be slow without the support of key partners--the international development partners, the private sector, and the Civil Society. We want to acknowledge the pivotal roles they have played, reassure them of government's commitment to an inclusive way forward, and seek their cooperation for the implementation of the PAPD. We want to reassure the business community, both Liberian and foreign, of an enabling environment for their business ventures to prosper.

Our country is rich in resources and has a youthful labor force with tremendous potential. I call on all Liberians, living at home and in the Diaspora, to join hands and put aside differences to develop this potential. After years of conflict and struggle with disease outbreak, we must turn in a direction where we can have hope again—in ourselves, in our nation, in our future. I encourage you to own this development agenda, receive it with positive minds, and become champions of the solutions it offers. Liberia belongs to all of us and we must now collaborate to build a new and better nation.

Finally, let me close by thanking all those who worked very hard to change our campaign manifesto and vision into action for a prosperous, stable, and resilient Liberia.

God bless Liberia!

George Manneh Weah  
**President of the Republic of Liberia**

## Acknowledgement from the Minister of Finance and Development Planning

I wish to extend my sincere thanks to the President of the Republic of Liberia, H.E. George Manneh Weah, the Vice President, H.E. Jewel Howard-Taylor, and the Cabinet, the Liberian National Legislature, and the Judiciary for your guidance and motivation in driving the formulation of the Pro-Poor Agenda for Prosperity and Development (PAPD). I am also grateful to other heads of institution, autonomous agencies, county superintendents and various stakeholders for their support in organizing the technical sessions and mobilizing participants to contribute to this exercise.

We are indebted to various technical specialists participating in sector working groups and other multi-sectoral fora for the time and contributions to the formulation of the pillar goals and results framework. We also acknowledge the suggestions made by the private sector on moving the economy forward in the medium term. Many thanks to Civil Society Organization (CSO), faith-based organizations, youth organizations, women organizations, organizations of people with special needs, institutions of higher learning, the media and all other national institutions for unflinching support to this national effort.

We are very grateful to the United Nations system, the World Bank, the African Development Bank, the European Union, the United States Agency for International Development, the Swedish Embassy, and all other international actors that provided technical and financial support during the PAPD formulation. Specifically, we want to acknowledge the United Nations Development Programme (UNDP) and the International Labor Organization (ILO) for underwriting some of the cost of this exercise, and for deploying technical assistance to support our experts.

We extend gratitude to the team at the Department of Budget and Planning, Department of Economic Management, Department of Administration, at the MFDP for the consolidated effort in driving the process and coming up with this National Development plan. Finally let me acknowledge the members of the special team that drew together this plan:

1. Mr. Melvin Crawford; Lead Program and Project Advisor
2. Mr Dehpue Zuo; Economist/Program Advisor
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**MINISTER**

**MINISTRY OF FINANCE AND DEVELOPMENT PLANNING**

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## Acronyms

<b>ACA</b>	Agricultural Concession Agreement
<b>ACRWC</b>	African Charter on the Rights of Women and Children
<b>ADR</b>	Alternation Dispute Resolutions
<b>AIDS</b>	Acquired Imuno-Deficiency Syndrome
<b>APRM</b>	Africa Peer Review Mechanism
<b>AU</b>	African Union
<b>DTF</b>	Distance to Frontier
<b>ECOWAS</b>	Economic Community of West African States
<b>BPA</b>	Beijing Platform for Action
<b>EPHS</b>	Essential Package of Health Services
<b>CET</b>	Common External Tariffs
<b>CSC</b>	County Service Center
<b>CSO</b>	Civil Society Organization(s)
<b>ESRP</b>	Economic Stability and Recovery Program
<b>EAP</b>	Economically Active Population
<b>EU</b>	European Union
<b>EVD</b>	Ebola Virus Disease
<b>FDO</b>	Foreign Direct Investment
<b>FMC</b>	Forest Management Contract
<b>FGM</b>	Female Genital Mutilation
<b>GC</b>	Governance Commission
<b>GDP</b>	Gross Domestic Product
<b>GNI</b>	Gross National Income
<b>GII</b>	Gender Inequality Index
<b>HDI</b>	Human Development Index
<b>HIES</b>	Household Income and Expenditure Survey
<b>HIV</b>	Human Imuno-Deficiency Virus
<b>ICDU</b>	Implementation Coordination and Development Unit
<b>IFMIS</b>	Integrated Financial Management Information System
<b>IPRS</b>	Interim Poverty Reduction Strategy
<b>IT</b>	Information Technology
<b>LDA</b>	Liberia Development Alliance
<b>LDHS</b>	Liberia Demographic and Health Survey
<b>LISGIS</b>	Liberia Institute of Statistics and Geo-Information Services
<b>LNP</b>	Liberia National Police
<b>LRDC</b>	Liberia Reconstruction and Development Committee
<b>LTO</b>	Long Term Outcomes
<b>M&amp;E</b>	Monitoring and Evaluation

<b>MACs</b>	Ministries, Agencies, and Commissions
<b>MDA</b>	Mineral Development Agreement
<b>MDG</b>	Millennium Development Goals
<b>MFDP</b>	Ministry of Finance and Development Planning
<b>MIA</b>	Ministry of Internal Affairs
<b>MOE</b>	Ministry of Education
<b>MOH</b>	Ministry of Health
<b>MPI</b>	Multidimensional Poverty Index
<b>MSME</b>	Micro, Small, Medium Enterprises
<b>MTEF</b>	Medium Term Expenditure Framework
<b>MYFF</b>	Multi Year Fiscal Framework
<b>NASSCORP</b>	National Social Security and Welfare Corporation
<b>NDP</b>	National Development Plan
<b>NKI</b>	National Key Indicators
<b>NSS</b>	National Statistical System
<b>ODA</b>	Official Development Assistance
<b>PAPD</b>	Pro-Poor Agenda for Prosperity and Development
<b>PETS</b>	Public Expenditure Tracking Survey
<b>PFM</b>	Public Financial Management
<b>PLHIV</b>	People Living with Human Imuno-Deficiency Virus
<b>PPCA</b>	Public Procurement and Concession Act
<b>PPCC</b>	Public Procurement and Concession Commission
<b>PSG</b>	Peace and State building Goals
<b>PUP</b>	Private Use Permit
<b>PWD</b>	People with Disability
<b>SCRI</b>	Social Cohesion and Reconciliation Index
<b>SEZ</b>	Special Economic Zone
<b>SWG</b>	Sector Working Group
<b>TFR</b>	Total Fertility Rate
<b>TOC</b>	Theory of Change
<b>TOR</b>	Terms of Reference
<b>TSC</b>	Timber Sales Contract
<b>TVET</b>	Technical Vocational Education and Training
<b>UDHR</b>	Universal Declaration of Human Rights
<b>UN</b>	United Nations
<b>UNDAF</b>	United Nations Development Assistance Framework
<b>UNICEF</b>	United Nations Children Fund
<b>UNMIL</b>	United Nations Mission in Liberia

## Executive Summary

The Pro-Poor Agenda for Prosperity and Development 2018 to 2023 (PAPD) is the second in the series of 5-year National Development Plans (NDP) anticipated under the Liberia Vision 2030 framework. It follows the Agenda for Transformation 2012-2017 (AfT). It is informed as well by lessons learned from the implementation of the Interim Poverty Reduction Strategy 2007 (iPRS) and the Poverty Reduction Strategy (2008-2011).

The fundamentals underpinning the PAPD are: i) Liberia is rich in human and natural resources; but ii) is deprived of development largely because its human capital lacks the knowledge to transform the natural resources into wealth—whether through farming, mining, fishing, or other productive ventures that require technology or financial investments. Consequently, Liberia is relatively rich in natural capital but relatively poor in relations to its peers in both human and produced capital. Moreover, because of a legacy of entrenched inequality in access to development opportunities, widespread infrastructure deficits and pervasive poverty have become the binding constraints to future growth and prosperity.

### **Economic Growth and Development**

The government acknowledges significant progress made over the past decade the investments made and assistance received. On the economic growth rates and life expectancy at birth, Liberia exceeded the Sub-Saharan Africa average for the same period. The Gross National Income (GNI) per capita rose by 8.4 percent from 1990 to 2015.<sup>1</sup> The Human Development Index (HDI) increased by 10.6 percent between 2000 and 2015. Life expectancy at birth increased by 14 years and mean years of schooling by 1.8 years, over the same period. Nevertheless, Liberia remains in the low human development category and absolute poverty is on the rise in 5 of the 6 national statistical regions. The gains produced by economic growth have not been universally felt nor are they sustainable. Liberia ranks as the 11<sup>th</sup> lowest of the 188 countries on the 2016 HDI. On the inequality adjusted and the gender HDI, Liberia is among the 10 most unequal countries in the world.<sup>2</sup>

### **The Pro-Poor Agenda**

The Pro-Poor Agenda is therefore about the people, how to strengthen their capacity to thrive; and how to draw all Liberians living at home and abroad into the national development process. Over the next five years, addressing the basic needs of Liberians for income security, better access to basic services, and greater opportunities for self-improvement in an enabling environment that is inclusive and stable will be at the core of the pro-poor agenda. While one of the aims, over the long term, remains raising per capita income levels and economic status to a middle-income country as outlined under the Vision 2030 framework, the focus over the next five years will be on removing the binding constraints to reaching that goal.

### **National Visioning**

The Pro-Poor Agenda is also about crafting a national identity aligned to the Africa Agenda 2063 and the Economic Community of West African States (ECOWAS) Vision 2020. What clearly emerged from the national consultations on the future of Liberia held in 2012 is that the tendency to bifurcate the Liberian identity into an Americo-Liberian vs. Indigenes cleavage leaves the “erroneous impression of two discreet communities” that need to be reconciled for political, social, and economic, development to take hold. But it is evident that the Liberian identity is a fusion of values of multiple “largely patriarchal traditional societies”, different tenets of faith, and the “influence of black settler culture”. Moreover, new cleavages emerged out of the civil war—between the Diaspora and those Liberians who remained at home, and between those who were victimized and those who were the perpetrators of violence. All these cleavages must be addressed for Liberia to go forward successfully as a united people and a progressive nation.

### **Significance of the Recent Transition in National Leadership**

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<sup>1</sup> UNDP, *Human Development Report*, 2016

<sup>2</sup> IBID

The inauguration of H.E. George Manneh Weah as the 24<sup>th</sup> President of the Republic of Liberia and H.E. Jewel Howard Taylor as first female Vice President, presents a unique opportunity to begin a transformation. It marked the first peaceful and democratic transition of power in 73 years. It was the first generational change in national leadership through popular vote since the introduction of universal suffrage in 1951 and the launch of the National Unification and Integration Policy in 1960.

This opens a window of opportunity to build a new nation based on the principles of inclusion, on equity in the distribution of revenues generated from Liberia's natural resources, and on a rights-based approach to national development. It also opens the opportunity to unite Liberia's diverse faiths and 'nations' around a national identity that reflects Liberia's geographic position and relations with the rest of the Africa region.

### **Goals of the PAPD**

In view of the foregoing, the objectives of the PAPD are:

1. To build more capable and trusted state institutions that will lead to a stable, resilient, and inclusive nation embracing its triple heritage and anchored on its African identity
2. To provide greater income security to an additional one million Liberians, and reduce absolute poverty by 23 percent across 5 out of 6 regions--through sustained and inclusive economic growth driven by scaled-up investments in agriculture, in infrastructure, in human resource development, and in social protection

### **Pillars of the PAPD**

To make progress towards the PAPD and eventually the Vision 2030 goals over the next five years, the strategies and interventions are built around four pillars which will form the pathways for the next five years:

1. **Power to the People**— To empower Liberians with the tools to gain control of their lives thru more equitable provision of opportunities in education, health, youth development, and social protection
2. **The Economy and Jobs**— Economic stability and job creation through effective resource mobilization and prudent management of economic inclusion
3. **Sustaining the Peace**—Promoting a cohesive society for sustainable development
4. **Governance and Transparency**—An inclusive and accountable public sector for shared prosperity and sustainable development

The interventions under Pillars One and Two will contribute directly to the income security and empowerment goals; while those under Pillars Three and Four will contribute to building of a peaceful and united country pursuing a new vision of full integration into the African continent both in culture and vision.

National Targets are presented in the form of results frameworks for each of the four pillars. These are tools to assist government Ministries, Agencies, and Commissions (MACs), and partners, to logically link interventions to the high-level goals over the next five years. The insertion of specific targets commits MACs to attaining those development outcomes falling within their remit.

#### **Pillar One—Power to the People**

Many years of civil crises undermined the advances made in human capital development in Liberia--ranging from hundreds of thousands of deaths to internal displacement and outmigration of skilled labor into the Diaspora. Going forward, human capital development in Liberia must cut across various social sectors and the Government of Liberia is the main duty bearer. It must also cut across gender with the exigency of addressing historic and systemic biases against female at home, in the marketplace, and in the political arena.

Therefore, reducing out of school rates and increasing retention and completion rates for girls, while raising minimum education infrastructure standards for boys and girls and ensuring appropriate responses to Gender-Based Violence, are major thrusts under human capacity development. Providing lifelong learning opportunities to all Liberians on an equitable and inclusive basis will also be a special emphasis.

Reducing the maternal mortality rate will be a priority along with prevention of teen age pregnancies in the home and school environment. Reduction in under-five malnutrition of girls and boys will reduce risk of early life impairment which can become permanent and might also affect future generations. Malnutrition prevention will bring about important health, educational, and economic benefits over the medium to long term.

Reducing women inequality in political, social, and economic life through government and partner supported interventions, and in partnership with women groups and communities, is also to be produced under this Pillar. Among the sets of interventions to produce this outcome is the adoption and strengthening of sound policies and enforceable legislation, the application of gender-responsive budgeting (GRB) in the multi-year fiscal framework of the government, and the implementation of the Revised National Gender Policy.

The youth development outcome seeks to accelerate the process of transforming Liberia's demographic dividend into a potential driver of growth starting with expanding social inclusion through work and life skills opportunities; in addition to scaled-up Technical Vocational Education and Training (TVET) interventions.

Social protection investments include wider and sustainable expansion in access to the four minimum guarantees: i) access to essential health care, ii) basic income and food security for the whole family—especially children in the family environment (including vulnerable groups and people with disability), iii) providing some form of basic income for the working age population through pre-employment support and household enterprises for adolescents and young adults, expansion in the national social pension scheme, enforcement of the Decent Work Act and iv) social grants for the elderly, pregnant women, and people living with disability.

### **Pillar Two—Economy and Jobs**

Under Pillar Two, the emphasis is on maintaining macroeconomic stability, building good infrastructure, and providing a business-friendly environment that can stimulate private productive investments and create more and better-quality jobs that are germane to sustaining the peace and to future economic growth. This pillar describes critical interventions that the Government will pursue in the macroeconomic space.

In the optimistic economic scenario for the next five years, the path of economic growth uses exogenously fixed forecasts for baselining. Raising Real GDP growth from 3.2% in 2018 to 5.8% in 2023 will be used as the minimum target of the government. In this scenario, growth will be underpinned by robust fiscal and monetary; and foreign exchange reforms, to create the right policy environment, improve the doing business environment, increase competitiveness through investments in real growth-enabling sectors mainly agriculture and fisheries, forestry and service sectors; and by investments in reducing infrastructure deficits using approaches that are more labor-intensive and use more local content.

The optimistic economic scenario also projects higher annual external loan disbursements, in line with Liberia's Article IV commitment on debt sustainability, to meet high spending needs on capital investment projects. The government also intends to scale up investments in human capital development, under Pillar One, to generate larger returns from public spending; while anticipating higher domestic resource mobilization to make up for any reduction in grant funding for social spending.

To open new and expand existing cross-border trade opportunities in the sub region, government will improve Liberia's favorable position as a transport and re-export trade corridor by reducing its trading across borders distance to frontier (DTF) score of 72.23% to become comparable to its closest neighbors, Cote D'Ivoire, Guinea, and Sierra Leone at 45.85%, 53.76% and 51.01% respectively.<sup>3</sup> The first Special Economic Zone (SEZ) will open in FY2021/2022. Finally, partnerships with private actors on State Owned Enterprises reform will reduce pressure on public expenditure and increase FDI inflows.

### **Pillar Three—Sustaining the Peace**

Sustainable peace is essential to the achievement of all other objectives of the PAPD. Improvement in human capacity and the development of a knowledge economy, which aim to transfer "power to the people" under

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<sup>3</sup> Source: World Bank

Pillar One, can only be achieved if initiatives are inclusive, non-discriminatory, and respectful of human rights and justice. Likewise, private sector-led growth under Pillar Two requires stability and an assurance that long-term investments can be protected. Building a capable state that governs effectively and transparently, under Pillar Four, requires accountability and reconciliation of political, social, and economic injustices.

The key outcomes under this pillar will therefore be ending fragility and the root causes of conflict, improving the justice system and human rights protection, and enhancing national defence and security. The interventions are not only concerned with negative peace – expressed through the absence of violence, but also with positive peace – expressed through social cohesion and integration. The attainment of a cohesive society is not only fundamental to achieving sustainable peace, but also supports the achievement the pro-poor goal of lifting the poor and vulnerable out of poverty. The government views social cohesion as both a desirable end and a means to inclusive development.

#### **Pillar Four—Governance and Transparency**

The interventions of Pillar Four directly support one of the two development goals of the PAPD—building a peaceful, stable, and inclusive nation. Achieving this goal is only possible through effective implementation of policies and strategies that will ensure the participation of the entire citizenry in decision making and empowers all groups—especially women, children, and people with special needs. The achievement of this goal hinges on both major forms of governance – political and economic.

On political governance the focus going forward will be on deepening fiscal transference, strengthening local administrative capacity for public service delivery, and elections reform. Economic governance interventions will focus mainly on improving State Owned Enterprises (SOE) governance for more effective service delivery, better financial management, and improved procurement, and reduction of subsidy provided for operational support.

Furthermore, the government sees the passage of the Land Rights Act is a critical step forward towards improving land security and ensuring the productive use of land assets to reduce poverty and vulnerability. Accelerating the process of accession to the provisions of the Act and ensuring the full functionality of the Land Authority will therefore be a major focus under economic governance.

The government, as a priority under this pillar, will put into place policies, strategies, and programs that **make Liberia a more capable state**. To achieve this, the government commits to the full utilization of existing and the new framework and instruments that can improve fiscal discipline, expand public sector capacity to deliver, expand service delivery to all counties, and improve tenure in the governance of natural resources. By so doing, two development outcomes will be produced: i) a reformed public sector exhibiting improved fiscal discipline and service delivery, and a rebalance in the concentration of economic and political activities away from Monrovia, and ii) improvement in natural resource governance.

The second priority for the government under this pillar is **reducing corruption**. Corruption undermines the capacity of the state and increases the cost to deliver basic services. To achieve this, the government commits to strengthening anti-graft institutions as the foot soldiers to lead the process while adapting e-governance via ICT platform to improve business processes and productivity. By so doing, two development outcomes will be produced: i) More robust structures reducing waste and other systemic losses in the operations of Ministries, Agencies, and Commissions and (ii) Universal migration to ICT platforms and wider adoption of e-government to improve processes and productivity.

#### **Implementation and Coordination Arrangements**

Drawing on lessons-learned during the implementation of the Aft, a PAPD National Steering Committee will replace the Liberia Development Alliance Steering Committee as the apex level coordination and decision-making body. It will be a smaller body chaired by the President of the Republic of Liberia.



Each pillar will be led by a Champion, whose primary role will be to convene quarterly meetings to deliberate on progress towards the development outcomes and resource requirements from a multisectoral perspective. Twelve Technical Groups—organized around the development priorities, comprised of experts and specialists from MACs, DP’s, civil society and business representatives, will support the pillars. A PAPD Implementation Coordination and Delivery Unit (ICDU) will serve as secretariat to the Steering Committee and Pillar Working Groups. A Multisectoral/Regional Planning Working Group, comprised of the heads of Planning Departments of MACs and County Development Committees, will support the ICDU.

### **Financing**

The costing model of the PAPD is built around two principles: i) reflect all of government costs, current and capital, in the expenditure framework; ii) reflect the continuity of government through the capture of costs and funding commitments to ongoing sets of activities in existing sector and strategic plans—while forecasting the incremental cost of PAPD priority programs and investments.

Current expenditure of the government—which includes compensation, consumables, domestic and foreign debt service payments, subventions to SOE’s, as well as other earmarked expenditures, is expected to be slightly more than US\$2.7 billion over the five-year PAPD period. The total incremental cost for priority programs and capital investments is estimated at US\$4.5 billion. Approximately 88 percent will go to Pillars One (20.4%) and Two (67.3%) investments. Pillars Three and Four will account for 6.3 percent and 6.1 percent, respectively. Total program and investment spending will average 25 percent of GDP over the PAPD period. Estimates of the resource mobilization target is US\$1.7 billion—based on the anticipated financing gap under current economic growth and domestic resource mobilization scenarios.

### **Measuring, Monitoring, and Evaluating Progress**

The PAPD is designed to be measurable. The key measurements for progress on the first goal will be the Social Cohesion and Reconciliation Index (SCRI). The goal is to improve the index from 6.6 to 8. The other indicator will be civic trust and coexistence—that is expected to improve from the current value of 5.2 to 7 over the PAPD period. Finally, government will track perceptions on national security and personal safety, satisfaction with state service delivery, and confidence in the national institutions.

The Gross Domestic Product (GDP) growth rate will remain a key measurement of progress on the second goal. Nevertheless, progress on the second goal will also be measured by advancement towards the Sustainable Development Goals (SDGs). To measure inclusion and inequality, the HDI and the supplementary assessments on multiple dimensions of human progress will be used.

The national targets of the PAPD are presented from both a regional and a sectoral perspective succeeding in decomposition of the development indicators to the subnational levels for the first time. Subnational disaggregation on access to health, education, and opportunities to make a decent living will be measured through the Multidimensional Poverty Index (MPI).

The details of a comprehensive M&E system will be elaborated by the ICDU, in consultation with development partners and key actors in the National Statistical System (NSS), before the end of calendar year 2018. This new plan will essentially be an update to the final National M&E Plan for the AfT and will include recommendations from the Final Report on the Establishment of Baseline Indicators for Key Sector Plans, AfT-II, SDGs G7+ and Agenda 2063 dated June 30, 2017.

Surveys and censuses conducted by LISGIS, and discrete sector assessments and project evaluations conducted with development partners, will be used to generate evidence of outcomes and impact across various regions of the country. The PAPD will be evaluated at midterm and at end term. The focus of the former will be on progress measurements, assessment of the likelihood of attaining, targets, identification of constraints that can be mitigated or areas that can be accelerated to inform possible midcourse adjustments. The latter will incorporate the findings of the former but will extract useful lessons learned to guide the formulation of the successor national development plan among other things.

## 1.0 The Current Context, National Vision, and Principles

### 1.1 Introduction

The Pro-Poor Agenda for Prosperity and Development 2018 to 2023 (PAPD) is the second in the series of National Development Plans (NDP) anticipated under the Liberia Vision 2030 framework. It follows the Agenda for Transformation 2012-2017 (AfT). It draws heavily on the implementation experience of the AfT but is informed by lessons learned from the implementation of the Interim Poverty Reduction Strategy 2007 (iPRS) and the Poverty Reduction Strategy (2008-2011) as well.

Liberia is rich in human and natural resources. The most valued asset is its people and to the extent that widespread poverty and inequality undermine their potential, they also constrain Liberia's capacity to attain the aspiration of its people to live in a peaceful and united country enjoying prosperity. While the challenges going forward are many, the opportunities are enormous given the current demographic makeup.

Liberia is also severely underdeveloped because the human and knowledge capital have not been developed to productively and sustainably exploit the natural resources and produce wealth. While the Government of Liberia acknowledges that progress has been made with the support of development partners on key national aggregate indicators over the past 12 years; such as per capita income growth, the Human Development Index (HDI), life expectancy at birth, and mean years of schooling, these gains have not been universal and sustainable.

Additionally, when inequality measurements are introduced, the adjusted HDI shows a loss of 33.4 percent due to inequality in the distribution of the basic indicators of development. The average loss for Sub-Saharan Africa is 32.2 percent over the same period.<sup>4</sup> On the inequality adjusted and the gender HDI, Liberia falls among the 10 most unequal countries.<sup>5</sup>

Today, most Liberians remain poor, face some form of income and/or food insecurity and vulnerability. In 14 of the 15 regions of the country, absolute poverty levels started to decline at the end of the conflict in 2005; but since 2014 absolute poverty is on the rise. The Government of Liberia sees pervasive poverty, inequality, and widespread deprivation as the greatest restraint to sustaining the peace and accelerating growth and sustainable development. Additionally, the fractured relationship between the state and the people must also be addressed as a matter of priority to be able to go forward.

Therefore, this document is divided into two parts. Part I is the main document. It provides a broad overview of the development challenges and the short to long-term priorities of the government. Chapter One provides the context, experience with state building--including the narratives on the formation of the state that explain the drivers of the conflict and contributors to widespread and pervasive poverty. It also presents the macroeconomic performance and conceptual framework underpinning the PAPD. Chapters Two to Five unpack the Pro-Poor Agenda; breaking it down into priorities and interventions around four pillars aimed at building human capital, restoring growth and diversifying the economy, sustaining peace, and building a more capable state while reducing corruption around strong institutions and good governance practices. Chapter six describes the implementation and Chapter seven the financing. The monitoring and evaluation plan is the subject of Chapter eight. Part II is the annex comprised largely of the results framework outlining the high-level national targets and interventions under the four pillars.

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<sup>4</sup> IBID

<sup>5</sup> IBID

### 1.1.1 The Pro-Poor Agenda

The Pro-Poor Agenda is about improving the wellbeing of people and how to draw all Liberians, living at home and abroad, into the national development process—leaving no one behind. Over the next five years, addressing the basic needs of Liberians for income security, better access to basic services, and greater opportunities for self-improvement in a peaceful, inclusive, and stable enabling environment will be at the core of the pro-poor approach. Over the long term, raising income levels and economic status to a middle-income country as outlined under the Vision 2030 framework will remain in focus. Over the next five years, however, the priority will be placed on removing the binding constraints to reaching that goal.

Nearly two-thirds of the population currently live in the Montserrado and the North Central statistical regions comprising four counties. Within this geographic space, unplanned urbanization continues to accelerate at an unprecedented pace—creating a potential source of economic paralysis or providing an opportunity to develop urban markets. Successive waves of Liberians migrated from rural to urban areas seeking safety during the civil war. Post-war, the migration continues because the modest social and economic infrastructure outside of Monrovia had been destroyed or fell into disrepair. Rapid growth in the size and number of informal settlements is now a significant health risk and impose a potential threat to peace and stability over the long term—if left unresolved.

Residents of informal settlement generally have little or no secure title to the land they currently occupy and face severe income insecurity. Urban unemployment is twice as high as rural areas and three times as high among the youthful population. Moreover, access to basic services such as electricity, water, sanitation in some informal settlements is worse than in rural areas.

Therefore, the PAPD will mark a paradigm shift from sectoral-based national development planning to an integrated pro-poor multisectoral approach—with a major focus on addressing disparities and inequality between demographic groups and regions of Liberia. Nevertheless, to fully appreciate the current situation and agree on a strategy for going forward, it is important to understand Liberia's current under-development from a historical perspective.

### 1.1.2 Historical Perspective

Through much of its history, Liberia has struggled with building an inclusive nation with shared values and cultural appreciation extending well beyond the narrow political and economic interests of the ruling elite. State power and the control of natural resources, and the wealth that process conveys, are often co-opted by the ruling class to the exclusion of others. This zero-sum game of politics has been a great impediment to national development and has eroded the public administration culture so that state institutions find themselves largely servicing the interests of those currently in power.<sup>6</sup>

Liberia became an independent country in 1847. The newly independent republic faced challenges to its sovereignty from colonial neighbors—France and Britain and from the local rulers. Through a series of negotiated peace treaties and deeds of cession made with local rulers over the next three decades, largely to end recurrent contests over land boundaries and control of resources and to improve trading relations, the 16 nations and 5 settler communities were brought into the new body politic under an arrangement that allowed a dual system of governance to prevail. Under this arrangement, local administrators became and continue to be *de facto* “agents” of the President to the hinterland.

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<sup>6</sup> UNDP, *National Human Development Report*, 1999

Laws and practices enforced by the chieftaincy system generally embodied traditional interpretations of individual rights, civil and criminal laws, child custody and rearing, land tenure and other property rights, control of communal assets, etc. Much of these “traditions”, such as female genital mutilation (FGM) and property inheritance, are still being enforced in rural areas—even though many have been overridden through the extension of civil law. Harmonization of the dual system is incomplete.

Though the 15 counties enjoy co-equal political status by law, access to resources for development remain tightly controlled. Even after obtaining co-equal county status, the great disparity in development and opportunities for self-improvement remain. Historically, access to “development” resources has not been perceived as a fundamental right of every citizen with the government held as the duty bearer, but as a presidential prerogative.

The political space remains highly contested today but Liberians cohabitate the geographic space in peaceful co-existence interacting and intermarrying across cultural and social bands without hindrance. In the political space, voters’ preference in national elections tend to lean towards candidates from their own ethnic group in the first round, because of the perception that one’s interests would best be served by a kinsman. But the fact that no single group is large enough to decide the outcome in the majority electoral system, ensures that political coalitions must be formed across ethnic and geographic lines.

The inauguration of George Manneh Weah as the 24th President of the Republic of Liberia and Jewel Howard Taylor as first female Vice President was the first peaceful and democratic transition of power in 73 years. Moreover, it was the first generational change in national leadership by popular vote since the introduction of universal suffrage in 1951 and the launch of the National Unification and Integration Policy in 1960. This presents a unique opportunity to begin a transformation.

## 1.2 Population and Development

### 1.2.1 Total Population

Liberia’s population was estimated at 4,243,475 in 2016.<sup>7</sup> The national average household size is 4.3 persons; and ranges from 3.7 to 4.9 persons per household in Gbarpolu county (Northwest region) to 4.9 in Maryland (Southeastern region) respectively. At the current growth rate, the total population is likely to be between 4.8 and 4.9 million by the end of the planning period in 2023. Figure 1.1 shows the population pyramid in 2016. Figure 1.2 shows the population forecast to 2028 offering three fertility scenarios—low, medium, and high.<sup>8</sup>

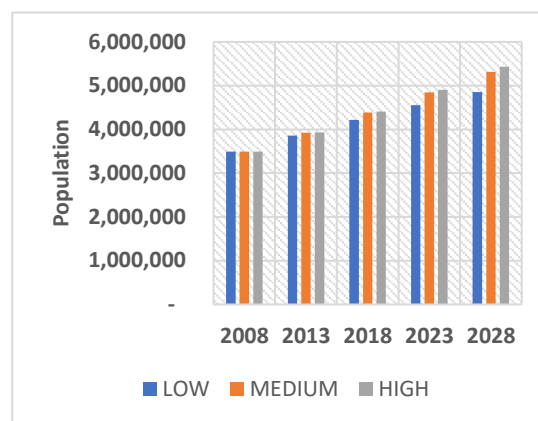
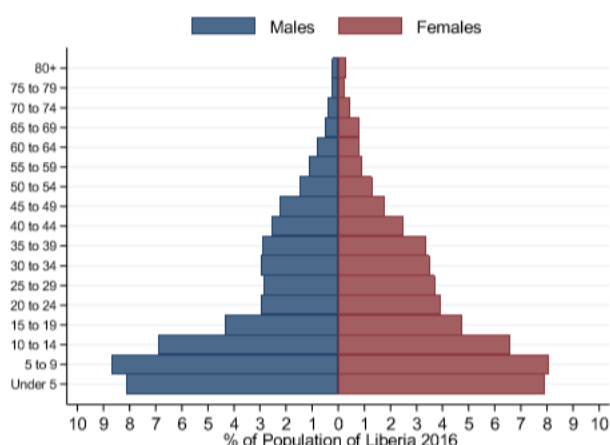
**Figure 1.1: Population Pyramid by Age by Gender**

**Figure 1.2: Population Forecast to 2028**

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<sup>7</sup> LISGIS, *Op cit*, 2016

<sup>8</sup> LISGIS, 2008 *Population and Housing Census: Analytical Report on Population Projections*, Sept 2011



### 1.2.2 Gender and Age Distribution

Females make up 51.1 percent of the population and male 48.9 percent. The sex ratio of the population is 1.011 (1.011 male per 1 females) which is lower than the global sex ratio (1.016 male per 1 female). By age categories, the skew leans heavily towards children, youth, and young adults at productive stages of the life cycle. About 70 percent of the population were below the age of 35 and nearly half (44.5%) of the population were below the age of 15 years in 2016.

Age dependency ratios are very high due to a combination of high fertility rate and short life expectancy. At about 90 percent, each working adult must provide support for his/herself and provide for a child or a dependent elderly person. Most likely this would be a child under the age of 15 because of the low proportion (3 percent) of the population above the age of 64 years. In urban areas, the age dependency ratio falls to 78.2 percent but reaches 102.7 percent in rural areas-where the ratio of working age to dependent population is over 100 percent. Nevertheless, the untapped productive potential offered by this highly youthful population is enormous.

Life expectancy at birth is currently 61 years old. Liberia is among the top six countries where life expectancy increased the most over the past decade. Global life expectancy now stands at 71; while life expectancy in Sub-Saharan Africa stands at 46.<sup>9</sup> If birth and death rates will remain at the same level, female can expect to live slightly longer than male with life expectancy at 59 years compared to male counterparts placed at 55 years.

### 1.2.3 Spatial Distribution

Table 1.1 shows that nearly two-thirds of the population live in Montserrado and the North Central statistical regions comprised of four counties. Figure 1.3 shows the overall spatial distribution of the population by county.

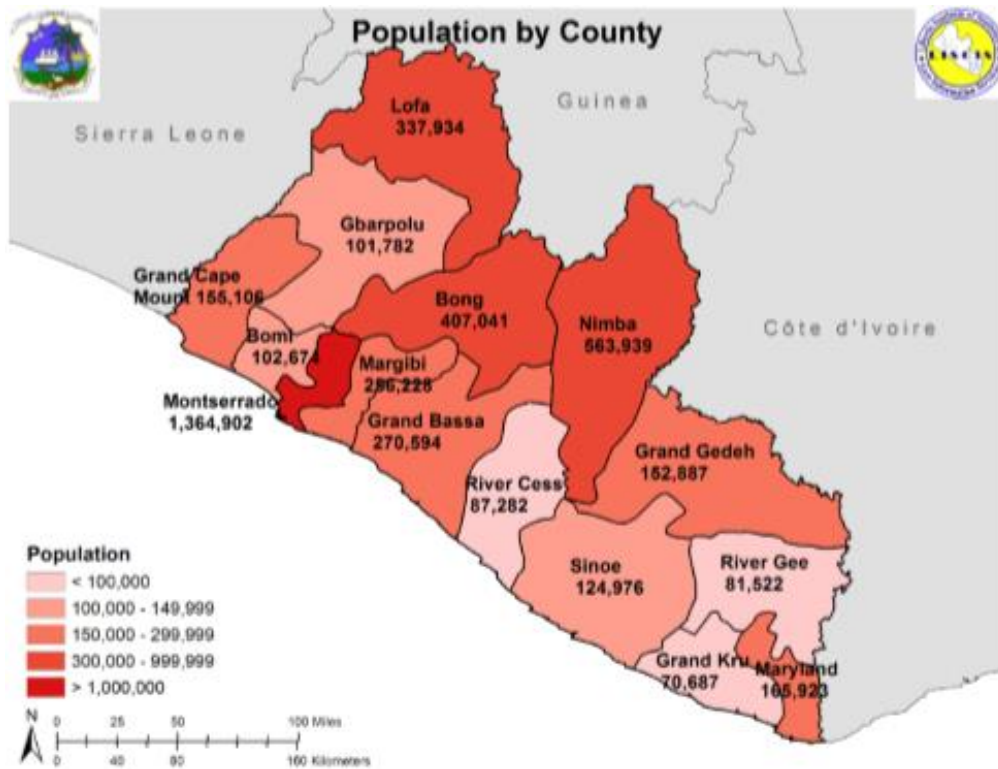
**Table 1.1: Distribution of the Population by Statistical Regions**

Region	Total		Male		Female		Sex Ratio
	Number	%	Number	%	Number	%	
Montserrado	1,364,902	32.2	647,803	47.5	717,099	52.2	90.3
North Central	1,308,913	30.8	645,292	49.3	663,621	50.7	97.2
South Central	526,822	12.4	259,662	49.3	267,160	50.7	97.2
South Eastern	365,145	8.6	183,423	50.2	181,722	49.8	100.9

<sup>9</sup> WHO; World Health Statistic 2014; <http://www.who.int/mediacentre/news/releases/2014/world-health-statistics-2014/en/>

A							
North Western	359,562	8.5	181,397	50.4	178,165	49.6	101.8
South Eastern	318,132	7.5	156,351	49.1	161,781	50.9	96.6
B							

**Figure 1.3: Spatial Distribution of the Population**



### 1.2.2 Labor Force and Labor Productivity

The economically active population (EAP) is expected to grow from 1.6 million in 2018 to nearly 2 million in 2023.<sup>10</sup> Nearly 80 percent of the EAP is in informal employment. About 35 percent of Liberian households make their living predominantly through agricultural related activities.<sup>11</sup> The population in informal employment will grow from nearly 1.3 million in 2018 to 1.6 million by 2023 without significant intervention in job creation.

In formal sector employment, 65 percent of wage earners work for private employers in the service sector. About 20 percent work for the government and 15 per work for nonprofit organizations. A higher proportion of women fall in the lower earning work categories. Figure 1.4 shows that as wage incomes rise, the share of women relative to their male counterparts falls.

<sup>10</sup> ILO, *Towards a National Social Protection Floor in Liberia*, 2017

<sup>11</sup> LISGIS, *Op Cit*, 2016

**Figure 1.4: Wage Earnings of Women and Men**



Most household non-farm enterprises (56.1%) are run by women. Most of those enterprises (70.8%) have gross revenue of less than L\$30,000 (US\$200) monthly. Average household farm size is 1.6 hectares; but it rises to about 2.2 hectares in the North central region. Households falling in the poorest quintile cultivate 0.3 hectares while those in the richest cultivate 3.6 hectares on average. Typically, households (74%) grow a mix of food crops with Rice and Cassava predominating. At least a third of farming households have some

acreage of permanent/cash crop farms. On average, yields are about 80 percent of the regional crop yields.<sup>12</sup>

Despite the large proportion of the labor force in the working age category, low labor productivity and an acute shortage of workers with the appropriate skills inhibit the potential of the formal and informal sectors. This constrains a broad-based economic growth and recovery. The 2010 Labor force survey found that the formal sector employed less than 20 percent of the labor force. It also found only 56 percent of the working age population was literate; and when disaggregated, female literacy in the labor force was 44.8 percent.<sup>13</sup> About 47 percent of women and girls, and 33 percent of boys and men have never attended school.

### 1.2.3 Urbanization and Sustainable Cities

Slightly more than half (54.5%) of all Liberians live in cities and towns of 2,000 residents or more and the proportion is growing. By current estimates (LISGIS HIES 2016), 56 percent of the labor force reside in these urban areas. Most of the movement have been towards the capital city Monrovia; but other population shifts have been seen along the current economic corridors as well. The major economic corridors drawing significant population can be seen in Table 1.2 below.

**Table 1.2: Economic Corridors and Rural Urban Migration**

No.	Route	Region
1	Monrovia – Ganta	Montserrado to North Central
2	Monrovia – Buchanan	Montserrado to South Central
3	Monrovia – Tubmanburg	Montserrado to North Western
4	Monrovia – Bo Waterside	Montserrado to North Western
5	Monrovia – Bong County	Montserrado to North Central
6	Harper – Pleebo	Southeastern B

Economic transformation is typically triggered by productivity gains in agriculture and the release of workers from farming--pushing them towards urban areas where higher efficiency industry locates. Progress in income and social indicators are usually associated with a demographic boom which fuels urbanization until fertility eventually decreases. This traditional model of change does not seem to apply to Liberia. Agricultural productivity remains low and the skill base of the largely youthful labor force is poor to modest at best; while rapid urbanization continues.

Therefore, the urban environment (especially Monrovia) is under unprecedented stress. Large areas are converting to informal settlements where the quality of life is on a decline and where the risk of

<sup>12</sup> LISGIS, *Op Cit*, 2016

<sup>13</sup> LISGIS, Liberia Labor Force Survey, 2010

another disease outbreak is high. The affordable housing stock is extremely limited. The urban road network, water, and electricity supply are expanding but from a complete state of collapse during years of civil conflict. The risk of instability due to the presence of a largely youthful population in search of income earning and self-improvement opportunities remains high.

Increasingly, the attention given to urban governance issues will enable the government to address the needs of a much of the population. There is an urgent need for comprehensive urban development strategies that tap into the potential of other rapidly growing, but still manageable, urban centers such as Ganta, Pleebo, Buchanan, and Greenville.

#### 1.2.4 The Liberian Diaspora

Nearly thirty-eight years (more than one generation) has passed since the first wave of out-migration. Therefore, the notion of a large Diaspora population predisposed to resettling to Liberia *en masse* has become increasingly murky. Liberians in the Diaspora, however, have been actively engaged in the recovery process—contributing much needed food, medical commodities, and returning to work as community service volunteers during emergencies. Personal remittances inflow from the Diaspora reached 27.1 percent of GDP by 2017—making Liberia the largest recipient of US dollar remittances in Sub-Saharan Africa and the fifth most dependent in the world.<sup>14</sup> Nevertheless, the Diaspora’s role in the realization of the long-term goals of Liberia remains largely unclear.

An estimated 500,000 Liberians (about 10 percent of the total global Liberian population) are believed to be in the Diaspora. This includes communities in Asia, Europe, United States, and in neighboring African countries. An estimated 43 percent are in the North America, 36 percent in the West Africa sub region, 16 percent in Europe, and 5 percent elsewhere. The largest concentration of the Liberian Diaspora in any one country, however, can be found in the United States (US). The US community is also likely to be the best organized and most highly engaged in development opportunities in Liberia.<sup>15</sup>

The Government of Liberia recognizes that most Liberians in the Diaspora have not reached the levels of wealth that will enable them to make significant capital investments at home. Those who made investments found the risk vs reward ratio unattractive given the vagaries of the domestic market and the large infrastructure deficit. Lack of support for those willing to risk social and business ventures also limit the range of potential areas of business for Diaspora entrepreneurs.

Nevertheless, The Government of Liberia recognizes the sacrifice made by the Diaspora to sustain family and relations back home and their continuing interest in engagement in the national development process—especially in their communities of origin. Therefore, continuous engagement will remain a priority to facilitate their return to establish businesses, nonprofit organizations and charities, that create jobs and expand our social safety net. The government will remain opened to volunteer services in education, health, and social services; particularly of well-trained and skilled individuals. Reducing corruption and improving the business environment will be important. Moreover, facilitating the inflow of family remittances will remain a priority well into the future.

#### 1.2.5 Liberia’s Demographic Dividend

With nearly 53 percent the population between the ages of 15 and 64, the share of the working age population is slightly larger than the non-working age

<sup>14</sup> World Bank; Migration and Development Brief 29, 2018

<sup>15</sup> Government of Liberia; *Draft Liberia Diaspora Engagement*

#### **Leveraging the Demographic Dividend**

*Liberia’s ability to deliver a more balanced growth that cuts across income classes, geographic regions, and age groups of the population will determine whether this dividend will move in productive or destructive directions over the next decade.*



population (0 to 14; 65 and older). Another 44.5 percent of the population is below the age of 14; the clear majority of whom will enter the labor force over the next decade. This should, in principle, give Liberia a demographic dividend. The magnitude of the dividend will be tempered by the ability of the formal economy to absorb and productively employ this workforce. Because of the limited opportunities for formal sector employment, large numbers have turned to farming and other productive activities in the informal sector where returns from farm ventures and microenterprises remain low.

Liberia’s ability to deliver a more balanced growth that cuts across income classes, geographic regions, and age groups of the population will determine whether this dividend will move in productive or destructive directions over the next decade. Extreme actions will be needed to establish and sustain minimum living standards. Putting into place policies and strategies to harness the demographic dividend will be critical to sustaining the peace. Furthermore, interventions will be needed to raise the aspirations of the poor, improve human capital, provide some form of income security, and raise savings levels. These will have to come through technical and vocational education, increased access to new technology, access to relevant skills needed by the market, expanding access to cross-border markets and to training in small business and entrepreneurship.

Sustaining an enabling business environment will also be critical to entrepreneurship and the growth of new industries. Increased investment in infrastructure will improve the links between individuals, firms, and markets for goods and for labor as well. Greater financial inclusion, targeting the youth and the rural-based population, will provide access to new mobile financial services technology that can draw small economic actors into the broader economy.

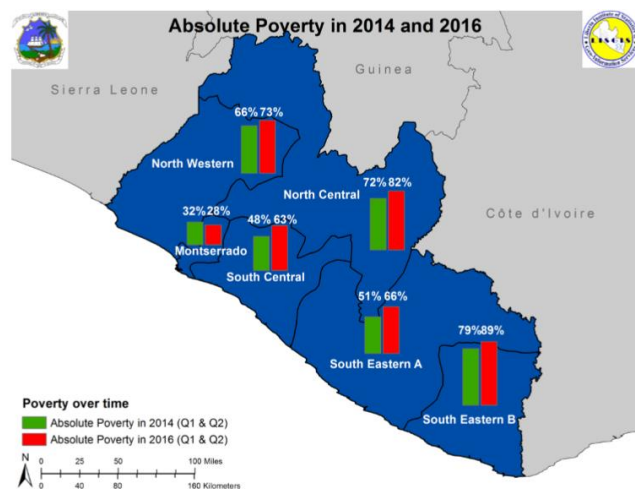
### 1.3 Patterns of Poverty and Vulnerability

#### 1.3.1 By Regions

Poverty and vulnerability in Liberia have both geographic and demographic dimensions because of the historical patterns of growth and development. Even these national aggregates mask the full story of poverty and vulnerability and how they undermine the potential of the country. Figure 1.5 shows absolute poverty by regions of Liberia and Table 1.8 shows the distribution by county.

The figure also shows more than 4 of every 5 residents (89%) of the Southeastern B region lives in absolute poverty. In the prime agricultural North Central region, absolute poverty restrains almost the same proportion (82%). In and around the capital city Monrovia, only 28 percent live in absolute and the proportion is declining. The four counties with the lowest levels of poverty are Montserrado, Sinoe, Margibi, and Grand Cape Mount.

**Figure 1.5: Absolute Poverty by Region**



When viewed from a multidimensional perspective, which speaks more directly to the challenges and opportunities to building human capital, a different pattern emerges. Table 1.3 uses the Multidimensional Poverty Index (MPI) to reveal the incidence and intensity of poverty across counties of Liberia. Unlike income poverty, the MPI is a measure of 10 indicators of development

deprivation across three dimensions—education, health, standard of living.<sup>16</sup> MPI calculations are based largely on data from the 2013 LDHS (LISGIS).

**Table 1.3: Absolute, Food, and Extreme Poverty by County**

	Absolute Poverty %	Food Poverty %	Extreme Poverty %
Monrovia/Montserrado	20.3	20.2	2.7
Bomi	64.3	44.8	22.2
Bong	71.3	55.9	24.7
Grand Bassa	61.8	45.0	21.9
Grand Cape Mount	53.7	35.3	19.5
Grand Gedeh	63.7	47.8	17.5
Grand Kru	74.4	50.1	26.8
Lofa	68.7	55.0	26.9
Margibi	52.2	39.6	14.1
Maryland	84.0	71.5	47.5
Nimba	66.5	45.2	20.6
River Cess	66.4	45.2	23.3
Sinoe	46.3	19.4	7.6
River Gee	81.9	68.7	39.4
Gbarpolu	60.5	43.2	19.8

Source: LISGIS

**Table 1.4: Liberia Multidimensional Poverty Index 2018**

Region	MPI	H	A
	(H X A)	(Incidence)	(Intensity)
<b>Liberia</b>	<b>0.374</b>	<b>71.2%</b>	<b>52.5%</b>
<b>Urban</b>	<b>0.290</b>	<b>60.5%</b>	<b>48.0%</b>
<b>Rural</b>	<b>0.481</b>	<b>84.9%</b>	<b>56.6%</b>
Montserrado	0.250	54.2%	46.2%
Grand Gedeh	0.349	74.9%	46.6%
Margibi	0.364	72.7%	50.1%
Nimba	0.377	72.0%	52.4%
Maryland	0.388	77.3%	50.2%
Bomi	0.407	79.1%	51.4%
River Gee	0.433	81.4%	53.1%
Sinoe	0.445	84.4%	52.7%
Lofa	0.457	83.1%	55.0%
Grand Kru	0.480	90.6%	52.9%

<sup>16</sup> A deprivation score of one third of weighted indicators is used to distinguish between the poor and non-poor. At a score greater than 33.3 percent is classified as multidimensionally poor. At greater than 20 percent but less than 33.3 percent, a household lives near multidimensionally poverty and is vulnerable. At greater than or equal to 50 percent, the household lives in severe poverty.

Grand Cape Mount	0.482	85.6%	56.3%
Gbarpolu	0.505	86.3%	58.5%
Bong	0.508	83.9%	60.6%
Grand Bassa	0.527	86.7%	60.7%
Rivercess	0.536	94.5%	56.7%

Based on the above estimates, about 3 million Liberians (70.1 percent) were multi-dimensionally poor (deprived of development). Another 924 thousand are near multidimensional poverty. Across Sub-Saharan Africa, about 54 percent of people suffered multidimensional poverty in 2015; but 30 of the 35 countries analyzed reduced poverty significantly over time. Liberia is among the remaining five.

Liberia's overall score is 0.356 putting it towards the bottom in ranking of the 102 developing countries in the 2015 Human Development Report. Furthermore, Table 1.4 revealed that River Cess, Grand Bassa, Bong, Gbarpolu, and Grand Cape Mount are the five counties most deprived of education, health, and standard of living. Grand Bassa, Bong, Gbarpolu, and Rivercess have the most intense deprivation. Only twelve of the 15 counties are above the national average of 0.374.

### 1.3.2 By Demographic Groups

#### 1.3.2.1 Women

Women are disproportionately represented in low-skilled, low-paying jobs and the wage gap between male and female persist. And though there are few differences in demographic composition of male and female headed households, when the head of household has completed secondary level education (high school), consumption levels are higher than in households where the head has not completed high school.<sup>17</sup> Nevertheless, male-headed households (52.3%) have slightly higher poverty levels than female (46.3%).

Education makes a difference to the economic wellbeing of the household. The highest levels of poverty (66%) are found in households where the head had no education. With primary education the proportion falls to 58.7 percent, with secondary to 43.8 percent, and 15.9 percent when the head of household have some post-secondary education.

Agriculture accounts for an estimated 70 percent of the total labor force and women make up an estimated 75 percent of that workforce. In rural areas, women are traditionally given ownership of the crops they cultivate, but not title to the land. Assumptions based on traditional gendered roles perpetuate female subordination and prevent access to asset ownership rights and economic resources. Nevertheless, poverty levels are highest (79.6%) in households where the head is self-employed agriculture in agriculture.

#### 1.3.2.2 Children

Most children live in poor households and cope with gross deprivation. These include risks of stunting, limited or no access to healthcare, lack of access to safe drinking water, and no toilet or sanitation facilities at home. Infant mortality rate is among the 20 highest in the world. The 2013 Liberia Demographic and Health Survey (LDHS) show 32 percent of children under 5 years old are classified as malnourished, 6 percent wasted, 15 percent underweight, and 3 percent overweight. Essentially, the percentage of stunting increased with the child's age.

<sup>17</sup> GOL, Liberia Poverty Note, Nov 2012

Childhood poverty differs from poverty in adult age because childhood is the most vital period in mental, physical, and social development. Various forms of deprivations during childhood, such as lack of food, health care, education, and safety as well as different forms of domestic violence can have long-term irreparable consequences resulting in intergenerational transfer of poverty, delinquency, and can contribute to different forms of addictions.

#### 1.3.2.3 Youth

Participation of youth in education decreases substantially after their 18<sup>th</sup> birthday. At 18 or older, youths are more inclined to transition to the labor force. Girls are at a high risk of dropping out of school. Boys are also at high risk of dropping out of school without employable skills, credentials, or other qualifications to acquire employment or self-employment. Youths who drop out of school need much more time, as much as two years to be integrated into the formal labor force than their colleagues with acquired qualifications.

#### 1.3.2.4 The Elderly

The highest level of poverty is found among households headed by the elderly persons (60+). Slightly more than 60 percent live in absolute poverty, 48 percent in food poverty, while 22.2 percent live in extreme poverty. As a majority of the elderly have never worked in the formal sector, they are not likely to be vested in any pension scheme that provide some form of income security. Liberia does not have universal statutory social security for its elderly people. The only form of old-age protection available is the contributory national pension scheme for the wage-earning population. Under the currently eligibility criteria, no more than 300,000 persons would qualify.

#### 1.3.2.5 People with Special Needs

Social and cultural factors limit opportunities to find work while living with disability, but even more so, people with disability face discrimination from employers. Even those who find employment face wage discrimination because they tend to earn less than their colleagues. Disability and poverty are mutually reinforcing. Insecure living conditions, lack of access to basic services, malnutrition and other dimensions of poverty can lead to disabilities. Persons living with disabilities are usually excluded from social and economic life and their rights are not fully fulfilled.

### 1.4 Potential Drivers of Growth, Transformation, and Reduction in Inequality

This section outlines key opportunities to stimulate economic growth and development across the country. Well-endowed in natural resources and conditions favorable to tropical agriculture, World Bank estimates put Liberia's national wealth per capita at US\$10,227.<sup>18</sup> Liberia ranks relatively high in natural capital (US\$7,037) among African countries, but this is offset by low produced capital (US\$1,219), human capital (US\$3,636), and by net foreign assets (US\$-1,665).

Farming households comprised 35 percent of Liberian households in 2016.<sup>19</sup> Slightly more than half a million Liberians make their livelihood through farm or related ventures. Secure access to productive land remains their most valuable resource and most severe constraint. Only five percent of cultivated land is privately owned; and less than three percent of farming households have a deed that can be collateralized or transferred from one generation to the next to build wealth. Most farming land is in community, tribal trust, or family held.

Article 22 of the 1986 Constitution provides limitations to private property rights. It ensures ownership and control of and access to all mineral resources on or beneath land, in and under the

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<sup>18</sup> World Bank, *The Changing Wealth of Nations: Building a Sustainable Future*, 2018

<sup>19</sup> LISGIS, *HIES 2016 Statistical Abstract*

seas and other waterways, by the state. Communal land ownership is only validated when the President signs a tribal certificate under current laws. Even within the framework of the Community Rights Act, the constitutional provisions prevail and those provisions of the Act inimical to the interest of foreign investors and state actors may be ignored when it is convenient to do so.

Taking the foregoing limitations into view, the economic potential that can drive and transform the macroeconomic landscape is compiled for the PAPD at the regional level as defined in the National Statistical System (NSS). The five NSS regions are: i) Southeastern A, ii) Southeastern B, iii) North Central, iv) Northwestern, v) South Central, and vi) Montserrado. A combination of improved service delivery, targeted investment in key sectors, reduction in infrastructure deficits, and investment in social protection will unleash the potential and transform regions outside of Montserrado.

#### 1.4.1 Southeastern A Region

Southeastern A comprise Sinoe, Grand Gedeh, and Rivercess counties. Significant investments have been made in oil palm development in this region. The Agricultural Concession Agreements (ACA) could allow the production of between 150,000 to 200,000 hectares of oil palm over the next decade. Approximately 40,000 hectares in community oil palm--an out-grower scheme, is anticipated. The region also boasts the highest forest coverage rate within Liberia. The potential for effective management and development of forest resources is enormous. The Port of Greenville has been significantly rehabilitated to provide an alternative port for international trade. Along the coast, families engage in artisanal fishing with potential for increased production.

#### 1.4.2 Southeastern B Region

This region comprises Maryland, River Gee, and Grand Kru counties. The region can be competitive in agriculture and forestry, cross border trade, fishing, artisanal mining, and expansion of rubber and oil palm production. Electricity is available at competitive prices and the Port of Maryland is under rehabilitation. Nevertheless, development of the potential is constrained by a poor road network that keeps the region isolated nearly half of the year.

#### 1.4.3 North Central Region

The north central region has been the traditional food belt of Liberia. Average smallholder farm size in acreage is 5.4, 4.8, and 3.4 in Lofa, Nimba, and Bong, respectively. The average farm size in Liberia is The region also produced 54 percent of the basic food crops--rice and cassava, in 2016. It has a competitive advantage both in arable land and the predominant role agriculture plays in the regional economy. In addition to food, coffee, cocoa, oil palm, and rubber are grown.

Iron ore mining is done in two locations of the region. There is significant cross-border trade with neighboring Guinea and Cote d'Ivoire. The region is the highest contributor to domestic revenue after Montserrado county. Electricity is available at competitive rates in Nimba and is being extended to Bong; while a major primary road into Lofa is under development.

#### 1.4.4 North Western Region

Gbarpolu, Grand Cape Mount, and Bomi counties comprise the north western region. The region has a huge potential in mining and panning, forestry development, artisanal fishing among communities living on the coast, and cross-border trade with Sierra Leone and Guinea.

Approximately 220,000 hectare of oil palm is under development through an ACA. Through the ACA, an additional 40,000 hectares of out grower oil palm farms are to be developed with a potential export value between 50 and 75 million US dollars.

The region also boasts some of the best potential for tourism development. Affordable energy and road access are key constraints to development of the potential

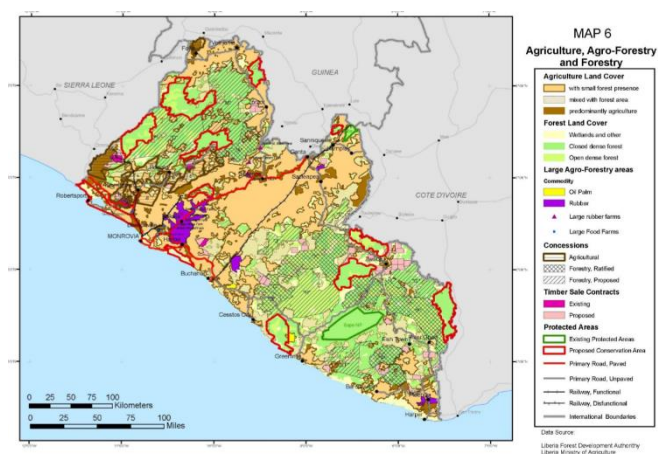
#### 1.4.5 South Central Region

This region is the traditional rubber belt where the largest plantation and numerous large out grower farms are located. Current projections put total production at the largest plantation at 66 million lbs. by 2025 and 90 million by 2030. Old rubber trees can be harvested to provide a sustainable alternative to hardwoods. The regional has a potential for value addition in rubber processing. Grand Bassa and Margibi counties form this region which is the third most populous after Montserrado and the North Central regions. The Roberts International Airport and the Port of Buchanan (the second largest in Liberia) are located here as well.

#### 1.4.6 Montserrado Region

Montserrado is the traditional political, social, and commercial hub of Liberia. It is also the location for nearly all non-agricultural manufacturing activities. Without significant intervention, most economic growth will naturally occur in and around Monrovia increasing historical and regional disparity. Strategically, priority will be placed on improving the business environment in Montserrado and elsewhere, but significant capital investments will be directed to other regions to reduce infrastructure deficits and reduce the cost of doing business in those areas of the country. Figure 1.6 shows the development potential in agriculture and forestry, mining and panning, and in fishing across Liberia.

**Figure 1.6: Potential Development Regions**



### 1.5 Assessment and Lessons Learned from Previous National Development Plans

The Poverty Reduction Strategy (PRS 2008 to 2012) and the Agenda for Transformation (AfT 2012 to 2017) were largely supported by development partners and through the annual budgets and medium-term expenditure framework (MTEF). On the government side, expenditure on compensation of employees comprised an estimated 51 percent of total by FY2016/2017 and 65 percent by FY2017/2018<sup>20</sup> as government attempted to increase capacity to deliver on the commitments made under the NDP's. These are the major lessons learned from the execution of the previous NDP's'.

#### 1.5.1 Donor Dependency

Estimates show development partners' share of the total expenditure on the AfT development plan rose from 64 percent in FY2012/2013 to 76 percent for the Fiscal Year FY2014/2015. Overall fiscal balance, without grant support, rose from negative five percent (-5%) to negative eighteen percent (-18%) between the two fiscal years.<sup>21</sup> In response to the outbreak of EVD in 2014, an additional US\$0.9 billion had been committed to fighting the outbreak in Liberia by the end of the fiscal year. While this illustrates the level of commitment of partners to the successful transition of Liberia from

<sup>20</sup> MFDP, *Draft National Budget, FY2018/2019*

<sup>21</sup> MFDP, *Midterm Review of the Agenda for Transformation, 2016*

a failed state to a stable political and economic development environment, this made Liberia one of the most highly dependent on donor support in Africa.

Support came in multiple forms including direct budget support, directly-executed projects, and technical assistance. The health sector benefited from interventions executed through multiple modalities; including a pool fund mechanism and Fixed Amount Reimbursement Agreement (FARA). Under these arrangements, performance contracts were granted to nongovernmental organizations to operate health delivery points. The eventual collapse of the health care system in the face of the EVD outbreak brought into question the efficacy of these forms of aid in building critical systems for the country; and highlights the urgent need for a new partnership model for ODA.

#### *1.5.1.1 Challenges in Improving Effectiveness and Impact of ODA*

The Global Partnership for Effective Development Cooperation monitoring framework consists of 10 indicators based on the Busan commitments for more effective development cooperation and on the Paris Declaration on Aid Effectiveness. The midterm review of the AfT returned mixed results on those indicators.

On the extent of use of the AfT results framework, the review confirmed that all the partners derive and linked their priorities to those of the AfT. On the proportion of funding disbursed and covered by indicative forward spending, disbursement rates on projected funding reached 83 percent in FY2014/2015—up from 57 percent in FY2013/2014. On percent of aid that is untied, reports show that less than 10 percent of ODA was untied by the end of FY2014/2015.

To achieve the intended outcomes, the availability of on time funding was critical. Factors delaying disbursements fall into two general categories—approval and processing formalities at the ODA source and the ability of the sector implementing agencies to deliver on the pre-conditions for release of funding. Moreover, the outbreak of EVD in 2014 led to the suspension in the implementation of all projects not related to the containment effort.

#### *1.5.2 Economic Growth*

A critical lesson learned from the design of the PRS (2008 to 2011) was Liberia cannot simply recreate the economic and political structures of the past, which produced widespread income disparities, economic and political marginalization, and deep social cleavages, and ultimately fueled the conflict. In the design and execution of its NDP's, Liberia must create much greater economic and political opportunities for all its citizens and ensure that growth and development are widely shared--with the benefits spread much more equitably throughout the population.<sup>22</sup>

To jumpstart the moribund economy and generate the revenues needed for the ambitious development agenda at the start of the PRS period, however, the govern reverted to granting concessions and generous tax incentives to attract desperately-needed foreign direct investments (FDI). These took the form of mineral development agreements (MDA's), agricultural concession agreements (ACA's), Forest Management Contracts (FMC), Timber Sales Contracts (TSC), and Private Use Permits (PUP's) for small producers. The National Investment Incentive Code was updated in 2010; and generous tax waivers were offered for development of tourism and trade infrastructures. These incentives attracted commitments of US\$16 billion in FDI to be realized over a 25-year period.

The 2018 APRM review concluded that the process of securing, negotiating, and implementing these concessionary agreements in Liberia met internationally accepted best practices and brought benefits. Overall the economy grew by 6.7 percent over the period 2009 to 2013. The mining sector

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<sup>22</sup> MFDP, *Poverty Reduction Strategy*, 2011

grew by 70 percent between 2005 and 2013. An estimated fifteen thousand jobs were created but large numbers were lost (2014 and 2015) when the twin shocks of the EVD outbreak and global commodity price decline occurred—and the concessionaires ceased operations. Over the same period, the agricultural sector grew by 2.8 percent; and an estimated 500,000 income earning opportunities were created<sup>23</sup>.

Nevertheless, implementation of business and investment policies have been deeply flawed due to a combination of limited capacity to effectively monitor compliance with the agreements and a lack of political will for enforcement. Adherence to the key principle of First Prior and Informed consent (FPIC) has been difficult<sup>24</sup>. In some areas, communities have been adversely impacted by land loss and have become more food insecure.<sup>25</sup> Exploitation of forest resources through elite capture for profit continues at a more aggressive scale. These outcomes have brought into question the continuing efficacy of the old economic structures in employment, revenue generation, and inclusion.

Liberia has not found a successful pathway from high level of dependence on natural resource exports and foreign assistance for the large inflows of U.S. dollars it needs for food and fuel imports. Nevertheless, the government recognizes that sustainable economic growth and diversification is possible with the right macroeconomic and fiscal policy mix. Structural and institutional inadequacies, and the lack of will to implement the policies, will need to be addressed to be able to go forward.

### 1.5.3 Planning and Coordination

The national planning process is top-down in structure. Sectoral and regional consultative meetings are held to review past performance of the NDP and build consensus on the best way forward. In principle, this connects the national, county, district, and community levels planning processes. Launched in Jan 2013, institutions within the Liberia Development Alliance (LDA) structure have four primary responsibilities:<sup>26</sup>--coordinating policy making, providing an open platform to all stakeholders, following up on the global commitments made under the “New Deal”, accounting for results and a functional M&E framework under the Aft. Nevertheless, structural and institutional inadequacies limit the operation of the planning process; and national ownership of the NDP commitments has not been realized.

#### *1.5.3.1 Liberia Reconstruction and Development Committee vs Liberia Development Alliance*

Under the PRS, the Liberia Reconstruction and Development Committee (LRDC) supported the decision-making process of the cabinet. While the LRDC and the LDA structures were similar on paper, secretariat support for the LDA came largely from the MFDP and proved not as effective as the standalone secretariat of the LRDC.

Another feature of the LDA was the creation of a Delivery Unit in the Office of the President to monitor and report on projects of special interest to the President. Moreover, new structures were established to coordinate the response to the EVD outbreak. These consumed valuable time and attention needed for the implementation of the Aft; which eventually was suspended and replaced by an Economic Stabilization and Recovery Framework (ESRF) to steady the collapsing economy.

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<sup>23</sup> APRM, *Country Review Report No. 21*, April 2017

<sup>24</sup> The FPIC principle is embedded in the Community Rights Law of Liberia

<sup>25</sup> APRM, April 2017

<sup>26</sup> MFDP, *Midterm Review of the Agenda for Transformation*, 2016



Going forward, it is critical that some delivery mechanism/unit serve as the locus for the execution of the PAPD. The unit should be led and comprised of a team of professionals set apart but interacting with political actors and sectors to coordinate public investments and service delivery, and DP support, in targeted geographic areas.

#### 1.5.4 Monitoring and Evaluation (M&E)/Medium Term Expenditure Framework (MTEF)

Success of any of the NDP's requires a robust M&E system that can effectively disaggregate data and periodically measure progress both at sector and regional levels to inform decision making. Significant data gaps on the National Key Indicators (NKI's) used by the AfT highlight the challenge with monitoring and coordination of development between sectoral MACs and cooperating partners.

Likewise, while the MTEF provided effective fora and the associated institutional mechanisms to facilitate the making and enforcement of strategic resource allocation decisions, the challenge of full adoption of the MTEF as a single reform initiative has been insurmountable. Adhering to spending priorities has been a major challenge. Assurances of the availability of financing for priority projects were not met. Alignment and tracking of actual expenditure to pillars and interventions is limited because the government has not been able to produce budget performance reports that disaggregate outturns by sectors or regions.

A hybrid approach, with a smaller number of NKI's linked to the SDG's and the AU Agenda 2063, will allow sector MACs to appreciate their own roles and contributions to the Pro-poor national development agenda; while preparing for full migration to reporting against results and outcomes in the future. Progressively strengthening the National Statistics System (NSS) and reorientation of the priorities to capturing and reporting on data needed for high level decision making and execution of the NDP, will be critical.

Applying the Multiyear Fiscal Framework (MYFF) to only one or two priority sectors, while maintaining cash budgeting or repeatable cost management on all others, will respond to structural and institutional inadequacies. Continuation of periodic Performance Expenditure Tracking Surveys (PETS) will improve accountability and transparency in the use of public resources and provide validation that resources reached intended beneficiaries.

#### 1.5.5 Specific Measures to address Lessons Learnt

In view of the foregoing, this plan marks a paradigm shift in design and management of the NDP. Supporting the paradigm shift is the acknowledgement that increasing capital investments to boost economic growth and increasing social expenditure to create local markets and reduce vulnerability are not mutually exclusive. In fact, when properly sequenced they are mutually reinforcing and sustainable. Economic growth produces the income security and wealth that the poor badly need to improve their living standards; while increasing social spending can increase demand for goods and services provided by the market, and build human and knowledge capital, to tap into the new opportunities that will emerge because of growth.

##### *1.5.5.1 Shifting the Planning and Implementation Model*

The PRS and the AfT reintroduced national development planning after a decade and a half of conflict and state collapse. The reorientation to production of deliverables through results-based management was a welcomed shift in development thinking; but the outcomes could have been greater given the level of resources committed to the effort. In Table 5, the key elements of a paradigm shift in the NDP approach for the PAPD is presented.

The first three are short term and the remainder are medium term. The first three come as a recognition that sustainable development is a complex and interweaved process; and constraints in one sector can inhibit progress on another. Therefore, sustainable development requires that constraints be removed or limited across sectors to create the enabling environment for progress in all sectors. This multisectoral approach will also create the framework for the domestication of the Sustainable Development Goals and alignment of the NDP with the AU Agenda 2063.

Moreover, the spatial distribution of human settlements in Liberia show that development corridors and domestic markets will naturally evolve along infrastructures such as roads, railways, ports, etc. Lifetime migration in search of decent living standards and security over the past three decades ensured that more than half of the population are now in urban areas. The multisectoral development corridors approach will accelerate the normal process and add alternative corridors.

The last three elements introduce new approaches and potential drivers of economic growth. They recognize that significant volume of cross-border economic activity occurs naturally among the Mano River Union States. These are generally omitted or wrongly captured in official trade statistics. Going forward, stronger linkages need to be built between cross-border and other economic activities occurring along existing economic corridors, to take advantage of opportunities that will become available under the ECOWAS Protocols and the Common External Tariffs Arrangements; and of investments made in roads, ports, communications, energy and rail infrastructure development. These will in turn generate the economic rate of return needed to justify the capital spending.

### *Design and Implementation Thrusts of the Pro-Poor National Development Plan*

1. A migration from a **sectoral to an integrated multisectoral approach** to planning
2. Introduction and migration to **priority development corridors** to serve as co-locations for priority regional interventions in partnership with economic and development actors; and establishment of a mechanism through which these decisions are made
3. Baselineing, **monitoring, and evaluation based on geographic development regions** defined by poverty indicators in the NSS and the SDG's; and establishment of a **social protection floor** to form a part of the national aspiration to which an additional 1 million Liberians currently living in poverty and food insecurity will be raised
4. Implementation of interventions to diversify the economy in anticipation of rising demand for goods and services in the ECOWAS sub region; **reemphasizing the scaling up of agriculture and development of appropriate value chains** and giving priority to those investments located in the development corridors
5. Establishment of **Special Economic Zones (SEZ)** in development corridors to attract domestic and foreign investments through generous tax and financing incentives to spur economic growth; and the phasing out of project-based incentives to be replaced by sector-wide incentives embedded in the tax codes and made available to all investors reaching defined investment thresholds
6. While reaffirming a commitment to sustaining an enabling political and administrative environment for private initiatives to thrive, and to the domestication of international conventions ratified by the government, **shift efforts downstream** to focus more attention on meeting basic needs of Liberians and removing the constraints to their personal growth and development recognizing that widespread poverty is a major inhibitor of the national potential.

#### 1.5.6 New Deal for Fragile States

A Fragility Assessment and a list of PSG indicators were developed in 2012. In 2013, a New Deal Dashboard was developed, and New Deal principles were incorporated into the Government's One

Vision, One Plan (2013): “Agenda for Transformation: Steps toward Liberia Rising 2030”. Liberia renewed its efforts to implement the New Deal with the Ebola Recovery Assessment (conducted with UNDP, the World Bank, the EU) after a slowdown in activities provoked by the EVD crisis. An outline and roadmap for a Compact, and an inventory of the use of Country Systems, have not been developed.

Going forward, the PAPD replaces the AfT as the One Vision, One Plan and establishes the basis for much-needed dialogue and a possible agreement with ODA partners on how New Deal priorities, processes, tools and mechanisms can be built upon in the Sustainable Development Goal (SDG) implementation; including greater use of country systems to improve ODA impact over the 2018 to 2023 period. Liberia is among countries where efforts to eradicate extreme poverty, that are central to the SDG agenda, will be most urgent. At the same time, Liberia will face the biggest hurdles in implementing the SDGs. Properly monitoring change across the 169 targets, particularly on SDG Goal 16 given the strong reference to sustaining peace and building a capable state in the PAPD, will severely stretch the capacity of the national statistical system and those of government MACs. A minimalist approach will need to be formulated and included into the PAPD implementation plan.

## 1.6 The Economy Under Review-Towards Macroeconomic Stabilization and Growth

Liberia's dependence on the extractive industry from the mid-1960s to late 1980s coupled with the rapid growth in the population largely contributed to the imbalances in the economy; particularly in trade and the growing disparity between the rich and the poor. Reliance on non-renewable natural resource exports to drive economic growth and development did not produce sizeable and sustainable economic growth. Volatility in the commodity markets (iron ore, rubber, and timber) since the mid-1970s, and rising political instability, led to the precipitous decline in per capita Gross Domestic Product (GDP)<sup>27</sup>.

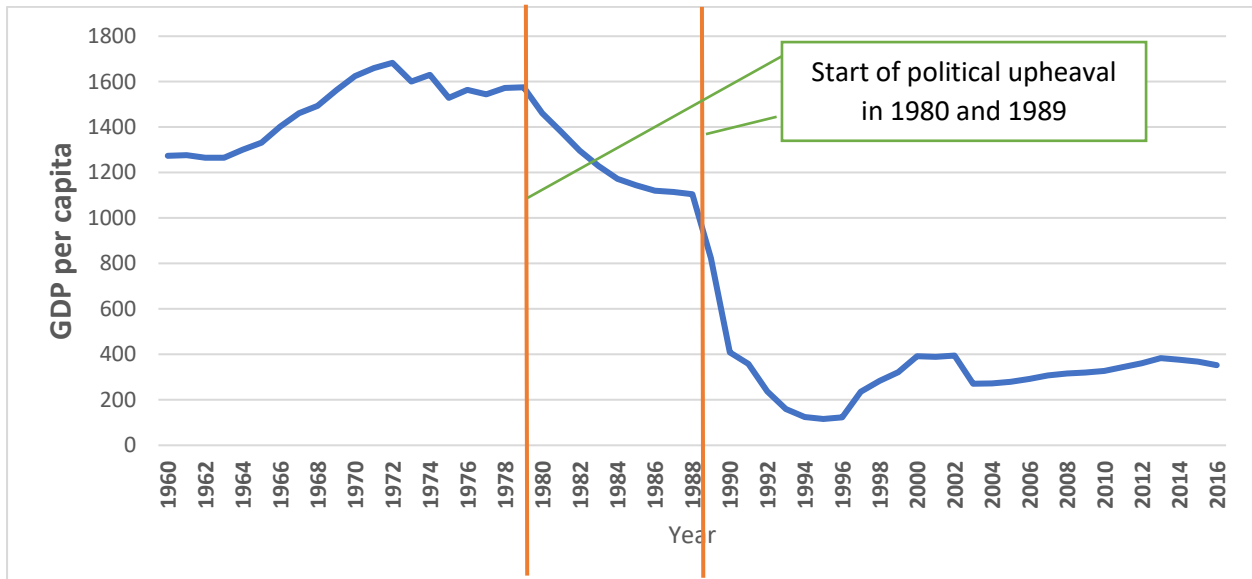
Figure 1.7 shows the historical trend of Liberia's GDP per capita. GDP growth has been volatile. Two periods of significant political upheaval are highlighted-reflecting the impact on the economy. Per capita GDP increased from about US\$ 1,270 in the 1960s to US\$ 1680 in the 1970s and sharply declined to below US\$1,400 in the 1980s.<sup>28</sup> Liberia experienced the worst decline, to less than US\$ 115, during the civil war in the mid-1990s. From 1995 onward, the GDP growth improved and progressively increased to rates of 11 to 14 percent from 2007 to 2012—though this was from a low economic base.

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<sup>27</sup> World Bank databank, World Development Indicator

<sup>28</sup> It is believed that the total population of Liberia was understated prior to the 1970 census

**Figure 1.7: Gross Domestic Product (GDP) Per Capita**  
(constant 2010 US\$)



Source: World Bank databank, World Development Indicators

Growth did not create the anticipated jobs or achieve the desired structural transformation due to a combination of external and internal factors. By 2014, the economy plummeted from real GDP growth rate of 8.7 percent in 2013 to 0.7 percent and deteriorated further to 0.0 percent in 2015, and to -0.5 percent in 2016 due to the twin shocks of the drop in global commodity prices and the outbreak of the Ebola Virus Disease (EVD). Growth improved to around 2.5 percent in 2017 and is expected to rebound to 3.9 percent in 2018<sup>29</sup>.

## 1.7 The National Development Plan Vision and Principles

### 1.7.1 Introduction

This section begins the unpacking of the PAPD. First and foremost, the PAPD is a tool that will enable MACs and partners to logically align short to medium term development initiatives to the long-term aspirations of the Liberian people. Learning from the challenges with building national ownership and keeping the commitments of the AfT, the PAPD breaks targets and indicators down to the regional level—to establish the baselines against which reductions in geographic disparity can be measured.

### 1.7.2 Reaffirmation of the National Vision and Principles of Vision 2030

The PAPD is positioned as the second in the series of five-year NDP's towards the national aspirations expressed in the Vision 2030 framework developed in 2012. The national vision statement emerging from that process is multidimensional and simultaneously addresses the social, economic, political, environmental, cultural, and technological aspirations of the Liberian people. Therefore, the high-level goals of the PAPD align with and address all these dimensions as well. If Liberia implements its development plans successfully, and attains its development goal, Liberia will have the attributes listed in Table 1.5.

<sup>29</sup> Central Bank of Liberia Annual Report 2017

**Table 1.5: Liberia Vision 2030 Long Term Outcomes**

Priority	Core Aspirations
<b>A United People</b>	<ol style="list-style-type: none"> <li>1. Political stability based on equity</li> <li>2. A society that embraces its triple heritage and guarantees space for all positive cultures to thrive</li> <li>3. A society that is democratic, tolerant, respectful of the rule of law and human rights</li> <li>4. A society of gender equity, empowerment, and opportunities for all.</li> </ol>
<b>A Progressive Nation</b>	<ol style="list-style-type: none"> <li>1. A self-reliant, innovative, and competitive private sector-led economy with strong indigenous presence</li> <li>2. People-focused investment policies</li> <li>3. A nation embracing science and technology as avenues to modernization</li> <li>4. Agriculture prioritized for food self-sufficiency and income security</li> <li>5. Healthy, well and relevantly-educated people with improved quality of life</li> </ol>

### 1.7.3 Structural Transformation

During the national visioning exercise, Liberians also identified key seeds of change that can be leveraged by the government to drive structural transformation. These fall into four categories: i) emerging demographic changes, ii) new economic opportunities, iii) growing social integration and unity, and iv) governance system reform

#### 1.7.3.1 Seeds of Change

The demographic changes that were identified reinforce the view that a younger, more urbanized, and technologically savvy population can be the vehicle to escape decades of divisions, social and economic exclusion, and poverty. Nevertheless, rising numbers of female and child-headed households, and vulnerability of the elderly who are likely to also be heads of household are threats that will need special attention.

On the economic front, a combination of regional integration opportunities, rising interest in business and entrepreneurship opportunities, the growing oil palm industry, combined with improved fiscal policy management will provide the new drivers of growth. There are new threats to greater social integration that need to be mitigated but greater interest in political activism by youths and women will sustain the increasingly democratic and inclusive nature to our politics. Finally, governance reforms in the creation of integrity institutions and a more professional posture of the security sector will have to be leveraged to create a more capable state.

**Table 1.6: Seeds of Change**

Category	Seeds of Change
Demographic Changes	<ol style="list-style-type: none"> <li>1. A combination of reduced growth rates (population growth rate; fertility rate; and infant mortality rate) and rapid urbanization suggests that Liberia is experiencing a demographic transition. More than half of the people now live in urban areas.</li> <li>2. The number of female and child-headed households (nearly 30%) has implications for poverty reduction considering the low level of involvement of women in viable economic activities</li> <li>3. Vulnerability of the elderly has risen and is attributable to the erosion</li> </ol>

	of family-provided social safety nets and community resilience
Economic Opportunities	<ol style="list-style-type: none"> <li>1. Oil palm plantations (for industrial uses and as biofuel) have been granted thousands of hectares of land but the impact of mono plant on environment as well as the potential impact of evictions and alienation on livelihood are undetermined.</li> <li>2. Liberia initiated a multi-year fiscal framework that drew recurrent and development components into the budget exercise, but constrained implementation capacity remains a serious challenge</li> <li>3. Plans have been developed to explore and exploit opportunities presented by development corridors--identifying prospects for integrating the economic enclaves into the national economy.</li> <li>4. Ratification of the ECOWAS protocol on the free movement of goods and people provides other possible markets--which may include enhanced participation in African economic integration.</li> <li>5. Liberian business owners are becoming more vocal. There is a growing concern that the Liberian share of the economy is not commensurate with what should be a fairer deal for nationals.</li> </ol>
Social Integration	<ol style="list-style-type: none"> <li>1. Liberian society is no longer complacent or silent</li> <li>2. Sharp cleavages between Liberians who remained at home during the 14 years of civil war and those who fled are emerging</li> <li>3. Women have emerged as a strong political force</li> <li>4. Some ethnic groups have expressed a heightened sense of social alienation</li> <li>5. Education as a means of social mobility has been the norm. Yet social crises occasioned by instability and war have taken a toll, and in the process, impacted value systems as a whole</li> </ol>
Governance Systems Reform	<ol style="list-style-type: none"> <li>1. The establishment of integrity institutions such as the Liberia Anti-Corruption Commission (LACC), the General Auditing Commission (GAC), the Public Procurement and Concession Commission (PPCC) and a developing independent media can be forces for change.</li> <li>2. The professionalization of the Armed Forces and otherwise rationalizing a national security system will contribute to stability.</li> </ol>

## 1.7.4 Goals and Objectives of the Pro-Poor Agenda for Prosperity and Development

### 1.7.4.1 Formulation of the PAPD

Following the inauguration of the newly elected government on January 25, 2018, a list of Presidential Priority projects was developed to begin the process of cutting waste, realigning the national budget, and re-purposing resources to address critical challenges in a range of areas related to the Pro-Poor Agenda. The thirteen pro-poor impact projects were designed to be delivered across key sectors while setting up the priorities for the PAPD. The election manifesto was translated into a short-term Transition Plan to the PAPD. A framework to guide the transition from the AfT and the Manifesto to the PAPD was formulated. At the core of the PAPD are the four pillars of the Manifesto: i) Power to the People, ii) the Economy and Jobs, iii) Sustaining the Peace, and iv) Governance and Transparency.

The process of drawing together the priorities and content of the four pillars has been highly participatory. Eleven budget sector meetings were organized with MACs and key partners to review performance under existing sector strategic plans, partnership arrangements, and budget allocations. Consultations were also organized in the 15 county capitals around the country; and meetings were held with Liberians living in the Diaspora in the United States, Europe, and West Africa to capture the perspective of a broad range of stakeholders outside of government.

At the regional meetings, participants reviewed progress made under the AfT and evaluated the impact on local areas. New challenges and priorities emerging since the launch of the AfT were identified and the perspective of the new government on change and the way forward was explained. Participants came from a cross section of county residents and included women and people with disability. Approximately one thousand persons attended the events.

#### *1.7.4.2 Perspectives from the Consultative Process*

Stakeholders were asked to deliberate on four points: i) what went well under the past NDP, ii) what were the failures and possible causes of failures, iii) what should be the priorities for the PAPD, and iv) what are the immediate local issues the new government should address.

Stakeholders submitted that there is significant improvement in personal safety and security because of security sector reform accomplished under the past NDP. There is a general perception of noteworthy improvement in the discipline of security sector personnel. Moreover, the LNP has been deployed in proximity to local communities reducing the response time and feeling of vulnerability to crime. The presence of regional hubs and police response units also contributed to heightened sense of security. Stakeholders also submitted that access to justice has improved with the construction of new courts, improvement in the caliber of judicial officials, better jury management, more use of alternative dispute resolution mechanism (ADR), and the increased efficiency of judicial proceedings.

On the economic front, more opportunities now exist for some form of agricultural commodity processing, supply of improved planting materials, additional agricultural equipment, and public transport. In coastal areas, the construction of fisheries landing site was cited as a job creator for youth in the coastal communities. The expansion in ICT through cellphone technology and access to mobile money services were cited as critical forms of inclusion drawing remotely located customers into the formal financial system—some for the first time. Stakeholders identified the growing number of local FM radio stations as important to keeping the communities informed and engaged on governance and economic development issues. Public infrastructure such as feeder roads, public facilities, and markets for domestic products, have been constructed to reduce the cost and risk of doing business. Business training with micro loans and grants, provided largely by nonprofit organizations, were also cited as important contributors to some form of income security.

The deployment of the County Service Centers (CSC) was identified as a much-welcomed expansion in access to essential government services. Through the CSC, citizens awareness of and interest in greater decentralization of public services has increased. Women involvement in local administration has also improved; and people with disability are increasingly involved in local advocacy efforts. The establishment of integrity institutions increased awareness of human rights and highlights the need for greater transparency in public financial management. Stakeholders noted that access to basic education, health, water, and sanitation has also improved throughout the country. Rising enrollment of girls, improvement in teachers' pay, direct payment, and more effective county health teams were mentioned improvements in the overall quality of life in rural areas.

While security personnel have been deployed, stakeholders felt that limited logistics, disparity in salary and benefits, limited training, and delays in the court system were significant barriers to security and undermined access to justice. Ineffective and limited support to adjudicate juvenile cases, and the rise of sexual and gender-based violence, were cited as evidence of failures of the NDP. On human rights and local peace and reconciliation efforts, stakeholders felt that follow-up is weak. They pointed out that traditional practices continue to interfere with girls' right to education.

Furthermore, limited support for local business and agriculture development hinders local economic development and productive work for large number of youths. In many areas, limited access to roads and public electricity were cited as failures under the expired NDP. While access to health and education improved, stakeholders submitted that the standards remain poor. Generally, facilities are still in a weak or dilapidated state. Furthermore, access to safe drinking water and sanitation facilities is still challenging.

Stakeholders noted that CSC's are not properly supervised and interruptions in services are frequent. Capacity challenge within local administration was cited as a binding constraint to moving the county affairs forward. In some areas, it was observed that the County Superintendent was frequently absent and for extended periods.

High level of donor dependency was cited as a source of concern since this puts the sustainability of many local programs in doubt. Others pointed to intermittent conflicts with concessionaires operating in their county as another source of concern. On occasion, stakeholders called for a review of those agreements to determine whether the concessionaire was compliant with the terms and conditions. Finally, the absence of waste disposal, recreational facilities, and athletics development programs targeting the large youth population was important failure of the NDP.

**As for the way forward**, stakeholders consistently cited access to good quality education and health as the top priorities for the PAPD. Demand for more and better health and education facilities and, for good quality instruction, was high. Water and sanitation facilities were also high in demand. Moreover, special programs targeting youth, empowerment of women and people with disability, and support for the elderly were high on the order of priorities.

**On the Economy and Jobs**, stakeholders recommended the training and deployment of "agriculture specialists" to the district and clan levels to introduce new technology, "provide new skills, improve monitoring, and to collect and disseminate data" relevant to the primary crops produced in the region. Storage, processing, and transport arrangements were also listed as critical needs that should be prioritized. Stakeholders noted that while it was important to pay attention to creating the right environment to attract foreign direct investment, increasing domestic productivity and returns to labor in agriculture were important as well. The agriculture sector was therefore identified as the major driver of growth and development-and stakeholders recommended it should be prioritized.

**On Sustaining the Peace**, stakeholders recommended prioritizing the maintenance of a visible presence of the civilian police and security organizations; but also felt that empowering some form of community watch mechanism could augment the limited capacity of the regular security forces. Improving access to justice through enhancement of the court system, such as capacity building for magistrates and local deployment of more specialized courts and more dispute resolution mechanisms, were also recommended. Election of chiefs and city officials, as required by law, was mentioned.

**On Governance and Transparency**, stakeholders called for improvement of the CSC supervision, review of the guidelines for the County and Social Development Funds, and reduction in the influence of the Legislative Caucus on local selection and appointment processes. Strengthening monitoring and evaluation arrangement of service delivery and new development interventions at the local level were recommended for priorities of the PAPD. Ensuring ownership of the change agenda, making related information more accessible, and increasing the level of participation of local communities in the decision making and implementation of the PAPD interventions were also recommended.



**On local issues** that need the immediate attention of the new government, stakeholders mentioned the deployment of suitably qualified teachers and health workers—and bringing them on to payrolls to ensure stability in service delivery. Frequent out-of-stock situation of essential drugs and supplies at local health facilities was cited as an urgent local issue that the new government must resolve.

Accessibility by road was an oft-cited challenge that needs immediate attention. Participants felt that this has implications for service delivery and productivity across health, education, CSC, and for economic activities to thrive. Additional infrastructure deficits that need urgent attention include access to financial services, electricity, and markets. Stakeholders submitted that, going forward, the new government should pay special attention to enabling domestic private sector growth and developing the economic potential of each county.

Reducing the number of incidents of sexual and gender-based violence was also identified as an urgent local issue that the new government will need to address. This would require support for victims for psychosocial rehabilitation and to pursue justice. Stakeholders also recommended that the potential for religious and communal conflicts should not be underestimated, and prevention and mitigation measures should be introduced as soon as possible. Enforcement and implementation of laws, policies, measures, initiatives, that are already on the books should be addressed with urgency. Finally, interventions to reduce poverty and seasonal food insecurity should also be implemented with a sense of urgency.

**Diaspora consultations produced the same general conclusions and recommendations** on the need to increase investments in infrastructure, education, health, justice, and personal safety and security. Less interests seemed to be shown in job opportunities in Liberia than in improving the business environment and reducing corruption among front line government administrators. Generally, the Diaspora cited corruption as an inhibitor to their possible return to engage in productive investments.

#### 1.7.5 High Level Objectives of the PAPD

Liberia's history with political, social, and economic development clearly demonstrates that a continuing emphasis on generating high GDP and per capita growth rates through FDI alone will not be sufficient to produce the long-term outcomes desired by the Liberian people. The widespread economic exclusion, poverty, and inequality that exists will undermine the capacity to build the human and knowledge capital needed to transform natural resource endowment into wealth and to sustain a stable and prosperous nation—if Liberia continues down that pathway.

Also underpinning the long conflict is a national identity crisis embedded in the first Constitution that Liberians are on a mission to seek Liberty and to Christianize a “benighted” Africa. Successive generations have been brought up to believe that there is a “special relationship” elsewhere that must be sustained at all cost and that Liberia is a Christian missionary nation.

The government recognizes and embraces our African identity first and foremost and acknowledges that development must start from a renewed mindset that Liberians come from different backgrounds and faiths that, taken together, enrich our cultural heritage and diversity. Therefore, the objectives of the NDP 2018 to 2023 are:

### **Objectives of the Pro-Poor Agenda for Prosperity and Development 2018 to 2023**

**To build more capable and trusted state institutions that lead to a stable, resilient, and inclusive nation embracing its triple heritage and anchored on its African identity**

**To provide greater income security to an additional one million Liberians, and reduce absolute poverty by 23 percent across 5 out of 6 regions--through sustained and inclusive economic growth driven by scaled-up investments in agriculture, in infrastructure, in human resource development, and in social protection**

### 1.7.6 The PAPD Alignment to Regional and Global Development Initiatives

Table 1.7 shows the alignment of the PAPD with the AU Agenda 2063, and the SDG's at four levels. Vision and principles form the first level, goals the next, priority interventions/pillars at the third level and indicators for subnational decomposition of measurements at the fourth level. For the first time in Liberia's history, growth targets will incorporate individual and family wellbeing at the regional level.

The themes of unity, peace, inclusion, and stability under a democratic political dispensation are embraced by all visions and principles. Furthermore, recognition, appreciation, and respect for cultural diversity penetrates the goal level aspirations—as well as shared prosperity and a deliberate effort to leave no one behind. This is particularly evident at levels III and IV, where the people will be at the center of the national development process and efforts will be made to track their progress at the subnational levels. In the Pillar arrangements, Power to the People encapsulates the Human Development and Cross-cutting pillars of the AfT. Sustaining the Peace and Governance and Transparency, replace Peace, Security & Rule of Law and Governance and Public Institutions, reflecting their contributions to sustaining the enabling environment through which the people will thrive.

The PAPD is informed by the New Deal for Engagement in Fragile States as well. The PAPD acknowledges that Liberia remains stable but is still fragile and must pursue state capacity building, complete basic government transformation, and strengthen capacity and systems as well. A critical first step in this regard is taking ownership and leadership of the PAPD formulation and implementation process; while welcoming and appreciating technical assistance made available through development partners.

**Table 1.7: Alignment of PAPD, AfT, AU Agenda 2063, and SDG's**

LEVEL(S)	Agenda for Transformation (AfT)	PAPD/VISION 2030	AGENDA 2063	SUSTAINABLE DEVELOPMENT GOALS (SDGS)
I Vision and principles	A united people and a progressive nation meeting core expectation of stability, equity, and democracy	A united people and a progressive nation meeting core expectation of stability, equity, and democracy	Building an integrated, prosperous and peaceful Africa, driven by its own citizens representing a dynamic force in the international arena	"...resolved to free the human race from the tyranny of poverty and want and to heal and secure our planet. We are determined to take the bold and transformative steps which are urgently needed to shift the world onto a sustainable and resilient path. As we embark on this collective journey, we pledge that no one will be left behind."
II Goals	<b>AfT Goal(s)</b> Wealth creation and inclusive growth to reach middle income status by 2030 (informed by the New Deal for Engagement in Fragile States)	<b>PAPD Goal(s)</b> To build more capable and trusted state institutions that lead to a stable, resilient, and inclusive nation embracing its triple heritage and anchored on its African identity  To provide greater income security to an additional one million Liberians, and reduce absolute poverty by 23 percent across 5 out of 6 regions-- through sustained and inclusive economic growth driven by scaled-up investments in agriculture, in infrastructure, in human resource development, and in social protection	<b>7 aspirations:</b> 1. Prosperity 2. Integration 3. Good governance 4. Peace and security, 5. Strong cultural identity, common heritage, values and ethics 6. People-driven development, 7. Influential global player and partner	<b>17 SDGs:</b> 1. End poverty 2. End hunger 3. Ensure healthy lives and wellbeing 4. Inclusive and equitable education 5. Gender equality and empowerment 6. Sustainable WASH 7. Access to energy 8. Sustained economic growth 9. Resilient infrastructure 10. Reduce inequality 11. Safe, resilient, sustainable cities 12. Sustainable consumption and production 13. Combat climate change and impact 14. Conserve and sustain marine resources 15. Protect, restore, sustain ecosystems 16. Promote peace and inclusive societies 17. Strengthen implementation and partnerships
III priority interventions (Pillars)	<b>29 sector goals and 52 targets/NKI;</b> organized around 5 pillars: 1. Peace, Security, Rule of Law 2. Economic Transformation 3. Human Development 4. Governance and Public Institutions 5. Cross-cutting Issues	<b>16 development outcomes and 120 national targets</b> for the next 5 years; organized around 4 pillars: 1. Empowering the people 2. Economy and jobs 3. Sustaining the peace 4. Governance and Transparency	20 goals and 38 priorities of the first 10 years	169 targets domesticated and harmonized with NKI's at national level
<b>Level(s)</b>		<b>AfT/NDP/Vision 2030</b>	<b>Agenda 2063</b>	<b>Sustainable Development Goals (SDGs)</b>
IV	Sector-level indicators	Subnational decomposition (regional) of national key indicators (baselines aligned to SDG's and AU2063)	Priority areas with targets	169 targets disaggregated to subnational (and special group) levels with systematic follow up and review

### 1.7.6 The Four Pillars of the National Development Plan

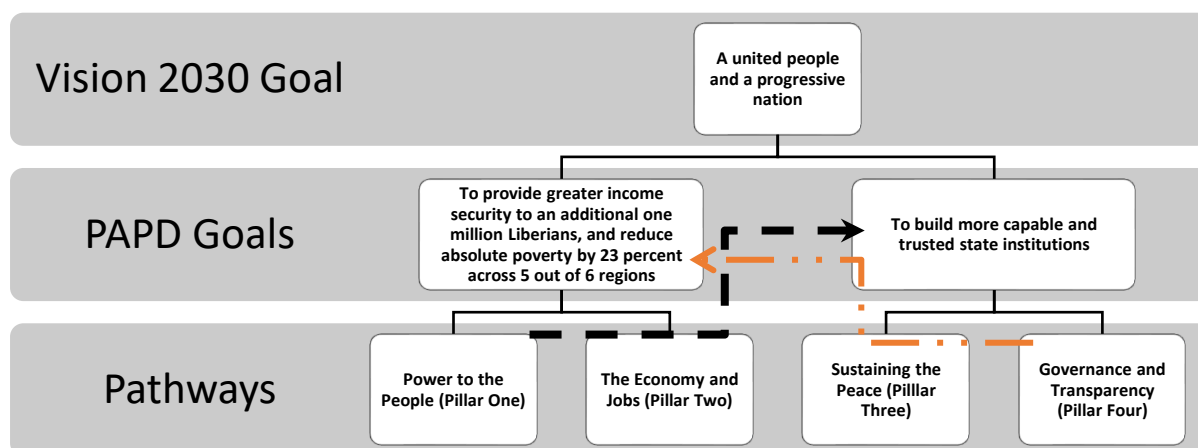
The PAPD presents the results frameworks for each of the four pillars as tools to assist MACs and partners to logically link interventions to the high-level goals over the next five years; which in turn will bring Liberia closer to the realization of the aspirations defined in the Vision 2030 process. For the first time, the targets are presented both from regional and sectoral perspectives succeeding in decomposition of the national indicators to the subnational levels. The results framework will also inform the revision to existing sectoral strategic plans as they expire, update progress measurement indicators used by the NSS, and fiscal prioritization within the context of the Medium-Term Expenditure Framework (MTEF).

To support the two high-level goals, eight national targets have been established. Sixteen development outcomes will be produced around the same number of strategic priorities (corresponding to the four pillars), 120 sectoral targets with key performance indicators have been delineated for progress measurements and tracking. HDI and SDG indicators will be used to ensure alignment with development assistance priorities of key partners. Towards the two high-level goals, the strategies are built around four pillars as follows:

1. **Power to the People**—Liberians empowered with tools to gain control of their lives
2. **The Economy and Jobs**— Economic stability and job creation through effective resource mobilization and prudent management of the economic inclusion process
3. **Sustaining the Peace**—Promoting a cohesive society for sustainable development
4. **Governance and Transparency**—An inclusive and accountable public sector for shared prosperity and sustainable development

The interventions under Pillars One and Two contribute directly to the poverty reduction and economic empowerment goals; while those under Pillars Three and Four will contribute to the building of capable and trusted state institutions pursuing a new vision of a nation fully integrated into the African continent in culture and vision. Figure 1.8 illustrates the reinforcing links and relationships between the pillars and the broad development goal captured by the multisectoral process of the PAPD. To improve livelihood and reduce disparity, the enabling environment must be created through the interventions in Pillars Three and Four. Moreover, a stable and resilient nation on the African continent can only emerge through wise investments in education, health, and infrastructure in ways that reverse precarious imbalances in development across population groups and regions of Liberia.

**Figure 1.8: Reinforcing Links and Development Pathways**



Each pillar has a goal and a set of development outcomes to be produced over the next five years. Sixteen development outcomes spread across the four pillars. Table 1.8, on the following page, reveals the high-level targets expressed as measurable HDI and MPI indicators and the absolute poverty targets disaggregated by regions.

### 1.7.7 Theory of Change

The PAPD is premised on a Theory of Change (TOC) recognizing the multi-faced and cross-sectoral nature of sustainable development. As used in this context, the TOC is the roadmap for change that will be followed by the government and its partners. While the national and pillar results framework identify what needs to be done, the TOC describes how the outcomes will be produced, the “seeds of change” the government hopes to leverage, and the assumptions against which progress can be made.

The fundamentals sustaining the PAPD is that Liberia is rich in human and natural resources; and that establishes a basis for a future of shared stability and prosperity. But the country is deprived of development largely because its human capital lacks the knowledge capital to transform the natural resources into wealth—whether through farming, mining, fishing, or other productive ventures that require improved technology or financial investments. Moreover, the enabling environment for sustainable development must be created and the governing institutions and systems strengthened to empower Liberians with the tools to gain control of their lives.

At the core of the TOC are the outcome maps in Figure 1.9 and Figure 1.10 illustrating views on how change will occur and what the likely indicators will be. The figures posit four development pathways to the two high-level PAPD goals—Long Term Outcomes (LTO). The development outcomes of each pillar are clustered to reveal the interaction and interdependence with each other forming joint preconditions for the achievement of the LTO. The outcome maps are organized at four levels—the LTO, development outcomes, Results, and Activity levels; corresponding to and defining the pre-conditions to the outcomes of the Results framework in Table 1.8.

Figure 1.9 shows the two pathways to providing income security to an additional one million Liberians and reducing absolute poverty by 23 percent in the 5 out of the 6 statistical regions of Liberia where poverty is on the rise. The two outcome clusters are around: i) empowering Liberians with tools to gain control of their lives, and ii) attaining macroeconomic stability and creating jobs and livelihood opportunities. The key elements are significant scale up in the investment in skills development (including agricultural production and marketing technology), social protection to end extreme vulnerability and create local markets, steady growth in the economy buoyed by an improved doing business environment and more stability in global commodity prices for Liberia’s primary exports. A significant element will be reductions in disparity in infrastructure—especially roads, ICT, affordable energy, and water and sanitation. The government aspires to achieve 27 and 34 high-level national targets under Pillar One and Pillar Two, respectively.

Figure 1.10 shows the two pathways to building more capable state institutions that can lead to a stable, resilient, and inclusive nation anchored on its African identity and fully aligned with the AU 2063. The pre-conditions are: i) a cohesive society for sustainable development demonstrating three key characteristics, and ii) an inclusive and accountable public sector demonstrating two characteristics—reformed and rebalanced, more robust structures and waste reductions. The government aims to achieve thirty-two and twenty-five high level national targets, respectively, to produce those outcomes over the next five years. Progress on governance systems reforms and on the AU 2063 will provide the main influences while demographic seeds of change and reduced

poverty and inequality will be the basic assumptions for reduction in fragility and building trust in state institutions in areas of the country where most Liberians live in poverty.

**Table 1.8: High-Level National Targets and Development Outcomes of the PAPD**

<p><b>Vision 2030 GOAL:</b> A united people and peaceful nation; enjoying prosperity and progress</p> <p><b>PAPD GOALS:</b> To build more capable and trusted state institutions that lead to a stable, resilient, and inclusive nation embracing its triple heritage and anchored on its African identity To provide greater income security to an additional one million Liberians, and reduce absolute poverty by 23 percent across 5 out of 6 regions</p> <p><b>NATIONAL TARGETS/INDICATORS:</b></p> <ul style="list-style-type: none"> <li>▪ By 2023, Liberia’s Human Development Index rises to the Sub-Saharan Africa average (from 0.427 to 0.523)</li> <li>▪ By 2023, Reduced disparity in access to health, education, and decent living standards (measured by improvement in the Multi-dimensional Poverty Index--MPI) <ul style="list-style-type: none"> <li>▪ in Urban areas MPI will rise from 0.290 to 0.259</li> <li>▪ in Rural areas MPI will rise from 0.481 to 0.290</li> </ul> </li> <li>▪ By 2023, Greater income security provided to an additional one million Liberians to reduce the proportion of people living in absolute poverty <ul style="list-style-type: none"> <li>▪ in Southeastern Region B from 81.3% to 58.3%</li> <li>▪ in North Central Region from 68.5% to 45.5%</li> <li>▪ in North Western Region from 58.6% to 35.6%</li> <li>▪ in Southeastern Region A from 57.2% to 34.2%</li> <li>▪ in South Central Region from 57.2% to 34.2%</li> </ul> </li> <li>▪ By 2023, Liberia’s Social Cohesion and Reconciliation Index improves 6.6 to 8</li> </ul>	
Pillar	Development Outcomes
<p><b>Pillar One: Power to the People</b> <b>Goal:</b> Reducing developmental inequality to enable the people to prosper</p>	<ol style="list-style-type: none"> <li>1. Gender equality entrenched as a cross-cutting concern leading to more empowered women and girls</li> <li>2. Increased access to integrated services for Youths and Young Adults</li> <li>3. Enhanced access to social safety nets through social assistance, social cash transfer, and social inclusion through work opportunities for the most vulnerable and extremely poor groups and regions</li> <li>4. Increased access to basic education, adult learning and skills development opportunities, and to basic health</li> </ol>
<p><b>Pillar Two: The Economy and Jobs</b> <b>Goal:</b> Economic stability and job creation through effective resource mobilization and prudent management of economic inclusion</p>	<ol style="list-style-type: none"> <li>1. Improved fiscal and monetary policy management to promote economic growth and job creation</li> <li>2. Increased agricultural production and productivity and improved forest utilization through competitive value chains and market linkages for food and income security, economic growth, and job creation</li> <li>3. By 2023, improved roads, energy, air and sea ports, water and sanitation infrastructure for productivity</li> <li>4. Improved governance and management of state-owned enterprises for improved service delivery, sustained revenue generation, economic growth, and job creation</li> <li>5. Improved ICT infrastructure to enhance coverage and access for the knowledge economy, financial inclusion, and innovative technology solutions</li> </ol>
<p><b>Pillar Three: Sustaining the Peace</b> <b>Goal:</b> Promoting a cohesive society for sustainable development</p>	<ol style="list-style-type: none"> <li>1. A society that embraces its triple heritage and guarantees space for all positive cultures to thrive</li> <li>2. A society where justice, rule of law and human rights prevail</li> <li>3. Improved security service delivery nationwide</li> </ol>
<p><b>Pillar Four: Governance and Transparency</b> <b>Goal:</b> An inclusive and accountable public sector for shared prosperity and sustainable development</p>	<ol style="list-style-type: none"> <li>1. A reformed public sector exhibiting improved fiscal discipline and service delivery, and a rebalance in the concentration of economic and political activities away from Monrovia</li> <li>2. More robust structures reducing waste and other systemic losses in the operations of Ministries, Agencies, and Commissions</li> <li>3. Universal migration to ICT platforms and wider adoption of e-government to improve business processes and productivity</li> <li>4. Reduction in degradation of farming land, coastal wetlands, and deforestation while increasing returns on natural capital</li> </ol>

Figure 1.9: Theory of Change--Pillars One and Two

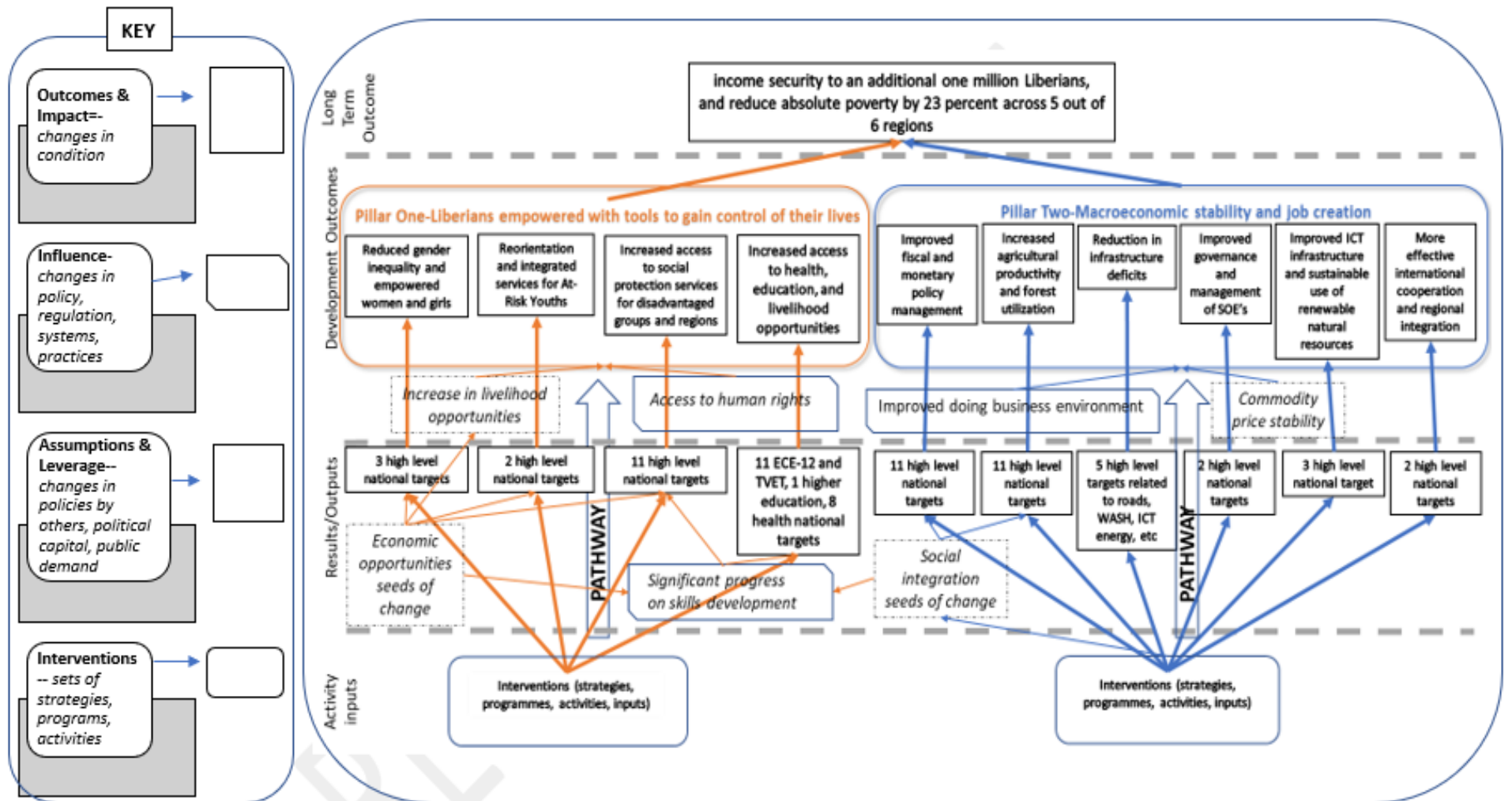
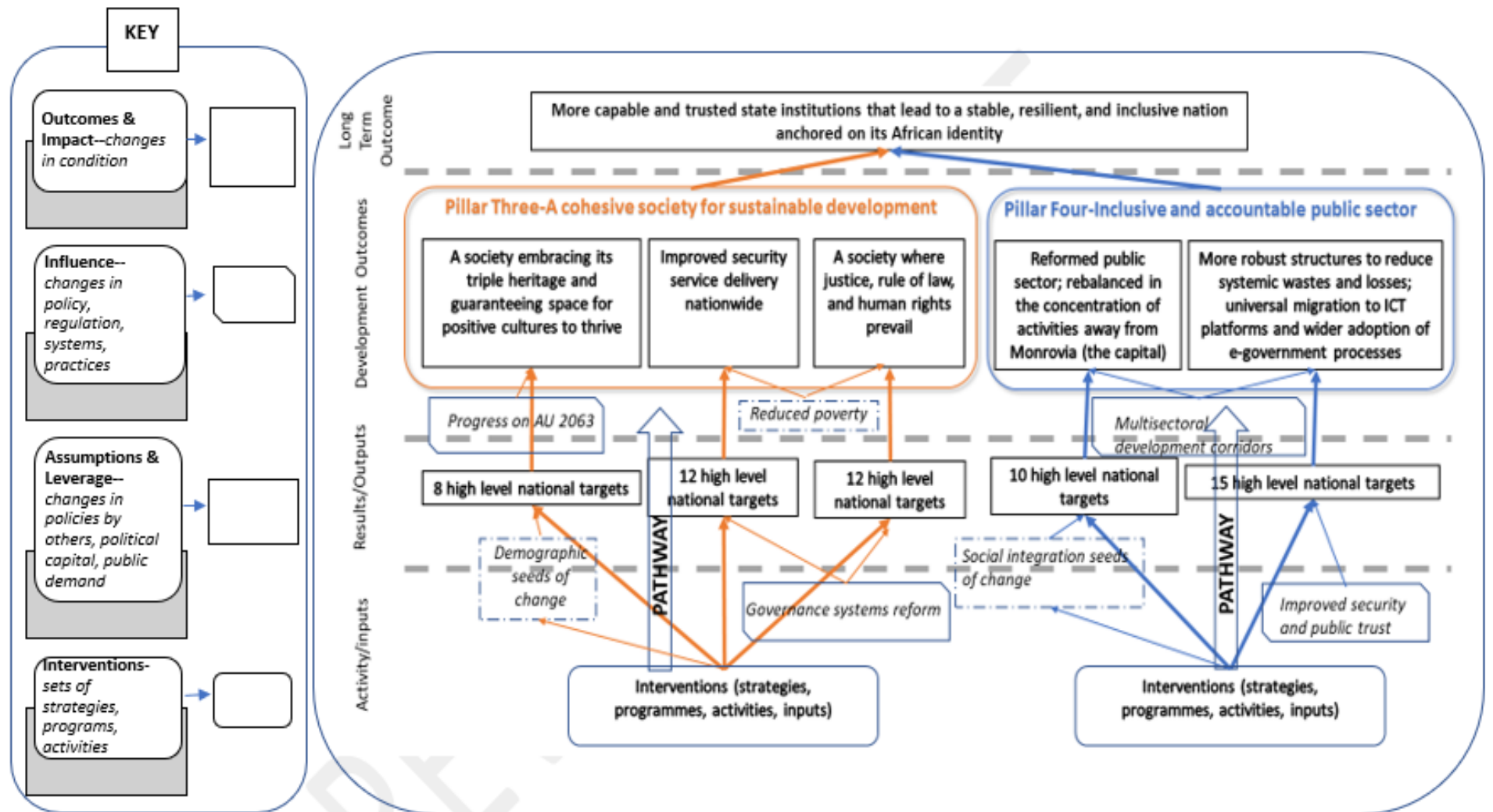




Figure 1.10: Theory of Change--Pillars Three and Four



## 2.0 PILLAR ONE: POWER TO THE PEOPLE

### 2.1 Introduction

Many years of civil crises undermined the advances made in human capital development in Liberia--ranging from hundreds of thousands of deaths to internal displacement and outmigration of skilled labor into the Diaspora. Fundamental to the achievement of the goals of the PAPD is the improvement in the well-being of the Liberian people reaching the furthest first and leaving no one behind. This will require empowering them with the wherewithal to take control of their lives by providing access to quality education, ensuring access to essential healthcare, and increasing opportunities to attain a decent standard of living.

Human capital development in Liberia cuts across various social sectors with the Government of Liberia being the main duty bearer. It also cuts across gender with the exigency of addressing historic and systemic biases against female at home, in the marketplace, and in the political arena.

Therefore, four development outcomes will be produced under this Pillar by 2023. The government will make strategic and well-targeted investments in human capital development, coupled with efforts to create an enabling environment, that will unleash abilities and talents innate to the Liberian people. Pillar One and its interventions specifically seek to reduce the level of income and developmental inequalities across various social bands and regions of Liberia to ensure a more equitable distribution of the gains from our natural endowments and economic growth.

Investments in human development under also directly support social cohesion and reconciliation outcomes outlined in Pillar 3.

#### 2.1.1 Current Condition of the People

Constraints can be found throughout the life cycle of Liberians from birth to death; but most are concentrated in access to basic education and to basic health, and in women and girls' empowerment. The UNDP (United Nations Development Programme) Human Development Index (HDI) and supporting analyses are widely recognized as one of the best sets of measurements of human progress along the three basic dimensions of: i) long and healthy life, ii) access to knowledge, and iii) decent standard of living. Table 2.1 shows the HDI indicators and the related indicators of the Sustainable Development Goals (SDG).

**Table 2.1: HDI and SDG Indicators**

HDI Dimension	Indicator	Related SDG Indicator
Health	Nutrition	SDG 2 (Zero Hunger)
	Child Mortality	SDG 3 (Health and Well-being)
Education	Years of Education	SDG 4 (Quality Education)
	School Attendance	SDG 4 (Quality Education)
Living Standard	Cooking Fuel	SDG 7 (Affordable and Clean Energy)
	Sanitation	SDG 6 (Clean Water and Sanitation)
	Drinking Water	SDG 6 (Clean Water and Sanitation)
	Electricity	SDG 7 (Affordable and Clean Energy)
	Floor	SDG 11 (Sustainable Cities and Communities)
	Assets	SDG1 (No Poverty)

The 2016 report explores who has been left behind in human progress, and how, among the 188 ranked countries. The report puts Liberia's HDI value for 2015 at 0.427 or at 177 of 188 countries in the ranking. Between 2000 and 2015, the value improved from 0.386 to 0.427 (or by 0.41 points). Table 9 shows that Liberia falls below the average HDI for SSA (0.523) and Low HDI countries (0.497).

At 61.2 years, the average life expectancy in Liberia is slightly higher than of SSA (58.9 years) and Low HDI countries (59.3 years). Since 1990, average years of schooling in Liberia rose from 2.6 to 4.4 years. But in 2015 Liberia still fell below the average of SSA (5.4 years) and Low HDI countries (4.6 years). Table 2.2 compares HDI values, life expectancy at birth, average years of schooling to the averages of Sub-Saharan Africa (SSA) and to Low HDI countries.

**Table 2.2: Liberia's HDI and Component Indicators relative to select groups of countries**

	HDI Value	Life expectancy at birth (years)	Mean years of schooling
<b>Liberia</b>	0.427	61.2	4.4
Sub-Saharan Africa	0.523	58.9	5.4
Low HDI countries	0.497	59.3	4.6

When the values are adjusted to show the impact of inequality in Liberia, it loses 33.4 percent of the overall value compared to a 32 percent loss for SSA and Low HDI countries. On life expectancy, Liberia loses 33 percent of HDI value due to inequality compared to 35 percent for SSA and Low HDI countries. On education, however, Liberia's HDI loses 43 percent of its value compared to 34 percent loss for SSA and 37 percent for Low HDI countries. Inequality adjusted HDI and the comparators are shown in Table 2.3.

**Table 2.3: Liberia 2015 Inequality-Adjusted HDI relative to select groups of countries**

	Overall loss in HDI Value (%)	Loss due to Inequality in Life expectancy at birth (%)	Loss due to inequality in education (%)
<b>Liberia</b>	33.4	33.1	42.9
Sub-Saharan Africa	32.2	34.9	34.0
Low HDI countries	32.3	35.1	37.1

Finally, the HDI is adjusted to reflect the effects of gender disparity on Liberia's development. The Gender Inequality Index (GII) measures gender-based inequalities in respect to reproductive health, empowerment, and economic activity. Liberia ranked 150 of 159 countries in the 2015 GII. Table 2.4 shows how Liberia fared with key comparator groups of countries in SSA and Low HDI countries. It clearly shows that by making a significant reduction in maternal mortality rates, adolescent birth rates, with an increase in the mean years of schooling and income of females Liberia could fall well below the SSA average GII and the overall HDI will rise.

**Table 2.4: Liberia 2015 Gender Inequality Index relative to select groups of countries**

	GII value	Maternal mortality ratio (per 100,000 live births)	Adolescent birth rate (no. of births per 1,000 women 15-19 years old)	Female seats in the Legislature	Population with at least some secondary education (%)		Labor force participation rate	
					Female	Male	Female	Male
<b>Liberia</b>	0.649	774 <sup>30</sup>	108.8	10.7	17.3	39.7	58.0	63.9
Sub-Saharan Africa	0.572	551	103.0	23.3	25.3	33.9	64.9	84.6
Low HDI countries	0.590	553	101.8	22.0	14.8	25.9	60.3	77.1

<sup>30</sup> UNDP calculated figure is 725 per 100,000 births. MOH reports 774 per 100,000 births.

### 2.1.2 Desired Outcomes in Human Capital Development

Table 2.5, on the following page, shows the relationships between the high-level goals, national targets, and desired development outcomes of Pillar One as they compare to the SDGs and the AU Agenda 2063. Despite the recent reversal in development gains attributable to the twin shocks of the Ebola Virus Disease (EVD) outbreak and the price collapse of Liberia’s export commodities, there is a great opportunity to build upon progress made in education outcomes over the past decade.

The four outcomes listed in the table are interlinked for a clear majority of Liberians given the demographic profile of the country; but more so for women and girls (gender), children, people living with disability, and the large number of youths striving to make a meaningful and sustainable transition into adulthood. The outcomes cut across all social sectors. Given the influence of women inequality on the overall HDI of Liberia, women and girls issues are reflected in all four outcomes.

#### 2.1.2.1 Empowering women and Girls

Reducing out of school, and increasing retention and completion rates for girls, raising minimum infrastructure standards for boys and girls and ensuring appropriate responses to GBV are major targets under human capacity development. The provision of lifelong learning opportunities on an equitable and inclusive basis will be a special emphasis under the PAPD. Reducing the maternal mortality rate is a priority along with prevention of teen age pregnancies in the home and school environment.

Reduction in under-five malnutrition of girls and boys will reduce risk of early life impairment which can become permanent and might also affect future generations. Malnutrition prevention will bring about important health, educational, and economic benefits. One outcome deals specifically with reducing women inequality in political, social, and economic life through government and partner supported interventions and in partnership with women groups and communities. Among the sets of interventions to produce this outcome is the adoption and strengthening of sound policies and enforceable legislation, the application of gender-responsive budgeting (GRB) in the multi-year fiscal framework of the government, and the implementation of the Revised national Gender Policy.

#### 2.1.2.2 Supporting meaningful transition of youth into adulthood

The youth development outcome seeks to accelerate the process of transforming Liberia’s demographic dividend into a potential driver of growth and transformation starting with expanding social inclusion through work and life skills opportunities; in addition to scaled-up TVET interventions under human capacity development. These interventions will target young adults-half of whom will be women. Moreover, ensuring lifelong learning opportunities through Alternative Learning Programs (ALP) will target over age out of school youths.

#### 2.1.2.3 Social Protection Investments to Improve Lives and Create Local Demand

Social protection investments include wider and sustainable expansion in access to the four minimum guarantees: i) access to essential health care, ii) basic income and food security for the whole family-especially children in the family environment (including vulnerable groups and people with disability), iii) providing some form of basic income for the working age population through pre-employment support and household enterprises for adolescents and young adults, expansion in the national social pension scheme, enforcement of the Decent Work Act and iv) social grants for the elderly, pregnant women, and people living with disability. A major thrust of the pro-poor agenda is to raise total spending on social protection related investments from less than one percent to four percent of GDP—while reaching those living in extremely poor and food insecure households and regions of the country first to be able to reduce overall inequality.

**Table 2.5: Pillar One--Power to the People**

**GOAL:** To empower Liberians with the tools to gain control of their lives thru more equitable provision of opportunities in education, health, youth development, and social protection

**CORRESPONDING SDG GOALS FOR 2030:**

- **Goal 1:** No poverty
- **Goal 2:** Zero hunger
- **Goal 3:** Good health and well-being
- **Goal 4:** Quality education
- **Goal 5:** Gender equality
- **Goal 8:** Decent work and economic growth
- **Goal 10:** Reduced inequalities

**CORRESPONDING AGENDA 2063 ASPIRATIONS:**

- **Aspiration 1**-A prosperous Africa based on inclusive growth and sustainable development
- **Aspiration 6**-An Africa whose development is people-driven, relying on the potential offered by African People, especially its women and youth and caring for children

**HUMAN CAPACITY FOR A KNOWLEDGE ECONOMY** – Expanding universal access to Education, Technical Vocational Training, and to Information and Communication Technology

**DEVELOPMENT OUTCOME:** Achieving more inclusive and equitable quality education and greater access to ICT through the life cycle of all Liberians

**ACCESS TO HEALTH FOR ALL**--Improving wellbeing for all through intensified collaboration with development partners and the private sector

**DEVELOPMENT OUTCOME:** Increased access to quality healthcare and reduced overall morbidity/mortality with special focus on malaria and major RMNCAH outcomes

**GENDER EQUALITY**--Enhancing inclusiveness of women and girls to reduce inequalities in political, social, and economic life

**DEVELOPMENT OUTCOME:** Reduced gender inequality and more empowered women and girls

**SOCIAL PROTECTION**--Improved social protection system for effective and efficient service delivery

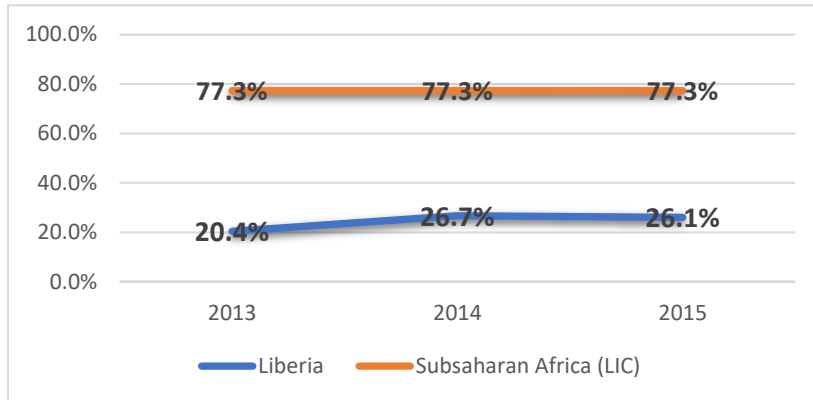
**DEVELOPMENT OUTCOME:** Increased and equitable access to social assistance, cash transfer, and inclusion through work opportunities for the most vulnerable and extremely poor groups and regions

## 2.2 Building Human Capacity for a Knowledge Economy

### 2.2.1 Basic Education and Technical Vocational Education and Training (TVET)

Progress has been made in increasing school enrollment; but Primary Net Enrollment Rate (NER) in Liberia is significantly lower

**Figure 2.1: Liberia vs Sub-Saharan Africa LIC Net Enrollment Rates**

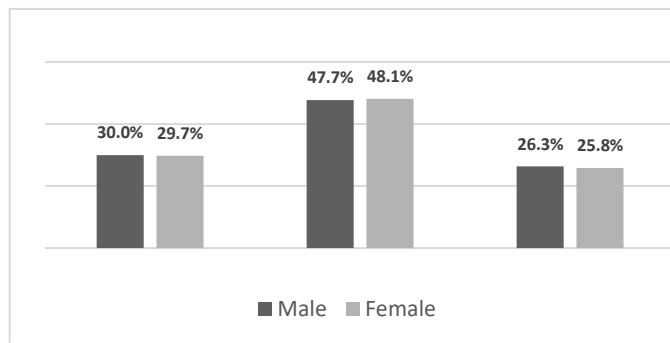


Sources: MOE EMIS 2016 and World Bank databases

interruptions caused by the EVD outbreak.

On a more positive note, NER was even for male and female students across all academic levels as can be seen in Figure 2.2; but nearly two thirds (61.5%) of schools do not have a library. Media centers with computers are virtually non-existent or nonfunctional. Only 58 percent of schools have latrine facilities segregated for boys and girls. At higher grade levels, retention of female students is a challenge.

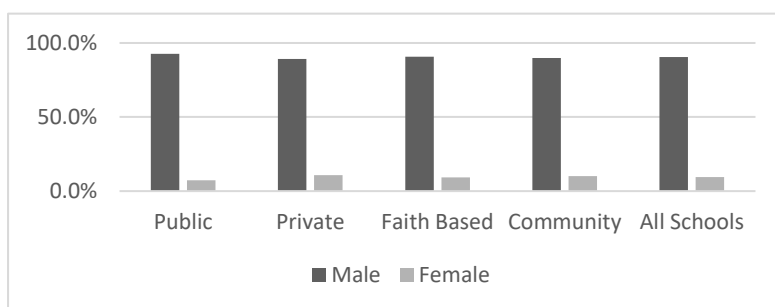
**Figure 2.2: Net Enrollment Rate by Gender 2015**



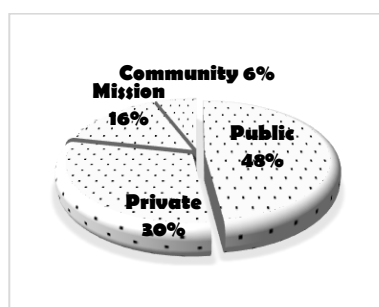
Source: MOE EMIS 2016

Women remain woefully under-represented in the makeup of the instructional staff. Figure 2.3 shows overall less than 10 percent of teachers are female creating a potentially demotivating absence of appropriate gender role models in the classroom environment during critical stages of the physical, psychological, and emotional development of girls. Figure 2.4 is organized by ownership types of schools. It shows public schools with the lowest proportion of female teachers. Figure 2.4 shows ownership of schools across all grade levels. Only 48 percent of schools are owned and operated by the government. The average number of students per teacher in public schools range from as high as 158:1 in primary grades to 93 to 1 in Senior High School. The estimated deficit of qualified public-school teachers in 2017 was 7,600.

**Figure 2.3: Teachers by Gender by School Ownership**



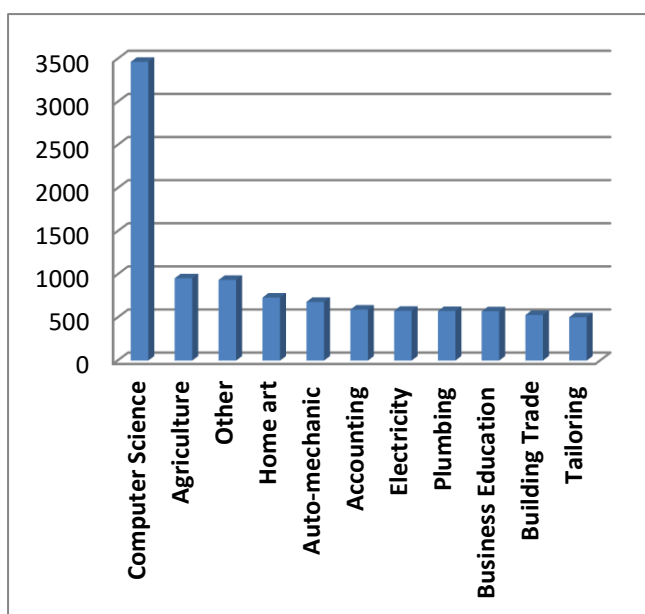
**Figure 2.4: Ownership of Schools**



To get the maximum return on investment in human capital, efforts should start in the early years of life. Early childhood is a critical developmental window when a child’s abilities or disabilities can be identified to aid further development. Early Childhood Development encompasses all aspects of children’s development including cognitive, social, emotional and physical abilities. In 2015, 13% of children aged 0-4 years were enrolled in ECD programmes. Children in urban areas (19%) were more likely to receive ECD services than children in rural areas (9.8%).

In Science, Technology, Engineering, and Math (STEM) and in TVET, programs are underdeveloped, and no national qualification framework or competence-driven curriculum exists. In addition to low standards of instruction, there is a severe mismatch between disciplines pursued by students and the current and future demand for skills in the economy. Figure 2.5 shows current enrollment by discipline in TVET programs. The forecast by MOE shows a potential demand for 620,000 skilled workers to fulfill industry demand by 2030 (Table 2.6).

**Figure 2.5: Current Enrollment by Discipline**  
(11 most common skills)



**Table 2.6: Market-Based Demand for Skills by 2030**

Sector	Current skills related jobs	Potential skills related Jobs by 2030
Oil Palm & oil palm Manufacturing	37,700	156,000
Rubber & rubber product manufacturing	49,000	267,000
Cocoa and Cocoa product manufacturing	30,000	100,000
Agriculture & Food Processing	2,500	35,000
Fisheries and fish processing	30,000	38,000
Other light manufacturing	3,000	24,000
<b>Total</b>	<b>152,000</b>	<b>620,000</b>

### 2.2.2 Higher Education

Thirty-four Higher Institutions of Learning (HIL) comprise the network of degree granting institutions in Liberia. Table 2.7 shows the breakout by ownership and specialization. Five are specialized institutions in health and education and one is a distance learning program. HIL will continue to face a litany of challenges throughout the near future.

The most fundamental of which is the ‘failure of aspiration’ of thousands of youth who graduate with the academic accreditation but cannot find suitable opportunities due to a lethargic growth of formal sector employment opportunities. Furthermore, the rapid growth in the number of privately-owned institutions have not been accompanied by significant improvement in academic standards or innovation in pedagogics. Finally, the shortage of instructional staff, infrastructure deficits, and affordability of higher education relative to the financial ability of students will continue to constrain capacity to meet the higher education needs of the country over the medium term.

Moreover, higher education studies are presented from an Anglo-Eurocentric perspective that emphasizes the culture and achievements of Westerners. This view impedes a positive view of African culture, law, and governance, that potentially thwarts national unity. In part, the limited historical and cultural relevance of higher education in Liberia underscores the lack of a common identity, which has contributed to self-inflicted tragedies. While Liberians must acknowledge that the study of other nations’ historical and cultural subjects is relevant, such studies must not take precedence over a national historical and cultural perspective to educating our children about our rich triple heritage and the centrality of the unifying and transformative power of education in African societies.

**Table 2.7: Higher Institutions of Learning in Liberia**

Category	Number
Public University	2
Private University	7
Private Colleges	12
National Teachers College (public)	2
Specialized Health Institutions (public and private)	3
Distance Learning Center (public program)	1
Community colleges (public)	7

Going forward, this national Development Plan (2018-2023) underscores the beginning of an audacious attempt to design and migrate to curricula of relevance or vision for modernizing both human and material resources so HIL’s can live up to both the cultural commitments, the demand for technical skills, and the demand for a more Africa regional outlook within an increasingly competitive global environment.

The autonomous National Commission on Higher Education intends to create a comprehensive and cohesive group of higher education institutions that will focus on providing the specialized skills needed by priority sectors of national development (e.g., agriculture, infrastructure, health, education, fisheries, and forestry), extend the possibilities for second chance opportunities, develop affiliated businesses that use the creative capacity of the higher education community to generate income and economic potential for the country, and enable the intellect of Liberia to apply its potential for national wealth creation and to African cultural resurgence.

### 2.2.3 Challenges going Forward

The challenges that will face the education sector going forward fall into three categories:

1. expanding good quality education infrastructure (including improving access to ICT for men and women)
2. improving instructional quality, impact, and achieving gender balance in the classroom
3. delivering more relevant skills to meet the demand of the growing economy and the competitive global knowledge environment.



#### 2.2.4 Strategic Priorities for Basic Education and TVET 2018 to 2023

The complete results framework establishing targets at all education levels and the strategies for addressing the challenges over the next five years can be found in Annex I. In keeping with the principles of “leave no one behind”, the framework is structure to reflect interventions at each stage of the life cycle of Liberians. The high-level national targets are linked to the SDGs. Table 2.8 presents a framework in terms of the short to medium-term priorities in basic education and TVET; while Table 2.9 is for higher education.

**Table 2.8: Short to Medium Term Priorities for Basic Education and TVET**

<b>HIGH-LEVEL NATIONAL TARGETS</b>	<b>Short-Term Interventions</b>	<b>Medium-Term Interventions</b>	<b>Long-Term Interventions</b>
Reduce Early Childhood Education (ECE) student to classroom ratio below 50:1 in all counties and rollout standardized curricula and specialized ECE training	Develop standardized curricula and sustainable programs in early childhood education, ensuring that capacities are built for this level of the system  ensure through systematic monitoring that schools and institutions operating such programs conform to the curricula & standards	School renovation and classroom construction in targeted counties where ECE classes are overcrowded;  New and existing school’s construction and upgrading of facilities	Inter-sectorial collaboration with other Ministries and nongovernment partners to ensure delivery of integrated services of components required to sustain early childhood programs, , addressing fees at the ECE level
Ensure that 70% of male and female Senior High School Students will pass WASSCE with a score of Division 1-6	Introduce competency and demand driven skills curriculum; rollout 3 track multidisciplinary high school curriculum; upgrade learning resource centers and provide well-equipped labs,	introduce specialized training for STEM teachers; mandatory continuous professional development for teachers and principals; facilities upgrade, recruit qualified STEM teachers	Establish 3 regional STEM institutions
increase the proportion of appropriately qualified and trained teachers to 60%; and double the number of female teachers in public school classrooms	Remove unqualified/delinquent teachers from the payroll, invest in training B-Certificates and hiring more teachers with Bachelor’s degrees,	Establish teacher licensing system to qualify and train to teach the grades and subjects assigned; Roll out specialized training and certification for ECE teachers	Construct housing for teachers in remote communities

Provide lifelong learning opportunities through market driven TVET and Alternative Learning skills	Expand alternative learning programs to areas of low adult literacy Implement a national service program recruiting adults to receive on-the-job skills training in areas that support the education sector	Upgrade 4 TVET institutes;	Certify BWI to award degrees in TVET to train and license TVET instructors
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### 2.2.5 Strategic Priorities for Higher Education 2018 to 2023

The government commits to reviewing the challenges of delivering Higher Education through a structured approach. In FY2018/19, a comprehensive assessment of Higher Institutions of Learning (HIL) will be completed. Thereafter, six core thrusts will be the focus of HIL over the PAPD period:

1. Create a strategic, systematic, and affordable long-term plan for higher education transformation
2. Reinforce the governance and management system of higher education
3. Improve the cultural and economic relevance, level of capacity, accessibility, and participation in higher education; in the context of emerging demands for highly skilled and culturally-sensitive professionals in government and in the private sector
4. Enhance the quality of higher education pedagogy and infrastructure to become at par with regional standards
5. Rationalize the disciplines on offer and the content of degree-granting programs among the network of community colleges to make them more relevant to anticipated local demand for a mid-level professional workforce
6. Build strategic partnerships with HIL overseas for the long-term growth of higher education institutions

**Table 2.9: Short to Medium Term Priorities in Higher Institutions of Learning**

<b>HIGH-LEVEL NATIONAL TARGET</b>	<b>Short-Term Interventions</b>	<b>Medium-Term Interventions</b>	<b>Long-Term Interventions</b>
Rollout a more structured strategy for improving the relevance of HIL for men and women around six core thrusts by 2020	Identify programs offer in fields which align with professional manpower needs for economic development around science, technology, engineering and mathematics (STEM)	Harmonize and roll out curriculum with English West African Countries;  Conduct comparative cost-effectiveness study in financing the offering of five disciplines in three HIL's	Establish quality assurance mechanism; and strengthen accreditation system

## 2.3 Expanding Access to Essential Health Services

### 2.3.1 Improving Health Service Delivery and Infrastructure

The government recognizes that access to basic health care through the life cycle of all Liberians is a critical contributor to economic productivity and is a function of a healthy and thriving citizenry. Whether they are engaged in productive activities in the formal or informal sector, a healthy workforce is critical to the successful attainment of the Vision 2030 objective of becoming a united and prosperous nation. Moreover, to earn a substantial demographic dividend, our largely youthful population must live long, healthy, and productive lives to reach their economic potential. To this end, it is understood that access to basic health will be a fundamental contributor to the evolution of human capital that will drive our socio-economic development agenda.

Over the past decade, enormous progress has been made in the Health Sector. Significant gains were made in improving performance on major Reproductive, Maternal, Newborn, Child and Adolescent Health (RMNCAH) indicators. RMNCAH services are now available across the 15 counties. Skilled birth attendant to population is now 11.8 per 10,000 population from 4 per 1000 in 2006; while infant mortality is now 54 per 1,000 live births, compared to 72 deaths per 1,000 live births in 2007(LDHS). Infant mortality declined from 71 deaths per 1,000 live births to 54 deaths per 1,000 live births; neonatal mortality decreased from 32 to 26, and under five mortality also decrease from 110 to 94 deaths per 1,000 live births.

Contraceptive prevalence increased among currently married women from 10.3 in 2007 to 19.1 percent in 2013 and among sexually active un-married women from 23.1 in 2007 to 34.6 in 2013 (LDHS). Teenage pregnancy still stands at 31 percent demanding a differentiated approach to adolescent health service. Population access to healthcare within 5KM or 1-hour walk is 71 percent-up from 41 percent in 2008 (NHPC & LDHS).

**Community Health Assistance Program:** Community Health Assistants (CHA's) are delivering an integrated and standardized service delivery package; which includes curative, preventive, promotive, rehabilitative and palliative services, to households located more than one-hour walk (more than 5km) from the nearest health facility. Households located within 5km of a health facility, are receiving tailored package of services delivered by other community cadres. To date, 76.2 percent or 2,904 of the overall targeted 4,000 CHAs have been recruited, trained, and deployed in 13 counties. The CHA program is a promising approach that can, potentially, change the narrative around health care delivery in Liberia.

**Communicable Diseases:** Malaria is endemic, and the entire population is at risk of the disease. Children under five and pregnant women are the most affected groups. According to data from the Health Facility Survey (HFS, 2013) malaria accounted for 42 percent of outpatient department attendance and 39 percent of in-patient deaths. The total number of cases reported between 2016 and 2017, however, has fallen by nearly 29 percent from 1,517,115 to 1,069,880. TB case notification improved by 24 percent in 2015; thus, placing the overall notification at 7,119 (56%) at the end of 2016. Liberia TB treatment success rate has increased from 68 percent in 2015 to 76 percent in 2016.

The Liberia Demographic and Health Survey of 2013 (LDHS) estimates the national HIV prevalence rate among sexually-active adults (15-49 years) to be 2.1 percent, with variations based on sex, age range, geography, and socio-economic status. Leprosy is still a public health concern, with prevalence (3.61/10000) above the World Health Organization (WHO) threshold.

Prevalence of other Neglected Tropical Diseases (NTD) remains very high. Mass Drug Administration for the elimination and control is ongoing in all counties for Onchocerciasis and Soil transmitted helminths. Lymphatic Filariasis Mass Drug Administration is ongoing in 13 counties except for Bomi and Gbarpolu. Schistosomiasis Mass Drug Administration is ongoing in 13 counties except for Rivercess and Grand Kru.

**Non-Communicable Diseases:** Liberia has only one psychiatrist, no doctoral level psychologists, and few social workers (WHO-AIMS 2017). Liberia needs over 1,000 mental health professionals. Also, WHO estimates that Liberia needs 427 trained psychiatric nurses (9.5 for every 100,000 population). There is one psychiatric referral hospital and 4 Wellness Units.

Cancer remains a serious issue. Only two (2) public and one (1) private facility are currently screening for cancer. There is little or no access to chemotherapy and radiotherapy, thus rendering cancer treatment services very inadequate. Eye health is available but at a high cost in Monrovia. Outside of Monrovia limited eye care is available at a few secondary hospitals--Ganta, Phebe, Zwedru, Fishtown, Harper, Barclayville and Greenville.

**Immunization:** Liberia added new antigens into its routine immunization program. The antigens are Yellow Fever - 2007; Pentavalent Vaccine - 2009 replacing DPT; Pneumococcal Conjugate Vaccine - 2014; Rotavirus Containing Vaccine, RCV - 2016; and Human Papillomavirus Vaccine Demonstration in Bong & Nimba Counties and Inactivated Polio Vaccine, IPV - 2017.

**Drugs and Medical Supplies:** Enormous progress has been made in setting into place the institutional framework for an effective supply chain management system. A temporary quality testing Lab will house the Liberia Medicines and Health Products Regulatory Agency (LMHRA), while the construction of a new testing lab that meets ISO standard is being planned. A central warehouse on the outskirts of the capital is 85 percent completed with pending occupancy in June. The warehouse will receive, store and distribute medicines and medical supplies throughout the Healthcare System. The LMHRA is currently receiving and evaluating medicines and health products for registration.

**Diagnostic Services:** Diagnostic capacity has improved over the years. Molecular diagnostic and Microbiology techniques are up and running at the National Reference Laboratory (NRL), and at Phebe and Tappita hospitals. About 70 percent of the laboratory infrastructure at JDJ hospital has been improved. Notwithstanding, capacity for diagnostic is still limited due to a combination of infrastructure deficits, inadequate human resource and technical capacities, and inadequate or lack of modern diagnostic equipment.

**Integrated Disease Surveillance and Response (IDSR):** Post EVD outbreak, preventing and controlling public health threats and mitigating related risks are national priorities. Among several strategies put in place to address threats is a functional public health surveillance system with an early warning system which uses the IDSR platform. The system is managed by the newly-established National Public Health Institute of Liberia (NPHI).

Eleven of the 15 counties experienced disease outbreaks and humanitarian emergencies with the most frequent being measles (20), Lassa fever (5) and pertussis (5). The high frequency of measles outbreaks may be related to its endemicity and the high number of susceptible children in the population. Recurring outbreaks of Lassa fever were also noted particularly in Nimba and Bong counties. Two health-related emergencies involving flood and mudslides in Margibi and Bong Counties as well as an incident of chemical spills in Bong County were reported.

### 2.3.2 Challenges going forward

Notwithstanding these achievements, there are daunting challenges confronting the health sector that need inter-sectorial as well as multi-sectorial collaboration and investments to mitigate. Key among these challenges are:

1. High maternal and under five mortalities
2. Heavy reliance on donor financing and high out of pocket expenditure
3. Inaccessibility to healthcare for 29 percent of the population (largely rural areas)
4. A relatively large, and yet insufficient, health workforce that requires substantial investments and upgrading of skills
5. Looming health threats due to diseases of epidemic potential.

High maternal (774 per 100,000 live births) and under five deaths (94 per 1,000 live births) are undesirable. Government will strive to improve the current situation by investing in cost effective and sustainable strategies that will reduce mortality and the unbearable suffering of people.

Despite the introduction of the Essential Package of Health Services (EPHS), only 56 percent of health facilities are ready to provide services according to the general readiness index; according to the Service Availability and Readiness Assessment (SARA) 2018 survey. Despite a 15 percent increase in the number of health service delivery points from 2016 to 2018, availability of essential medicines reduced by 8 percent. Table 2.10 shows density of services per unit population.

The capacity for mental health service delivery is limited. Limited skilled workforce, infrastructures, and access to psychotropic medications are among the challenges faced in effective service delivery.

Malnutrition remains a major public health concern affecting mostly children under-five. Approximately 32 per cent of children under five are stunted (short for their age), 59 per cent are micronutrient deficient, 6 per cent are wasted (thin for their height) and 5 per cent are under weight (thin for their age). The national prevalence of stunting reduced from 39.4 percent (DHS, 2007) to 32 percent (DHS,2013) and has since plateaued. The government will increase awareness and sensitization on nutrition program and scale up 10 direct nutrition interventions across the life cycle.

**Table 2.10: Density of Health Services per Unit Population**

<b>Health Services</b>	<b>Density per unit population</b>
Population living within 5KM in Liberia	71%
Health infrastructure per 10,000 population	1 (standard is 2)
Inpatient beds per 10,000 population	6.3 (standard is 25)
Maternity beds per 1,000 pregnant women	4 (standard is 10)
Core health workers per 10,000 population	11.8 (WHO standard is 23) with three out of 15 counties with as low as 1-3 per 10,000 population.
Outpatient visits per person per year	1.8 (standard is 3-5)
Health facilities have basic amenities (water, electricity and sanitary facilities)	57%
Laboratory diagnostics capacity on average	facilities were able to perform 1 out of 12 tests
Availability of basic equipment	19% of health facilities
Facilities with all requirements for standard score for standard precaution	was only at 11%,
Essential medicines were available on average	66%
General score for health centers 2017	59%

### 2.3.3 Financing Health Care

#### 2.3.4.1 Free Health Care Policy

The Free Health Care Policy is intended to deliver the EPHS free at the point of use. Nevertheless, user fees are prevalent. Among households who received health care services for the most recent visits, 58 percent paid user fees for inpatient services and 49 percent for outpatient services<sup>31</sup>. The Free Health Care Policy offers limited protection from financial hardship due to the cost of health services and may be regressive. The prevalence of catastrophic health expenditures is twice as high for the poor than for high income earners. Only fifteen percent of poor households incur catastrophic health expenditures compared to 8 percent for the non-poor<sup>32</sup>.

Progress has been made in pooling on-budget funding, but the arrangement remains fragmented. Efforts to channel more funding on-budget through the health sector pool fund (HSPF) has not been fully realized. Only about 20 percent of the on-budget external financing is pooled under the HSPF. The remainder is earmarked and not fungible, affecting planning and predictability. The purchasing function remains passive (WB, 2008): health facilities and staff are paid based on historical budget and are not 'incentivized' to deliver quality health services.

With support from the United States Agency for International Development (USAID), Fixed Amount Reimbursement Agreement (FARA) was introduced for strategic purchasing. Under FARA, reimbursements are made for the cost of providing the EPHS in three counties – Bong, Lofa, and Nimba – contingent on the fulfillment of agreed upon deliverables (MSH, 2016). The allocation of funding is neither population nor need-based fostering both unequal and inefficient service delivery.

#### 2.3.3.2 Delivering the Essential Package of Health Services

The current situation is characterized by inadequate health financing, underdeveloped health services infrastructure, a shortage of both human resources for health and essential medical supplies and limited administrative and managerial competence. These restrict health service delivery and coverage. Therefore, equity and access to quality health care remains limited. High out-of-pocket (42% of total, NHA 2013/2014) expenditure on health care especially among low income earners, generally signifies a lack of financial risk protection against catastrophic health risks for the poor.

Misallocation of resources across investment areas, counties, and healthcare functions contributes to unequal distribution of resources in the health sector (US\$89 urban vs. US\$32 rural per capita) -- about 76 percent of resources spent on curative care and 10% on preventive care, while funding is congested at central level (RM FY 17/19). Areas such as health infrastructure, HRH, drugs & medical supplies face the biggest resource gap. Furthermore, the lack of a subsidy policy on health sector grants has misguided allocations/transfers to spending entities.

For the next 5 years, priorities under health care financing reform will involve strengthening of the public financial management system to achieve efficiency gains. It is therefore imperative to reform the Liberian Health Financing System through an alternative strategy. The Liberia Health Equity Fund (LHEF) is a proposed health financing mechanism and strategy to achieve equitable Universal Health Coverage (UHC) for Liberia (Health Sector Investment Plan 2015-2021).

### 2.3.4 Partnerships in Healthcare Delivery

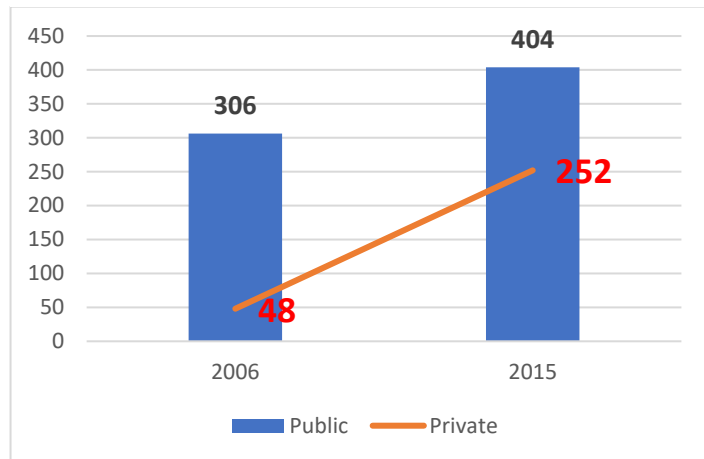
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<sup>31</sup> Wang 2016

<sup>32</sup> LISGIS, HIES 2014

The number of functional government facilities increased by 32 percent between 2006 and 2015; while private health facilities increased more than 40 times (by 425%). But about 200 of the 252 private health facilities in 2015 were in Montserrado county. Figure 2.6 illustrates the growing involvement of the private sector in delivering health care. Partly because of this growth in the number of private health facilities, 86 percent of the population living in urban areas lived less than one hour's walk from a health facility by 2015—more than 4 out of every 5 city residents now live less than 40 minutes' walk away. The challenge for city dwellers is affordability and quality.

**Figure 2.6: Number of Health Facilities by Ownership**



Government acknowledges that “wastage and use of resources for purposes other than they were intended”<sup>33</sup> and corruption remains a major impediment to improving public health service delivery—along with shortage of skilled workers and health care professionals, and a costly hospital component (38% of government funds) when most of the disease burden can be averted with community health and preventive measures. Therefore, the government sees both nonprofit and private actors as strategic partners in health service delivery well into the future and will continue to build productive relationships over the period of this NDP.

### 2.3.5 Strategic Priorities for Essential Health Services 2018 to 2023

To expand access to health and address persistent morbidity and mortality, the PAPD commits to increasing access to quality health care delivery, setting into place an effective and sustainable healthcare financing arrangement, and reducing morbidity and mortality with special focus on malaria (42% of morbidity) and on reproductive, maternal, newborn, child, and adolescent health (RMNCAH).

In this regard, the PAPD aims to achieve eight targets over the next five years. Table 2.11 provides a list of those targets, the corresponding SDG goals, the strategies to achieve the targets along with the sets of priority programs and activities. The corresponding results framework also includes the intersectoral linkages that will be critical to achieving the targets and can be found in Annex III. The eight targets to be achieved by 2023 are as follows:

1. Reduce maternal mortality ratio from 774 to 497 per 100,000 live births
2. Reduce Under-5 mortality ratio to 57 per 1000 live births
3. Reduce Under-5 stunting (malnutrition) from 32 percent to 22 percent
4. Reduce malaria prevalence by more than half to 20 percent
5. Raise the share of rural population living within 5KM of service delivery point to 75 percent
6. Ninety percent of public health facilities will report no stock out of essential medicines
7. Respond to 100 percent of disease outbreaks within 48 hours
8. Reduce out of pocket payments to 35 percent of total health care cost through sustainable health financing mechanism.

<sup>33</sup> National Health Accounts

**Table 2.11: Short to Medium Term Priorities in Providing Essential Health Services**

<b>HIGH LEVEL NATIONAL TARGETS</b>	<b>Short-Term Interventions</b>	<b>Medium-Term Interventions</b>	<b>Long-term Interventions</b>
<p><b>Maternal mortality ratio:</b> 497<sup>34</sup> per 100,000 live births by 2023</p> <p>Increase access and improved system delivery of quality healthcare and reduced overall morbidity and mortality with special focus on malaria, major RMNCAH outcomes, disease surveillance to its people</p>	<p>Train, equitably and deploy health care providers (CMs, RNs, PAs &amp; MDs) in CEmONC and BEmONC services. Carryout routine ANC based ITNs and periodic ITNs distributions nationwide and Scale up IPT uptake to prevent malaria in pregnancy</p>	<p>Heighten maternal death surveillance and response Provide and maintain ambulances to strengthen referrals networks</p> <p>Provide medicines and supplies to strengthen community case management for malaria, Carryout education and clients/defaulters tracing for HIV&amp;TB thru CHAs</p>	<p>Scale up family planning Services &amp; train health care providers and mentors to deliver adolescent friendly health services including Sexual Reproductive Health and family planning for both in and out of school adolescents using multi-sectoral approach</p>
<p>Provide more effective health financing and training of health care workers with up to date technology;</p>	<p>Validate health financing reforms strategy and implement in phases,</p>	<p>Develop, enact and implement Liberia Health Equity Fund (LHEF) legislation, Train, equip, incentivize and deploy health workers throughout the country</p>	<p>Enroll 90% of professional health workers on the GOL payroll that are contractors and provide motivational packages base on area of assignment</p>

<sup>34</sup> National Health Investment Plan for Building a Resilient Health System



## 2.4 Ending Vulnerability and Disparity

### 2.4.1 Vulnerability and Inequality

To end vulnerability, and reduce gender and social inequality, the government of Liberia has passed into law, ratified, and acceded to thirty domestic and international conventions. These include:

1. Constitution of the Republic of Liberia-Chapter III: Fundamental Rights
2. Inheritance Act of 1998 (specifies Equal Rights in Marriage and Inheritance under Customary and Statutory Laws)
3. The Rape Law of 2005
4. The Anti-Human Trafficking Act of 2005
5. Children’s Law of 2015
6. The Adoption Law of
7. Revised Act of the National Social Security and Welfare Corporation (NASSCORP) of 2017
8. The African Charter on Human and People ‘s Rights and its Protocol on the Rights of Women in Africa
9. AU Protocols on Children
10. The New Partnership for African Development (NEPAD)
11. The Solemn Declaration on Gender Equality in Africa (2004)
12. African Charter on the Rights of Women in Africa 2005
13. Conventions on the Elimination of All Forms of Discrimination Against Women (CEDAW and its Optional Protocol)
14. Convention on the Rights of Child of (1990) and its Optional Protocol
15. Convention on the Rights of Persons with Disabilities (2006)
16. International Covenant on Civil and Political Rights (1966)
17. International Covenant on Economic Social and Cultural Rights (1966)
18. ILO Abolition of Forced Labour Convention, 1957 (No. 105)
19. ILO Discrimination (Employment and Occupation) Conventions, 1958 (No. 111)
20. ILO Worst Forms of Child Labour Convention, 1999 (No. 102)
21. UN Security Council Resolution 1325
22. UN Security Council Resolution 1820
23. UN Security Council Resolution 1612 (Children and Armed Conflict)
24. Beijing Declaration and Platform for Action (1995)
25. International Conference on Population and Development (1994)
26. United Nations Declaration on Violence Against Women (1993); MDGs (2000)
27. Vienna Declaration and Program of Action in 1993
28. Universal Declaration of Human Rights
29. Millennium Declaration (MDGs)
30. Sustainable Development Goals (SDG)

The government is committed to ensuring that all domestic policies and practices conform to the agreed values, codes, and standards contained in these commitments as well as other relevant treaties, conventions and instruments adopted through international platforms. Nevertheless, the government recognizes that fiscal space is limited; and the capacity to gather and organize impact and service delivery information in a systematic way to feed into a high-level decision-making process is also limited. Institutional knowledge and knowledge retention on the related policies and strategies are weak areas. Understanding concepts, unpacking them, and utilizing them to drive policy and strategies are specific areas that need strengthening at senior and mid management levels of the responsible MACs that are the duty-bearers of these instruments.

As a part of the effort to leave no one behind, the government sees poor, disadvantaged, and vulnerable groups in the population as part of our national assets. Fulfilling government's commitment to include them into our national development plan in substantive ways is a strategy of the PAPD. Therefore, issues concerning women and girls' empowerment, At-Risk children and youths, people with disability, people living with HIV, and EVD survivors are included in efforts to reduce absolute poverty by an additional 23 percent and widespread vulnerability over the next six years.

Similarly, investment in social protection was a new policy area injected into the AfT as part of the transition from humanitarian assistance. The experience with using this policy tool to reduce vulnerability and decrease poverty (finance, food, and fuel crisis) levels is therefore limited but evolving. The intervening EVD outbreak, saw national priorities return to life-saving humanitarian assistance; upending prospects of a smooth transition to sustainable development, and exacerbating widespread vulnerability once again. Moreover, all the SP programmes under the AfT were donor-funded and delivered by the end of 2017.

No comprehensive review of the implementation of the National Social Protection Policy has been done. Nevertheless, the initial and very limited evidence available from the final evaluation of the pilot social cash transfers (SCT) to poor, food insecure, and labor constrains households in Bomi and Maryland counties, suggests that food security, health, education, and economic conditions of participating households improved markedly. Moreover, the evaluation found evidence of a multiplier effect benefiting the 52 communities and the local economies where beneficiaries reside.

## 2.4.2 Children Protection

### 2.4.2.1 *Improving Coverage and Targeting of Social Protection Services for Children*

From 2005 to 2017, the number of orphanages in Liberia decreased from 114 to 56, with a corresponding reduction of the number of orphans from 5,000 plus to 2,251. Eight government facilities—including a transit center for children were established. Of the 8,697 children affected by the EVD outbreak, 2,310 received case management services including follow-up visits, medical, food and nonfood items and educational services. Government is committed to the policy of seeking reunification with family (or next of kin) as the first and best option for providing a nurturing environment for children.

Government is also committed to implementing the Child Welfare and Protection Policy and updating its accompanying 5-year plan of action. An adoption law, which protects adopted children national and internationally, has an accompanying standard operating procedure which will be followed by adoption agencies and individual opting to access adoption services.

## 2.4.3 Empowering Women and Girls

Liberia ranks among the lowest 10 countries on the Gender Inequality Index (GII) reflecting pervasive disparity across political, social, and economic dimensions. There is a revised gender policy available to guide the mainstreaming of gender issues in Liberia. Several reports on the domestication and implementation of international treaties, including those related to women and girls, have been drafted and validated.

The government commits to using the findings and recommendations to inform an update to the guide to enforcing mainstreaming gender issues. Regarding SGBV, seven safe homes for survivors of gender-based violence were established and will be sustained. The legal aspects of the SGBV response is also a major component of Pillar Three interventions. Table 2.12 shows the short,

medium priority interventions for women empowerment. The entire Results Framework can be found in Annex II.

**Table 2.12: Short, Medium, and Long-Term Priorities for Women Empowerment**

HIGH LEVEL NATIONAL TARGETS	Short-Term Interventions	Medium-Term Interventions	Long-Term Interventions
375,000 women to be empowered across the 15 counties over the next 5 years	<p>Assess the existing status of women and girls in society and compile their needs for prioritizing and addressing to reduce the capacity deficit</p> <p>Ensure the allocation &amp; expenditure of public expenditure on gender equality policies is consistent with the Government's commitment of this goal through the application of gender-responsive budgeting (GRB) for an efficient management of resources</p>	<p>Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels through equitable education access at all levels, and other opportunities</p> <p>Strengthen the implementation of the National Gender Policy to reduce and eliminate the existing discrimination against women and girls by addressing unequal outcomes between women and men</p>	<p>Establish in-built mechanisms for the regular and consistent monitoring and evaluation (M&amp;E) of gendered interventions to assess their impact through the collection of gender-disaggregated data and other tools</p> <p>Reduce overall gender inequality index (GII) by half</p>
Increase political participation of women at the national and local levels to reach a target of .. by 2023	Develop methodologies and standards for Collect data on the proportion of women in leadership positions in political and public life by level and by type; extend this to the local government level where this is necessary but missing at present in partnership with United Cities & Local Governance, Africa (UCLGA)	Build women's capacity to influence decision-making by providing a voice and a platform to determine public priorities and spending patterns to ensure adequate provision of services, guarantee their physical integrity and reproductive	Address the different needs of women's participating in politics and decision-making at all levels, in different functions and across all spheres of government, including as voters, candidates for local, regional and national elections, members of parliament or local council, Heads of State and Government and ministers, etc
Incidence of SGBV reduced by 50% by 2023 through the provision of appropriate support services & access to justice systems	<p>Measure the prevalence of SGBV in all its forms, particularly intimate partner violence; Survey cases of SGBV against minors and take special steps to prevent and address them</p> <p>Raise awareness among communities about referral systems and ensure these are efficiently functioning; Sensitize traditional, religious and community leaders after undertaking a social audit</p>	<p>Popularize SGBV concepts in academic institutions beginning with secondary schools</p> <p>Organize training programs at regular intervals for sustained information among the major stakeholders</p>	Eliminate all harmful practices, such as child, early and forced marriage and female genital mutilation

#### 2.4.4 Investing in Social Protection

Within the context of the PAPD, social protection (SP) is a long-term investment strategy supporting the development of Liberia's human capital resource. The investment complements efforts to return the economy to strong growth and yields immediate gains on efforts to reduce both poverty levels and economic inequality. Through the social protection strategy, significant reductions will be made in every MPI indicator in every region.

The previous NDP's achieved strong growth from a narrow economic base, realized modest reduction in poverty, but increased regional inequality. Under this NDP, the government will leverage SP investments to reduce regional inequality, unemployment and underemployment, expand access to finance for food insecure and labor constrained households, capitalize microenterprises, and stimulate local demand and supply for goods and services that can be provided by the local private sector.

The government will also leverage SP investments to address risks and vulnerability, as well as poverty through a system of cash or in-kind transfers—through both contributory and noncontributory programs. Given Liberia's history, the government also commits to enforcement of laws that convey appropriate rights and protection to citizens with special attention given to disadvantaged groups.

##### 2.4.4.1 *Global Consensus on Social Protection*

Liberia is a state party to the new consensus adopted by the 100th Session of the International Labour Conference in 2011—the two-dimensional strategy on the extension of social protection. This two-dimensional approach aims at the gradual implementation of national social protection floors containing basic social security guarantees towards the realization of universal access to essential health care and income security at least at a nationally defined minimum level (horizontal dimension), in line with the Social Protection Floors Recommendation, 2012 (No. 202) , and the progressive achievement of higher levels of protection (vertical dimension) within comprehensive social security systems according to the Social Security (Minimum Standards) Convention, 1952 (No. 102).

Liberia aspires to a national social protection floor (SPF) comprised of the following four social security guarantees:

1. access to essential health care, including maternity care, as addressed under the health sector interventions
2. basic income security for children, providing access to nutrition, education, care and any other necessary goods and services;
3. basic income security for persons in active age who are unable to earn enough income, in cases of sickness, unemployment, maternity and disability;
4. basic income security for older persons.

Such guarantees will be provided progressively to all residents and all children, as defined in national laws and regulations, and subject to existing international obligations. Under the PAPD, it is important to develop a comprehensive social protection system that establishes an SPF; and progressively develops higher levels of benefits, combining different financing methods. The SPF must be adapted to Liberia's unique socio-economic profile to ensure that no-one is left behind.

##### 2.4.4.2 *Providing Basic Income, Education, and Care for Children*

The Liberia Children's Law 2011 provides a comprehensive framework for the recognition and realization of children's rights with respect to their protection, development, and socio-economic

participation. Among others, the Children’s Law details rights to: parenthood and care; an adequate standard of living; access to medically necessary health care; access to education; access to adequate shelter, food and water. This Law has however not been adequately translated into SP strategies, plans, and programs to facilitate the comprehensive attainment of its objectives.

Consistent with the access to education and health objectives of the Children’s Law, fee waivers for education and health have been instituted. Public schools are subsidized at the primary and secondary level. Families, however, remain responsible for registration fees. The registration fees typically cover the difference between the funding provided to a school by the Government, and the actual operating costs of that school (World Bank, 2012). Additional education expenses include uniforms and books. Table 2.13 shows the typical out of pocket expenses incurred by households as at 2016. The national average spent by households on school related expenses is LD 8,843 per year, which translates to more than 5 USD /month. In the poorest quintile, the expenditure amounted to LD 2,271 per year, approximately a tenth of the LD 20,000 spend by the richest quintile. Poor and food insecure households in the poorest quintiles struggle to meet this modest amount; hence they will need targeted support beyond a universal fee waiver.

**Table 2.13: Family Out of Pocket Expenses on Education in 2016**

Expenses	National	Urban	Rural	Poorest Quintile	Richest Quintile
School fees	5,796	8,831	107	902	14,469
Books	689	919	329	225	1,261
Uniforms	1,010	1,185	737	664	1,408
Transport	75	119	7	1	273
Extra Tuition	223	319	74	86	539
Other materials	895	1,188	439	334	1,703
Extra-Curricular	69	97	24	19	172
Other contribution	86	105	57	40	177
Total	8,843	12,763	1,774	2,271	20,002

Source: LISGIS HIES 2016

The main social protection programs linked to children are the Liberia Social Safety Net project (LSSN) and the School Meals programs. LSSN is a cash transfer program to extremely poor and food insecure households in the counties with the highest incidences of vulnerability, namely Bomi, Maryland, Grand Kru, and River Gee. The LSSN budget amounts to 10 million USD from 2017 to 2021 (effectively), from which 8.1 million USD will be delivered as transfers to 10,000 households. The transfers will be made to the female member in each household, with the most responsibility for household spending.

Based on the economic analysis of the poverty gap and household consumption among extremely poor households, the transfer amount is pegged at between 10 USD and 34 USD per month, depending on the size of the households. In parallel to the cash transfer, the project will also develop a Social Registry targeted to register 200,000 households in the six counties in its first phase but with the objective of becoming a national household registry.

The other major social protection intervention benefiting children is the school feeding programs. Like the LSSN project, these programs are exclusively funded by donors due to limited fiscal space in the government resource envelope. Coverage of the school feeding programs currently extends to

300,000 students, a decline from the 500,000 participants in 2015. This program provides around 300,000 school meals in nine counties. It additionally, provides take-home rations to 3,000 adolescent female students.

Most classical school feeding programs have centralized food purchasing arrangements. Two projects are currently piloting the Home-Grown School Feeding (HGSF) in three districts of Nimba County, targeting 20,000 school children. The HGSF aims to utilize local farmers to provide schools with the requisite food rations.

The national HGSF initiative seeks to:

1. Improve food and nutrition security in vulnerable communities through increased local production and consumption of nutritious foods
2. Increase farmers' income and enhance resilience to shocks by promoting access of smallholders to production inputs and market opportunities through the home-grown school feeding program;
3. Use the provision of daily school meals to increase enrolment to basic education and student retention, to ultimately gain academic performance improvements

The current planned expenditure of the school feeding program is equivalent to around 0.8 percent of GDP. Table 2.14 shows the number of beneficiaries, and expenditure of the two main child-related SP projects.

**Table 2.14: Social Safety Net and School Feeding**

Program	Beneficiaries	Total Budget	Share of GDP	Status
Social Safety Net project	10,000 (HH)	2,000,000 USD	0.09%	On-going
School Feeding Programs	300,000	18,635,400 USD	0.8%	On-going

Preliminary cost estimates to assess the feasibility of providing a universal school feeding to all pre-school and primary school children have been undertaken by the ILO and the government. The projected cost of this program, based on an annual cost estimate of 60 USD per child / per annum, to cover over 679,000 children by 2022, is expected to peak at 1.58% of GDP. Table 2.14a shows these estimates on an annual basis as percent of GDP.

**Table 2.14-a: ILO Universal Pre & Primary School Feeding Cost estimates**

Universal Pre & Primary School Feeding Programs	2019	2020	2021	2022
Cost (as a % of GDP)	0.39%	0.81%	1.21%	1.58%
Number of beneficiaries	129,100	295,500	467,700	679,700

Source: ILO calculations

In the wider context of the PAPD, scaling up the School Feeding program is considered a fundamental intervention because of its direct impact on school enrolment rate and the human development capacity of its citizens. A combination of the school feeding with local food production initiatives, is an interesting innovation which provides a multi-sectoral social protection intervention targeting school enrolment and nutritional needs for children, as well as food and income security for participating youth and working age persons. This innovation also provides an exciting prospect for developing sustainable program interventions.

#### *2.4.4.3 Providing Basic Income Security for the Working Age Population*

The protection of workers from occupational disease and injury, as well as invalidity and death in service, is a key program facilitated via the 1975 and the Revised 2017 National Social Security and Welfare Act. These legislations also created the National Social Security and Welfare Corporation (NASSCORP) to administer the programs and the associated funds. Despite the Employment Injury scheme (EIS) program being mandatory, the current coverage is 125,000 workers, which only represents close to 10 percent coverage of the total labour force and around 40 percent of formal employment.<sup>35</sup>

Effective July 2018, the total contribution rate to NASSCORP will amount to 10 percent of the monthly wage, with 8 percent applied to the National Pension Scheme which provided old age, invalidity and survivors benefits, and 2 percent to the Employment Injury scheme. EIS provides participants with a maximum of 65 percent of their covered earnings in the event of a work-related accident. In case of death, the participant's family receives a lump sum equal to 38 percent of the accrued annual old-age pension. Due to the lack of information by scheme participants, plus a cumbersome and bureaucratic claims procedure, access to EIS benefits is low. NASSCORP, workers' organisations and employers intend to work together to overcome the present challenges to facilitate the full realisation of workers' rights—with special attention to hazardous sectors, like rubber and mining.

The financial sustainability of NASSCORP is a key requirement to support the continued provision of contributory social protection systems. Ongoing efforts to address NASSCORP's financial sustainability includes the mandatory undertaking of periodic actuarial valuations, strengthening institutional governance structures, and development of regulatory oversight. Institutional capacity building of NASSCORP, via MIS and human resource investments, plus the effective enforcement of contribution compliance by employers are other initiatives to improve NASSCORP's resilience. Government has led by example to reduce its contribution arrears to NASSCORP by developing a multi-year premium re-payment schedule, as well as a commitment to ensure timely payment of currently due contributions.

According to LISGIS estimates, workers in the informal economy accounted for 78 percent of the labour force—with 80 to 90 percent in vulnerable employment situations.<sup>36</sup> It is these informal sector workers who are most in need of predictable social protection. NASSCORP, in consultation with its stakeholders, is developing strategies and programs applicable to the informal sector. Where feasible, such programs will be linked to other PADP skills, work, and financial inclusion programs.

The Decent Work Act 2015 calls for the creation of a decent work environment in Liberia. Whilst the Decent Work Act is administered by the Ministry of Labour, the Act establishes other institutions such as a Minimum Wage Board, a National Tripartite Council, and a Labour Inspectorate to give effect to its objectives. The Decent Work Act places the responsibility for workers' compensation in case of retirement, termination of employment, maternity and paternity, as well as work related injuries and occupational diseases, on employers.

In recognition of the complimentary objectives of the Decent Work and NASSCORP Acts, those employers who are participant in NASSCORP schemes are exempt from compliance with the Decent Work Act's retirement, employment injury, and disease provisioning requirements. Considering the rudimentary nature of most businesses in Liberia, and the limited capacity of the Ministry of Labour

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<sup>35</sup> Assuming 238,822 formal employees.

<sup>36</sup> LISGIS; HIES 2016



to effect compliance, the government acknowledges that the protection and benefit as envisaged by the Decent Act will only take effect over the long-term. Therefore, short-term measures to extend NASSCORP's coverage through the enforcement of registration and contribution by formal sector employers, as well as the development and implementation of adapted programs to enable the participation of workers in the informal economy, are critical to increase income security.

#### *2.4.3.4 Youth and Sports Development*

The previous Youth, Employment, Skills (YES) program has since been replaced by the Youth Opportunities Project (2016-2020). The objectives of the Youth Opportunities Project (YOP) is to improve access to income generation opportunities by vulnerable youth, as well as to strengthen the government's capacity to implement the embedded public works cash transfer program. The project will directly benefit about 15,000 targeted youth aged 15–35 years. To ensure gender mainstreaming, there is a goal of 50 percent participation rate by vulnerable female youth. In addition, the distribution of beneficiaries across urban and rural areas will be based on the proportion of total youth population in each area and prevalent poverty levels.

Adolescents aged 15–17 years in urban areas will benefit from pre-employment social support and career counselling. Youth aged 18–35 years will benefit from the business development support to household enterprises and productive public works. The public works component will ensure 100 days of work and training at 3 USD per day. The main target beneficiaries of national public works programs are vulnerable youth in rural areas.

There are several components to the YOP project. The first component is the pre-employment social support and household enterprises for urban youth. This component will contribute to addressing youth labor market participation and behavioral constraints through the following three sub-components; pre-employment social support, business development support to household enterprises, as well capacity and systems building of the YOP project.

The second YOP component is the productive public works and life skills support. This component will consist of two sub-components: roll-out and administration of productive public works as well as the provision of life skills. The third component is the capacity building for cash transfer program. This component aims to improve efficiency in the delivery of cash transfers to targeted households.<sup>37</sup>

The Youth Entrepreneurship and Employment Project (YEEP) aims to invest in the revitalization of the capacity and program design of the Technical and Vocational Education and Training (TVET) system. YEEP also aims to develop and deliver an entrepreneurship curriculum as well as to establish business incubation centres to support Small and Medium-sized Enterprises (SMEs).

The government notes that investment in social protection/labor market interventions for the youth has declined significantly and plans to reverse this experience through a combination of (entrepreneurial and labor-based) skills development, as well as public works and financial inclusion interventions. The current number of participants under the Employment Injury Scheme and the number of beneficiaries in the YOP can be seen in Table 2.15.

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<sup>37</sup> Source: <http://projects.worldbank.org/P146827/?lang=en&tab=details> and <http://documents.worldbank.org/curated/en/273911468190785404/pdf/PAD1159-PAD-P146827-Box393222B-IDA-R2015-0269-1.pdf>

**Table 2.15: Current and Anticipated Beneficiaries of Working Age Population Programs**

Program	Participants	Total Budget (US\$)	Share of GDP	Status
Employment Injury	125,000	-	-	On-going
Youth Opportunities Project	15,000	3,000,000 USD	0.14%	On-going

The government also sees sports and athlete’s development as important avenues to sustainable development, as an opportunity to cut across health and education, and simultaneously contribute to the priorities identified in Pillar Three—Sustaining the Peace and Pillar Two—Economy and Jobs. Therefore, government will restructure the under 17, under 20 and senior national teams to improve their performance and attract talented youth. Government will also build linkages to athletic programs at multilateral high schools to establish six sports academies in four regions of the country and use the investments to rehabilitate the sports infrastructures, strengthen school and grassroots community sports programs, engage nonprofit and for-profit actors in investments in athletic and sponsorship opportunities.

#### 2.4.3.5 Providing Basic Income Security Old Age Persons

The two pension systems covering private sector employees and civil servants were merged under Revised NASSCORP Act (2017). The reform will, *inter alia*, make it easier for workers to move with their accrued pension rights when changing jobs between the public and private sector. There is no data on the exact number of employers administered occupational pension schemes currently in existence. Generally, these occupational pension schemes only exist for large (multi-national) companies. Most of the formal sector work force have no pension coverage.

As at 2015, there were 24,509 people receiving pensions from the NASSCORP administered National Pension Program as well as the Civil Service Scheme (refer Table 2.16 below). Yet according to the 2016 Household Survey, there are 163,545 people aged 60 and above in Liberia. Therefore, approximately 85 percent of people older than 60 do not receive any pension. Limited old age income security is forcing Liberians to work almost until death. According to the 2016 Household Survey, only 30.1 percent of people older than 60; 38.7 percent of people older than 70; and 41.5 percent at age 75 and above are not working.

**Table 2.16: People Receiving Pension Payments**

Program	Beneficiaries	Total Budget (estimated US\$)	Share of GDP	Status
National Pension Service (NASSCORP administered pension for private sector workers)	8,000	4,560,000	0.21%	On-going
Civil Service pension (now under NASSCORP administration)	16,509	7,429,000 USD	0.35%	On-going

Source: NASSCORP

The impact of universal non-contributory pension programs on poverty has been found to be multi-generational as these cash transfers are shared with the larger household. Preliminary cost estimates, to assess the feasibility of implementing a universal non-contributory pension scheme in Liberia based on a prospective benefit amount of 10 USD (L\$1500) per month can be seen in Table 2.16-a.

**Table 2.16 - a: ILO Universal Pension Cost Estimates (Age 70 and above)**

Universal Old Age Pension Programs (Age 70+)	2019	2020	2021	2022
Cost (as a % of GDP)	0.09%	0.2%	0.3%	0.4%
Number of beneficiaries	15,800	36,400	58,800	86,800

Source: ILO and govt. calculations

From these estimates, the cost of the universal pension program is expected to peak in 2022 (assuming full participation of persons who have attained the requisite age) at 0.4 percent of GDP at the qualifying age of beneficiaries set at 70 years. The implementation of universal old-age program will complement the LSSN, encourage Liberians to enrol in the national identification registry, as well as promote contributory participation in the national pension scheme for the working population.

#### 2.4.3.6 Providing Basic Income Security for Disabled Persons

Persons with Disability are most likely to fall within Liberia’s most vulnerable groups. Accurate statistics on the number of disabled persons in Liberia is not available. Further, these statistics can vary due to the variance of disability concepts and classifications. Provisional estimates the disability rate in Liberia at 20 percent of the population, on the back of health, civil war, and economic related exigencies.<sup>38</sup> The government estimates the incidence of absolute poverty among the disabled to be near 99 percent and is further compounded by structural discrimination.

Consistent with the government’s social protection objective that non-one is left behind, it is critical to develop structured national programs to reduce acute poverty and structural discrimination experienced by the disabled. Key amongst these interventions is the introduction of a cash transfer program for the severely disabled. It is again expected that these cash benefits will benefit not only the disabled persons, but their families as well.

Economic empowerment of the disabled, constitutes a first step to counter poverty and structural discrimination. Relevant education, rehabilitation and work-related programs will also be developed in partnership with disabled persons organizations (DPOs). Table 2.16-b below depicts the projected cost of a universal cash transfers scheme to the severely disabled, with a monthly benefit amount of 10 USD (L\$1,500), assuming a 1 percent severe disability rate.

**Table 2.16 - b: Universal Cash Transfer Estimate (Severely Disabled Persons)**

Universal Cash Transfer Programs (Severely Disabled)	2019	2020	2021	2022
Cost (as a % of GDP)	0.07%	0.14%	0.21%	0.28%
Number of beneficiaries	10,762	24,798	39,492	57,746

Source: ILO calculations

#### 2.4.5 Priorities going forward with Youth and Sports Development

Table 2.17 outlines the short, medium, and long-term priorities towards two national targets for 25,000 young people to be achieved using SP strategies under the youth and sports development programs. Two programs are currently donor funded. The full results framework is in Annex II.

<sup>38</sup> Swedish International Development Cooperation Agency (SIDA) report; 2014

**Table 2.17: Short, Medium, and Long-Term Priorities for Youths**

<b>HIGH LEVEL NATIONAL TARGET</b>	<b>Short-Term Interventions</b>	<b>Medium-Term Interventions</b>	<b>Long-Term Interventions</b>
15,000 targeted youth aged 15–35 years by 2020; half of which are women	Pre-employment social support, household enterprises	capacity and systems building; productive public works and life skills support	Establish rehabilitation services for vulnerable youths
10,000 young people enrolled in productive public works and life skills training by 2023	Information, Education, and Communication Campaign and Community Sensitization; Formation of the County Steering Committee Selection of Districts and Clans	Recruitment of Community Facilitator; Signing of Performance Contract between LACE, Community Facilitator, and Community Oversight Committees Beneficiary Selection;	Completion and Commissioning; Grievance and Redress; Subproject Launch and Implementation
Six sports academies established throughout Liberia—at least 4 in poor regions of the country	Restructure under 17, under 20, and senior national teams; link to athletic programs at Multilateral schools across the country for sports facilities upgrading and sharing	Expose coaches and athletes to new learning opportunities	Strengthen school and grassroots community sports development programs; engage for profit and nonprofit private sector in investments and sponsorship opportunities

#### 2.4.6 Priorities going forward with Investments in Social Protection

Universal cash transfers for children, pregnant women, persons with severe disabilities and the elderly are affordable in low income countries, costing on average 4.2 percent of GDP<sup>39</sup>. From a Liberian perspective, cumulative cost estimates of universal cash and in-kind transfers to children, pregnant women, persons with severe disabilities, and the elderly, are estimated to start at 1 percent of GDP in 2019, peaking at 4.18 percent of GDP in 2022; when full participation is expected, and a conclusive social protection floor attained.

Achievement of Liberia’s long-term socio-economic development objectives is possible only with immediate, well-coordinated, and sustained social protection investments. The government has already operationalized the National Social Protection Steering Committee (NSPSC), whose mandate is to drive the implementation of the social protection policy agenda as well as to coordinate resource mobilization initiatives. The NSPSC will continue to support the implementation of the PAPD. It will discharge the mandate of SPF implementation and coordination, and form the Social Protection Technical Working Group, as outlined in the PAPD framework. To guarantee the sustainability and impact of these SPF investments, the government will ensure that the related programs are well designed and coordinated to enable beneficiaries to graduate from poverty. The NSPSC will play a critical role in these respects.

Moreover, the National Commission on Disability (NCD) will be fully established, and a five-year strategic plan for the NCD elaborated. The strategic plan will draw heavily on and prioritize the

<sup>39</sup> The ILO World Social Protection Report 2017-19

implementation of the National Action Plan for inclusion of Persons with Disabilities—the key instrument domesticating the UN Convention on the Rights of Persons with Disabilities (UNCRPD).

Table 2.18 shows short, medium, and long-term priority investments towards the creation of the SP floor. The complete results framework showing 10 national targets is in Annex II. In addition to the 200,000 persons that will be enrolled in the contributory national schemes, 439,000 persons will receive assistance in cash or in kind through government and donor-funded initiatives. An additional 259,000 persons in households receiving assistance will benefit indirectly. SP-themed interventions in one form or another should impact 1.5 million Liberians by 2023.

**Table 2.18: Short, Medium, and Long-Term Priority Investments for Social Protection**

HIGH-LEVEL NATIONAL TARGETS	Short-Term Interventions	Medium-Term Interventions	Long-Term Interventions
200,000 workers enrolled in NASSCORP by 2023	Review of human/IT resources and procedures; Actuarial valuation of NASSCORP funds; Strategy to enroll informal workers;	Reviewing the articulation with the Decent Work Act; Actuarial valuation of NASSCORP funds	Strengthening the governance structure of NASSCORP
Public investment in Social Protection increase 0 to 4% GDP by 2023	Partnership formation with other “left behind” groups; Advocacy campaign for prioritization within the multi-year fiscal framework	Continuous media messaging campaign	Interlinkages with PWD and gender advocacy groups for sustaining the investment levels
300,000 students receiving school meals by 2023	Training on nutrition-sensitive agricultural practices (growing nutrient-dense crops) through Farmer Field Schools; train women groups on improved production of micronutrient-rich foods; and provide nutrition-related education and advocacy to targeted vulnerable communities in the targeted counties	Provision of agricultural stimuli package (combination of cash and agricultural inputs) to poor smallholder farmers; Support the establishment and the functioning of community food reserves; Establish school gardens for piloting in the HGSF schools	Sensitize local food consumption through various communication channels; build Interlinkages with <b>Education and Health Sectors</b> to reduce malnutrition among children and keep girls in school
10,000 Extremely Poor and Food Insecure Households and 13,000 individual beneficiaries receive cash transfers by 2023	Payments system; Information Education and Communication mechanism; Screening and enrollment of beneficiaries; Pilot an innovative program of large cash transfer to enable	Accompanying measures; Home gardening accompanying measures; Nutrition accompanying measures	Build Interlinkages with <b>infrastructure projects under Pillar Two</b> through social inclusion through work initiatives
10,000 disabled people receive disability allowance	Income Generating Activities, skills assessment and empowerment, Self Help Groups strengthening	Vocational Training; roll out of national action plan for the inclusion of persons with disabilities	construction of ramps at major public and private schools,
70,000 people receive old-age non-contributory pensions by 2023 (full take up)	Payments system; Information Education and Communication mechanism;	Screening and enrollment of beneficiaries;	Accompanying measures; Interlinkages to <b>education and health</b> for improvements in elderly headed households
Commission responsible for	NCD establishment	Identification and	national action planning to

PWD's fully established; strategic plan completed in FY2018/2019	completed and five-year plan rolled out; National Action Plan aligned with PAPD	capture of People with disability in social register; resourcing and capacity building	support identified strategic objectives, to build Interlinkages to <b>education and health</b> , and to increase community resilience
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### 3.0. THE ECONOMY AND JOBS

#### 3.1 Introduction

Pillar Two emphasizes the maintenance of macroeconomic stability, building good infrastructure, and providing a business-friendly environment that can stimulate private productive investments and create more and better-quality jobs that are germane to sustaining the peace and to future economic growth. This pillar also describes critical interventions that the Government will pursue in the macroeconomic space to complement increased social investment in better quality education and healthcare described under Pillar One interventions--to help the poor lead more productive lives and increase their returns on investments in agriculture and in small, medium, and microenterprises. Government aims to improve human well-being by creating an enabling environment for growth in which the benefits are more broadly and equitably distributed over the medium to long term. Emphasis will be placed on inclusive economic growth that results in a wider access to sustainable socio-economic opportunities for a broader number of people and regions while protecting the vulnerable; all being done in an environment of fairness, equal justice, and political plurality<sup>40</sup>.

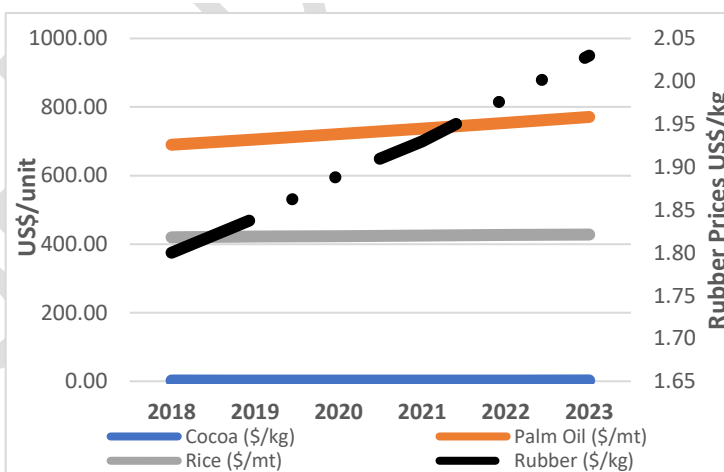
##### 3.1.1 Current State of the Economy

The first set of economic factors going forward relates to trends in the international environment. These factors are, in fact, largely beyond Liberia's control as a small open economy with high external dependency and vulnerability.

Figure 3.1 shows favorable global market price outlook for Liberia's main agricultural exports over the next five years and relative stability in the price of imported rice. The price of gold is expected to decline slightly but iron ore prices will

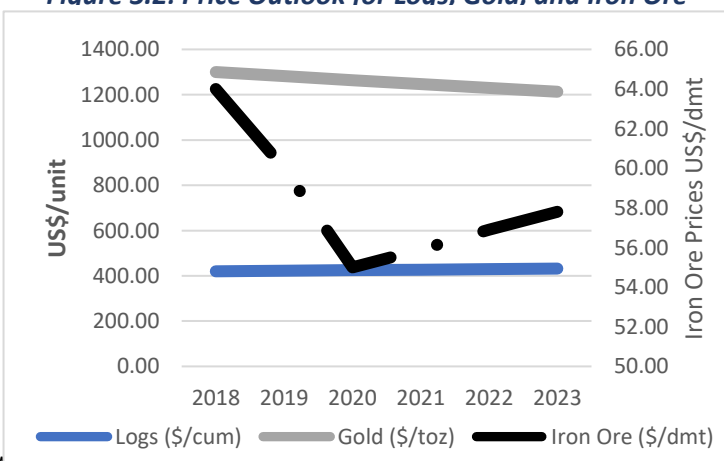
decline even faster between 2018 and 2020 and will begin to rebound thereafter as can be seen in Figure 3.2. The government anticipates much of the decline in iron ore prices will be counterbalanced by new oil palm plantations coming into production and the rising price and increasing value addition in the rubber industry--offsetting any

**Figure 3.1: Price Outlook for Major Agricultural Exports and Rice**



World Bank Commodities Price Forecast April 2018 (nominal US dollars)

**Figure 3.2: Price Outlook for Logs, Gold, and Iron Ore**



<sup>40</sup> African Development Bank Inclusive Growth Strategy

potential shock to the economy in the medium term.

As a percent of GDP, the value of remittance inflows makes Liberia the most dependent in Africa and the sixth most dependent in the world. By 2016, remittance inflows represented 27 percent of GDP.

*World Bank Commodities Price Forecast April 2018 (nominal US dollars)*

Inflows have consistently exceeded US\$350 million annually since 2010. Preliminary figures show approximately US\$574 million as of October 2017.<sup>41</sup> Given the large outflows/transfers from Liberia, these data need to be kept in perspective.

The second set of factors is internal and relates to the capacity to respond to the changing global circumstances which may require institutional reforms as well as improving the capacity to manage efficiently, innovate, and be more competitive globally and regionally. The internal capacity to respond to global circumstances, however, remains a binding constraint that government will address in its efforts to build a more capable state.

### 3.1.1.1 Macroeconomic Outlook

The economy grew by 8.3 percent and 8.7 percent in 2013 and 2014 respectively. The upward surge was underpinned by robust growth. By 2014, the twin shocks of the EVD outbreak and plummeting global commodity prices reduced the growth rate to 0.7 percent in 2014 and negative 1.6 in 2016 before rebounding to 2.5 percent in 2017. Table 3.1 shows selected Financial and Economic Indicators for the period 2012 to 2017.

**Table 3.1: Selected Economic and Financial Indicators 2012 to 2017**

INDICATOR	2012	2013	2014	2015	2016	2017
	(Annual percent change)					
Real GDP	8.3	8.7	0.7	0.0	-1.6	2.5
Real GDP excluding mining sector	3.4	4.3	0.3	2.6	2.6	0.2
Consumer prices (annual average)	6.8	7.6	9.9	7.7	8.8	12.4
Consumer prices (end of period)	7.7	8.5	7.7	8	12.5	13.9
	Percentage of GDP					
Exports	27.6	28.7	22.6	12.5	11.6	13.0
Imports	-61.5	-58.9	-54.3	-57.2	-39.7	-33.2
Total revenue	26.3	27.7	23.5	22.5	14.0	14.3
Grants	1.7	2.5	3.9	10.0	19.3	16.7
Total expenditure and net lending	31.4	31.7	29.3	40.9	36.0	35.8
Current expenditure	26.7	26.8	24.3	32.0	22.8	22.9
Capital expenditure	4.7	4.9	5.0	8.8	13.1	12.9
Overall fiscal balance, including grants	-3.4	-1.6	-1.9	-8.4	-2.7	-4.8
Overall fiscal balance, excluding grants	-5.1	-4.1	-5.8	-18.4	-22.0	-21.5
Public external debt	12.3	15.1	13.2	23	17.9	22.7
Public domestic debt	17.8	16.1	14.1	14.6	0.4	2.0
Current Account Balance including grants	-28.0	-34.7	-26.9	-32.2	-18.5	-22.7

Source: IMF staff and Liberian Government Authority

<sup>41</sup> World Bank Group; *Private Transfers, Remittances, and Welfare in Liberia*; August 2018

Current Account Balance excluding grants	-83.3	-84.3	-89.5	-87.4	-47.1	-44.2
M2/GDP	36.5	35	34.6	34.8	20.5	19.9
Gross official reserves (months of imports)	2.8	2.7	2.5	2.6	2.9	3.0

The agriculture and fisheries sector contribution rose from 24 to 27% of real sector GDP from 2012 to 2017. Rice yields increased from 1.5mt /ha to 3.5mt/ha (2011 - 2015), cassava production increased from 5.0mt/ha to 8.0mt/ha; while illegal fishing reduced from 83 percent to 30 percent (2009 - 2014).

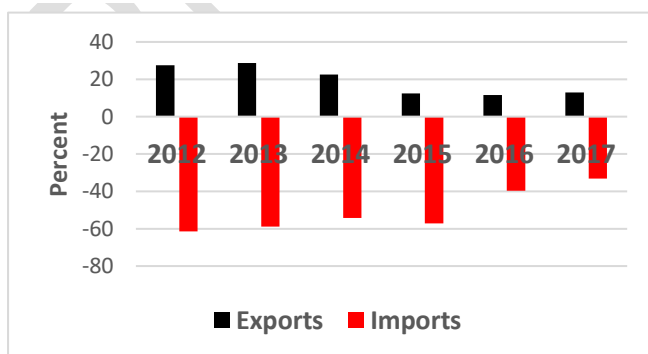
Rubber, cocoa, and oil palm are major cash crops. Cocoa yields increased from 200kg to 800kg per ha from 2010 to 2017, while rubber yields reach 0.8mt/ha in 2013. The level and scale of participation of Liberian enterprises and individuals increased in value with rib smoke sheet production and exports.

In the oil palm subsector, approximately 564 thousand hectares of land has been granted (or extended) under Agricultural Concession Agreements for commercial ventures since 2008. An additional 96 thousand hectares has been promised, but never delivered, for out grower oil palm farms. Nevertheless, access to the land to cultivate has been a challenge and only approximately 10 percent of the committed land has been placed under cultivation. As part of these arrangements, three multi-purpose and high performance (20 tons/hr.) oil processing factories are to be constructed.

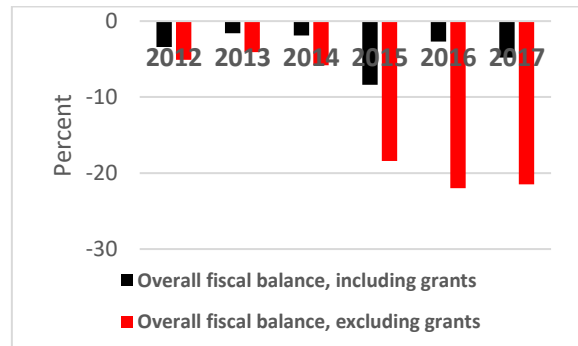
The forestry sector also grew from 8.0 percent in 2012 to 11 percent of the real GDP in 2017 and remains a major source of income, employment, and livelihood in Liberia. Slightly more than a third of Liberia’s population lives in forested areas, where forest resources provide a large share of formal employment and support informal income-generating activities, such as chainsaw milling and charcoal production as well. The annual revenue generated by chainsaw milling alone is estimated at between US\$31 and 41 million, or about 3 to 4 percent of GDP.<sup>42</sup> The service sector remains a major driver of growth rising from 43 percent in 2013 to 46.3 percent of the real GDP in 2017.

Exports as percent of GDP fell from 27.6 percent in 2012 to 22.6 percent in 2014. While the trend is downward to 2017, the effects of the rebasing of the GDP is visible in the 2016 and 2017 data. Imports went from negative 61.5 percent to negative 54.3 percent OF GDP in 2014. It reached negative 33.2 percent in 2017. The trend can be seen in Figure 3.3. Figure 3.4 shows fluctuating but generally widening fiscal deficits from 2012 to 2017.

**Figure 3.3: Exports and Imports as Percent of GDP**



**Figure 3.4: Fiscal Balance as Percent of GDP**



<sup>42</sup> USAID, 2015 Liberia Gap Analysis of Targeted Domestic Natural Resource Markets



### 3.1.1.2 *Constraints to Sustainable Economic Growth*

A weak policy environment and low labor productivity (equivalently, high unit costs of labor) make Liberia a less attractive destination for trade and investment. Lessons learned from implementing the previous national development plan inform that these binding constraints must be addressed for sustainable economic growth to begin. Moreover, coordinated strategies for improving public financial management and domestic resources mobilization must be supported by data consistent with national, regional and global aspirations.

Infrastructure deficits in roads, energy, transport and ICT are also impinging on investment and leading to the high cost of doing business--leaving much of the population at risk of being left behind. Additionally, Liberia's high dependency on exports of primary commodities with limited diversification and value chain linkages impacts export earnings, reduces reserves, and worsens the current account.

Relatively stable and low prices of imported food and fuel continue to have a moderating effect on domestic prices; but unfavorable changes in the medium term could have pass through effects on domestic prices. Going forward, domestic food production must be significantly increased to reduce imports and ensure food security. Money creation by government domestic borrowing (in Liberian dollars) have pushed inflation upwards--reducing the value of the currency over the past five years.

Susceptibility to external shocks, natural disasters, and epidemics will undermine the country's ability to sustain its development gains given the continuing state of fragility; hence the need to build resilience against these vulnerabilities while accelerating economic growth. Although recent developments suggest that Liberia has moved forward from collapse of the economy; in the near term, the country will continue to face numerous challenges to attaining and sustaining higher economic growth with transformation of the economy for better delivery of social goods to the people--a key determinant of life quality, welfare, and reduction in fragility.

### 3.1.2 *Development Outcomes and Macro fiscal Outlook*

The key development outcome for this pillar, upon unlocking these constraints, would be a stable macroeconomic environment, greater economic competitiveness with diversification, and significantly reduced infrastructure deficits. More effective management of natural resources and enhanced technology supporting economic growth and job creation would be additional outcomes produced under this pillar. Two growth scenarios are possible going forward: i) a Business as Usual (BAU) scenario and ii) an Optimistic scenario.

#### 3.1.2.1 *Business as Usual/Baseline Scenario*

In the BAU scenario, no shock takes place and the path of real GDP is exogenously fixed to follow the IMF and World Bank's medium-term forecasts. GDP growth is projected to increase from 3.2% in 2018 to 5.3% by 2023. This is underpinned by modest growth in the value of agriculture exports, fisheries, and services; and with very limited inflow of foreign direct investments. Inflation is projected to return to single digits during the last three years of the PAPD period (2020-2023), because of a proactive monetary policy, supported by prudent fiscal policy, a stable exchange rate, and a modest increase in domestic food production.

Exports are projected to increase from 12.9% to 13.1% of GDP. A combination of modest recovery of commodity prices, expansion in economic activity, and implementation of a more robust strategy, domestic revenue is projected to increase from 12.93% to 14.8% of GDP. Annual external loan disbursement is expected to double from about \$60 million to US\$120 million in the medium term.

### 3.1.2.2 Optimistic Scenario

The government anticipates a more optimistic scenario, which assumes the full implementation of the PAPD. Macroeconomic prospects will be better than those described in Table 3.2 below. In the optimistic scenario, the path of real GDP uses exogenously fixed forecasts for baselining. Raising Real GDP growth from 3.2% in 2018 to 5.8% in 2023 will be used as the minimum target of the government.

The Africa Agenda 2063 and Sustainable Development Goals (SDGS) 8, Target 8.1 call for “per capita economic growth in accordance with national circumstances and, in particular, at least 7 per cent gross domestic product growth per annum in the least developed countries”. Figure 3.5 shows a fan chart of the possible GDP growth range attainable by 2023. It shows that a more optimistic expectation of reaching or exceeding the targets set for least developed countries is within reach.

**Table 3.4: Forecasts of Selected Economic and Financial Indicators 2018 to 2023**

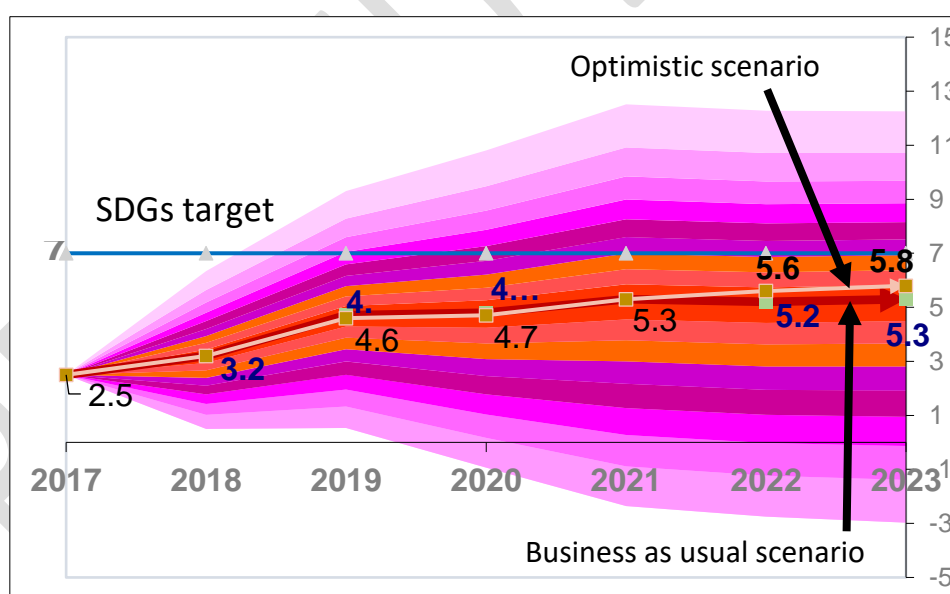
INDICATOR	2018	2019	2020	2021	2022	2023
	(Annual percent change)					
Real GDP	3.2	4.6	4.7	5.3	5.6	5.8
Agriculture & fisheries	2.7	3.9	4.2	5.1	6.8	8.0
Forestry	-4.0	5.0	4.0	6.0	6.0	5.0
Mining & panning	22.3	13.1	9.2	8.7	6.7	5.0
Manufacturing	1.6	3.0	4.7	7.0	7.0	7.0
Services	1.2	2.9	3.9	4.0	4.4	4.7
Real GDP excluding mining sector	1.1	3.4	4.1	4.8	5.5	6.0
Consumer prices (annual average)	11.7	10.5	9.5	8.5	7.5	6.3
Consumer prices (end of period)	11.0	10.0	9.0	8.0	7.0	5.5
	Percentage of GDP					
Exports	12.9	12.4	12.7	13.4	13.2	13.0
Imports	-31.1	-29.9	-29.5	-28.8	-27.8	-26.5
Total revenue	13.1	14.8	15.5	15.7	16.0	16.2
Grants	15.1	14.9	13.5	12.0	10.9	9.7
Total expenditure and net lending	33.0	33.2	31.9	30.8	29.9	28.4
Current expenditure	21.8	21.8	20.2	19.4	18.7	17.1
Capital expenditure	11.3	11.4	11.7	11.4	11.3	11.3
Overall fiscal balance, including grants	-4.8	-3.5	-3.0	-3.1	-3.0	-2.5
Overall fiscal balance, excluding grants	-19.9	-18.4	-16.5	-15.1	-13.9	-12.2
Public external debt	26.1	30.2	32.3	33.8	34.1	33.8
Public domestic debt	2.3	0.9	0.6	0.6	0.6	0.5
Current Account Balance including grants	-22.4	-22.1	-22.2	-21.8	-20.3	-19.5
Current Account Balance excluding grants	-39.0	-36.3	-34.9	-33.4	-30.5	-28.5
M2/GDP	19.9	19.9	19.9	19.9	19.9	19.9

Gross official reserves (months of imports)	3.0	3.2	3.2	3.2	3.1	3.0
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In this scenario, growth will be underpinned by robust fiscal and monetary and foreign exchange reforms to create the right policy environment, improve the doing business environment, increase competitiveness through investments in real growth-enabling sectors mainly agriculture and fisheries, forestry and service sectors; and by investments in transforming the infrastructure using approaches that are more labor-intensive and use more local content. This scenario also projects higher annual external loan disbursements per year, in line with Liberia’s Article IV commitment on debt sustainability, to meet high spending needs on capital investment projects. The government also intends to scale up investments in human capital development, as seen in Pillar One, to generate larger returns from public spending; while anticipating higher domestic resource mobilization to make up for any reduction in grant funding for social spending.

To open new and expand existing cross-border trade opportunities in the sub region, government will improve Liberia’s favorable position as a transport and re-export trade corridor by reducing its trading across borders distance to frontier (DTF) score of 72.23% to become comparable to its closest neighbors, Cote D’Ivoire, Guinea, and Sierra Leone at 45.85%, 53.76% and 51.01% respectively.<sup>43</sup> The first Special Economic Zone (SEZ) will open in FY2021/2022. Finally, partnerships with private actors on State Owned Enterprises reform will reduce pressure on public expenditure and increase FDI.

**Figure 3.5: Fan Chart showing the uncertainty inherent in projected GDP growth**



Source: MFDP projections

### 3.2 The Economy and Jobs Strategic Results for 2018 to 2023

The government intends to produce four development outcomes through programs and activities under Pillar Two as can be seen in Table 3.3. The outcomes and targets under this pillar correspond to 11 SDG’s, 4 aspirations of the Agenda 2063, and 2 peace and state building goals. The full set of

<sup>43</sup> Source: World Bank

key national targets is listed in Annex III showing the Results Framework of Pillar Two. The targets are enablers of economic progress; they therefore demand a combination of financing approaches to ensure that they are met. These approaches are discussed in detail in Chapter 7.

REVISED DRAFT

**Table 3.3: The Economy and Jobs 2018 to 2023**

<p><b>PILLAR GOAL:</b> A stable macroeconomic environment enabling private sector-led economic growth, greater competitiveness, and diversification of the economy</p> <p><b>CORRESPONDING SUSTAINABLE DEVELOPMENT GOALS (SDG) FOR 2030:</b></p> <ul style="list-style-type: none"> <li>• <b>Goal 2:</b> Zero hunger</li> <li>• <b>Goal 6:</b> Clean water and sanitation</li> <li>• <b>Goal 7:</b> Affordable and clean energy</li> <li>• <b>Goal 8:</b> Decent work and economic growth</li> <li>• <b>Goal 9:</b> Industry, innovation and infrastructure</li> <li>• <b>Goal 10:</b> Reduced inequalities</li> <li>• <b>Goal 11:</b> Sustainable cities and communities</li> <li>• <b>Goal 12:</b> Responsible consumption and production</li> <li>• <b>Goal 13:</b> Climate action</li> <li>• <b>Goal 15:</b> Life on land</li> <li>• <b>Goal 17:</b> Partnerships for the Goals</li> </ul> <p><b>CORRESPONDING AGENDA 2063 ASPIRATIONS:</b></p> <ul style="list-style-type: none"> <li>▪ <b>Aspiration 1-</b>A prosperous Africa based on inclusive growth and sustainable development</li> <li>▪ <b>Aspiration 2-</b>An integrated continent, politically united, based on ideals of Pan-Africanism and the Vision of Africa’s Renaissance</li> <li>▪ <b>Aspiration 6-</b>An Africa whose development is people-driven, relying on the potential offered by African People, especially its women, youth, and children</li> <li>▪ <b>Aspiration 7-</b>Africa as a strong, united and influential global player and partner</li> </ul> <p><b>CORRESPONDING NEW DEAL PEACEBUILDING AND STATEBUILDING GOALS (PSG):</b></p> <ul style="list-style-type: none"> <li>• <b>PSG 4:</b> Economic Foundation</li> <li>• <b>PSG 5:</b> Revenue and Services</li> </ul>
<p><b>CREATING THE RIGHT POLICY ENVIRONMENT:</b> Effective fiscal governance and prudent monetary and financial sector management</p> <p><b>DEVELOPMENT OUTCOME:</b> An improved environment for private-sector led growth; Balanced Revenue and Expenditure Outturns; Enhanced domestic revenue</p> <p><b>PLANS/POLICIES:</b> PFM Law; Act of 2009, Central Bank Action Plan</p>
<p><b>INCREASING THE COMPETITIVENESS OF EXISTING INDUSTRIES:</b> Competitive and more diversified economic sectors</p> <p><b>DEVELOPMENT OUTCOME:</b> Increased agricultural production and productivity and improved forest utilization through competitive value chains and market linkages</p> <p><b>PLANS/POLICIES:</b> Agriculture Sector Investment Plan (LASIP II) 2018-2022; Liberia Agricultural Transformation Agenda (LATA); Food Security and Nutrition Strategy</p>
<p><b>TRANSFORMING THE INFRASTRUCTURE:</b> Productivity increases through reduction in infrastructure deficits</p> <p><b>DEVELOPMENT OUTCOME:</b> Increased economic activity and connectivity through critical infrastructure improvements</p> <p><b>PLANS/POLICIES:</b> Road Fund Act; WASH Sector Strategy; Renewable Energy Strategy and Roadmap; ICT Policy;</p>
<p><b>SUSTAINED MEDIUM TO LONG TERM ECONOMIC GROWTH:</b> Increasing economic competitiveness while expanding markets</p> <p><b>DEVELOPMENT OUTCOME:</b> An improved fiscal and monetary policy management to promote economic growth and job creation;</p> <p><b>PLANS/POLICIES:</b> National Forestry Reform Act; National Biodiversity Strategy and Action Plan; National Environmental Policy; National Disaster Management Plan; ECOWAS Vision 2020; AU Agenda 2063; SDG 2030</p>

### 3.3 Creating the Right Policy Environment

The Government hopes to attain a more stable, resilient, and supportive macroeconomic environment by FY2019/2020 and sustain policy discipline throughout the PAPD period. The fiscal policy stance of the pro-poor economic strategy is therefore determined by the need to achieve rapid, sustained, broad-based, and employment-intensive growth. This opens the prospects of a counter-cyclical use of the fiscal budget only if the need arises. Generally, tax and expenditure policy decisions will be based on the ability to promote growth, redistribute the benefits of growth, reduce poverty, and create employment. Additionally, Government will enhance gender budgeting to capture gender responsive planning for more inclusive growth and development.

#### 3.3.1 Expanding the Fiscal Space

To reduce the current fiscal deficit, Government will embark on effective fiscal compliance by adhering to budget policy, priorities and programs. Government will also adopt expenditure switching mechanism by spending more on domestically produced products to reduce the demand on imports and create additional demand for goods and services through public procurement actions. It will also enforce the 25 percent procurement target to bring SMEs into supply arrangements with government around locally made import substitutes particularly for food and furniture. Government will sustain policy reforms in the medium-term as follows.

##### *3.3.1.1 Enhanced domestic revenue mobilization*

In line with the Addis Ababa Action Agenda (AAA) Financing for Development, Government has produced the Domestic Resources Mobilization (DRM) strategy aimed at strengthening existing tax policy and introducing new robust tax policy, systems, and administration. The strategy will be co-launched with the PAPD. Under the DRM strategy, Government will continue to implement reforms aimed at strengthening tax administration and broadening the tax base in the medium term. Government will, in the most efficient and fairest way, remove tax preferences, deal with transfer pricing abuses by multinational enterprises, and tax extractive industries transparently.

To prevent abuse of exemptions by concessionaires, government officials, non-profit organizations, and individuals, Government will limit the waivers to development priorities and revise the revenue code of 2000. Work on strategies that target the informal sector integration into the formal sector, enhance fiscal legitimacy, and tap the potential of some sectors such as urban property will continue. Government will enhance the e-governance infrastructure, boost administrative capacity, and seek international technical assistance to modernize the management of public finances and tax reform.

Over the medium to long-term, structural economic transformation to broaden the tax base will include: scaling up infrastructure investment to reduce production and trade costs (thus encouraging investment and trade); promoting private sector development including small and medium enterprises; consolidating governance reforms to improve the efficiency of the tax systems as well as the investment climate (thus encouraging more private sector activity and broadening the tax base); and regional integration to increase market size and trade to raise revenue from trade-related taxes. Government will also improve confidence in the currency by doing more tax receipt and expenditure payment transactions in the Liberian dollar; intervening sparingly in consultation with the CBL to moderate unanticipated fluctuations while ensuring no exchange risks.

##### *3.1.1.2 Reduce overall fiscal deficit to sustainable level*

Fiscal consolidation has been a challenge since 2012 evidenced by consistent shortfall in revenue performance. This was compounded in 2014 when Government increased spending to address the EVD outbreak. This effort saw the debt stock rise from 10.5% to 22.9% of GDP from FY12/13 to

FY14/15<sup>44</sup>. The underperformance of revenue was due mainly to shrinkage in mining and agriculture activities.

Going forward, Government will reduce off budgetary expenditures and contain the wage bill. Government will institute measures to contain other recurrent expenditure and redirect savings to priority investment projects. Government will also improve budget credibility by adhering to budget policy and priorities; and migrate key sectors to the medium-term expenditure framework (MTEF) to link public investment expenditures more effectively to medium term priorities.

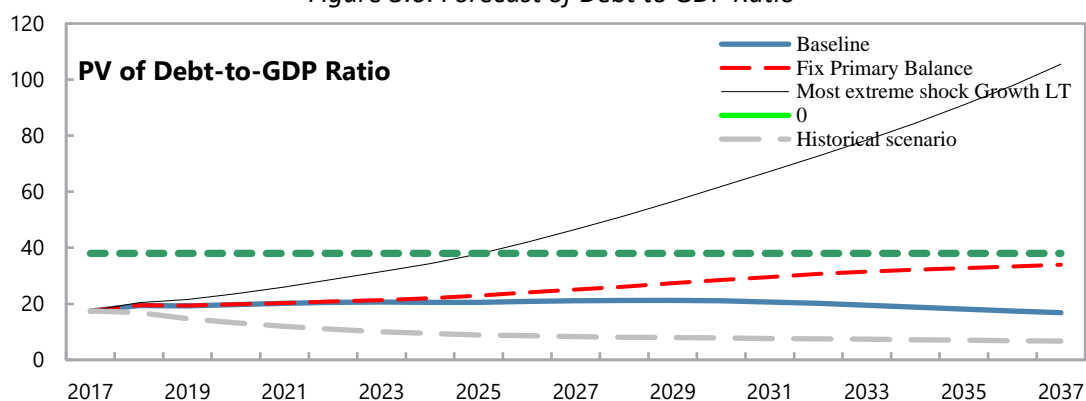
Government will also improve inter and intra-sectoral allocation based on PAPD priorities, align sectoral donor projects and program with sector budget to avoid multiple expenditure financing of sectoral programs and unplanned transfers of liabilities of donor funded project during the fiscal period. The open budget initiatives will resume to restore public confidence with greater transparency and accountability, ensuring more efficient use of public funds. Because of these measures, fiscal deficit will decline from 4.8% in 2018 to 2.5% of the GDP by 2023. Recurrent expenditure will decline from 21.8% in 2018 to 17.1% of the GDP by 2023.

### 3.3.1.3 Maintain debt at a sustainable level

Accumulated debt (external and domestic) has placed Liberia at moderate stress level. The debt to GDP ratio of 26.1% in 2018 will grow slightly to 33.8% in 2023. This is below the benchmark of 38% of GDP-which is the threshold for high risk of debt distress.<sup>45</sup> Government will ensure that debt repayment, compensation and non-discretionary payments are in line with priorities and new borrowing will target investment financing with a high positive rate of return. On the domestic front, the Debt Management Committee will review and approve financing of projects with high impact and past expenditures that meet the fiscal compliance framework.

Nevertheless, Government intends to borrow specifically to finance its infrastructure investment. It is anticipated that the investment financing activities will create additional jobs in the infrastructure sector particularly in energy transmission and distribution, road and ports construction, fiber optic installation and distribution, water and sanitation projects. Figure 3.6 shows the forecast of debt to GDP ratio rising moderately under the baseline assumptions.

Figure 3.6: Forecast of Debt to GDP Ratio



Source: GoL authorities and IMF Staff estimates and projections

1/The most extreme stress test is the test that yields the highest ratio on or before 2027

2/Revenue includes grants

<sup>44</sup> Mid Term Review of Agenda for Transformation, P.59

<sup>45</sup> IMF; Article IV Consultations, June 2018

### 3.3.2 Stabilize the Monetary System and Increase Financial Inclusion

The Government fiscal authority, in collaboration with the Central Bank of Liberia (CBL), will continue to focus on maintaining price and exchange rate stability (i.e. low and stable inflation environment) as its principal objective as stated in the CBL Act of 1999. In this regard, the Bank will work towards building the country's Gross International Reserves to protect the value of the Liberian dollar and the economy against external shock. The Bank will continue the ongoing efforts to strengthen and modernize its monetary policy framework by using various monetary policy instruments to manage liquidity in the economy to achieve and maintain a single digit inflation environment.

Monetary and exchange rate management in Liberia is characterized by the following: (i) the existing dual currency regime in which deposit and credit dollarization are about 80% and 90% respectively, undermining independent monetary policy and the CBL's ability to act as lender of the last resort; (ii) limited gross international reserves position; (iii) underdeveloped interbank market and poor transmission of monetary policy through interest rates; and (iv) the large amount of excess reserves outside of the banking system at the CBL which reduces the effectiveness of reserve requirements<sup>46</sup>.

The UN Peacekeeping Mission (UNMIL) foreign exchange inflows for food, services, and consumables initially supported the exchange rate but then generated depreciation pressure once UNMIL's operations downsized.<sup>47</sup> Development assistance, remittances inflows and outflows, and debt servicing have also been major drivers of the exchange rate. For promoting pro-poor economic openness, the CBL will implement an appropriate regime to ensure stability in the foreign exchange market with the clear medium-term objective of exchange rate stability. At the same time, the government will pursue an export promotion policy—while sustaining fiscal prudence and discipline.

The CBL will work closely with the Fiscal Authority to coordinate policy responses and, at the same time, protect the operational independence of the CBL within the confines of the CBL Act of 1999. CBL will continue to issue financial market instruments on behalf of Government and CBL bills and other market-based instruments to foster an active interbank market; and widen participation in the financial market aimed at managing excess liquidity in the economy. The CBL will develop a framework with specific indicators to monitor performance of the economy and consumer and business perceptions of the economy, and to provide policy prescriptions.

The CBL will also foster an active interbank market to widen participation in the T-bill auction to include private firms and individuals and encourage fiscal authority to offer more attractive yields on treasury instrument to create secondary market and develop additional policy instrument for effective management of excess liquidity in the economy<sup>48</sup>. The CBL will lead the process towards a gradual de-dollarization guided by a roadmap for the medium to long term transition to a single Liberian dollar currency by instituting policies to preserve the purchasing power of the Liberian dollar.

### 3.3.3 Transform the Business Regulatory Environment and Investment Climate

New business registration increased by 160% from 2009 to 2013, of which 94 percent were Liberian owned. Foreign-owned businesses grew from 162 in 2009 to 774 in 2012. MSMEs grew from 3,059 in 2011 to 7938 in 2013, of which women-owned businesses increased by 30%<sup>49</sup>. The Ministry of

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<sup>46</sup> IMF 7<sup>th</sup> and 8<sup>th</sup> Review, November 2017

<sup>47</sup> IMF Article IV Consultation, June 2018

<sup>48</sup> Central Bank of Liberia Policy Statement for 2018

<sup>49</sup> Agenda for Transformation Mid-term Report, p.65



Commerce and Industry (MOCI) established a Small Business Administration (SBA) Department to provide policy direction and monitor the MSMEs.

The number of days to legally register a business declined from 20 to 4.5 days in 2015. However, the Global Competitiveness Report (GCR) of 2017/18 placed Liberia at 3.08 score and ranked 131<sup>st</sup> of 137 countries. The GCR index measure nation competitiveness by the set of institutions, policies and factors that determine the level of productivity. Liberia Doing Business rank decline from 149<sup>th</sup> in 2012 to 172<sup>nd</sup> out of 190 countries in the 2018<sup>50</sup>. The Doing Business Report considers several factors including quality of governance, property rights, availability of infrastructure and services, the gender of the head of household, proximity to market, etc. In 2018, Liberia low performance is triggered by the lengthy and complicated procedures, time and cost to get connected to the electricity grid, the reliability of the electricity supply, and the transparency of tariffs.

Government will give higher priority to private sector development by exploring innovative ways to improve access to finance, strengthen the regulatory environment, property rights, and contract enforcement. The focus will also be on providing quality infrastructure to increase competitiveness of the environment and reduce the cost for doing business. Other targets include reducing administrative burdens, simplifying regulation, strengthening competition and cutting red tape in business registration.

Government will expand the Liberia Business Registry centers in five (5) counties, develop single window platform, and ensure the National Standard Laboratory facilities are fully accredited and aligned with the 15 requirements of International Organization of Standardization (ISO). Liberia will engage with the relevant regional institutions (the West African Monetary Agency and West African Monetary Institute) and the broader monetary union on regional integration program. Government will encourage Liberian firms to subscribe to ECOWAS Trade Liberalization Scheme (ETLS) certification--mainly for palm oil, rubber, cocoa, fish, and cassava. Government will also enforce the Common External Tariff (CET).

### 3.4 Increasing the Competitiveness of Existing Industries

The Government will facilitate the development of more competitive and diversified agricultural, fisheries and forestry Sectors. In addition to a reduction of the infrastructure deficits, Government will remove counter-productive regulations, ease restrictions on setting up businesses, reduce inflation to comparable international rate to reduce investment risk, and ensure that the exchange rate is competitive. Emphasis will also be placed on improving the returns for light manufacturing industries including food, beverages, household utensils and furniture, which account for a greater proportion of manufacturing jobs so that they continue to play a critical role in creation of employment opportunities.

#### 3.4.1 Increased Agriculture Production and Productivity

Mining and the extractive industries have been the traditional growth drivers of the economy. By the nature of these sectors few jobs are created compared to the agricultural sector. Approximately 50% of the labor force currently make their living in the agricultural sector<sup>51</sup>. Moreover, the sector is closely linked to poverty reduction and food security and is a major source of foreign exchange; contributing slightly more than half of the value (56%) of Liberia's exports and making a positive impact on the balance of payments (BoP) position.

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<sup>50</sup> World Bank Doing Business Report 2018, p. 174

<sup>51</sup> Labour Force Survey 2010, P. 34

Transforming the sector will be a critical prefatory stage to long term economic diversification and to establishing the basis for industrialization. Therefore, in the context of this plan, the government intends to pivot to agriculture and support the intensification of key strategic interventions outlined in the Liberia Agricultural Sector Investment Plan (LASIP II).

**Value Addition in the Agriculture Sector**



**The Cooper Rubber Processing Plant (CRPP)** is the first 100 percent Liberian owned plant. It will manufacture retreaded tires, roofing materials, electrical insulators, fixtures PVC pipes, fittings, rubber gloves, and other products. The initiative is a “A Call to Action” for Liberian entrepreneurs.

Mr. James E. Cooper is the vice president of the Rubber Planters Association of Liberia (RPAL) and the Chief Executive Officer (CEO) of CRPP. The Cooper CRPP purchases rubber from local farmers across the country to process them into crepe technically specified rubber (TSR) 10 which is then exported to automobile tire manufacturers in Asia and the United States. The plant also has the capacity to produce ribbed smoked sheets for export.

*3.4.1.1 Issues and challenges in the sector*

Despite its high contribution to GDP and employment opportunities, the agriculture sector is characterized by low productivity due to limited application of modern technology; small size of land holdings; aging agricultural work force and limited skilled work force and resources for extension services. Agriculture has also been seriously constrained by limited incentives to improve productivity.

Competition from imported food products has been intense because of the persistent overvaluation of the Liberian dollar. Net returns have been low because of the high costs of imported inputs; in part the reflection of weak infrastructure and the limited support to agriculture in general and agricultural research and development.

Access to productive land is a constraint for smallholders and large-scale investors due to conflicting claims under customary and private rights holdings. The notion that large tracts of “free and available” land that can be readily brought under cultivation is improbable. Infrastructure deficits, including inadequate feeder roads and energy, limit the sector’s potential for industrialization and job creation. The agricultural value chains remain under-developed.

A poorly performing marketing system, including high levels of informality in distribution channels, limited market information, and inadequate funding contribute to high pre and post-harvest losses. A weak policy, regulatory, and institutional framework; as well as policy choices that favor urban consumers, create disincentives for producers. Environmental issues--including soil erosion due to inadequate soil conservation techniques in hillside farming, use of chemical fertilizers, and impact of natural

hazards add to challenges to be addressed over the next five years.

*3.4.1.2 Agriculture sector development outcomes*

By 2023, Liberia will have a more competitive and diversified agricultural sector that promotes value chains for food self-sufficiency, increased exports, job creation, and livelihood opportunities. For Liberia to realize its potential for sustained economic growth, implementation of the LASIP II must be accelerated. Through partnerships with agricultural concessions and smallholders in the private sector, local food production and processing will be increased. The government intends to improve the regulatory environment for aggregators and quality control by accelerating the establishment of

the Liberia Agricultural Commodity Regulatory Agency (LACRA) The government also intends to use the SEZ strategy to boost value addition in food production and processing of forest products.

### LASIP

Government adopted the LASIP as the roadmap for competitiveness and diversified agricultural production. LASIP I (2010 to 2015) provided opportunities for recovery and acknowledged non-competitive productions and productivities for all crops. Under the PAPD LASIP II, a strategy that will enhance competitiveness of a few growth driving commodities--such as rice, cassava, cocoa, fisheries, horticulture, livestock, oil palm and rubber value chains will be implemented. Government anticipates an increase of at least 5 percent of the economy wide total factor productivity because of increase of 5 percent of public spending on raising agriculture productivity.<sup>52</sup>

Table 3.4 shows current projections for priority food crops over the next five years. Initially, priority will be given to food crops (rice, cassava and vegetables) in the most productive regions—Nimba, Bong, and Lofa; and to cash crops (rubber, oil palm and cocoa) to create wealth in rural areas and generate employment. The government commits to a unified, coherent, well-coordinated and financed strategy to increase output in food and cash crops.

**Table 3.3: Priority Food Crop Projections**

Food crop and source	2018	2019	2020	2021	2022	2023
<b>Rice</b>						
Domestic production	215,000	224,348	248,215	284,413	357,025	459,690
Deficit (Imports)	378,250	381,799	370,829	347,528	292,842	210,941
Total national requirements (MT)	593,250	606,147	619,043	631,940	649,867	670,630
<b>Cassava</b>						
National requirements (MT)	739,200	755,270	771,339	787,409	809,745	835,617
Crop hectares (ha):	92,400	94,409	96,417	98,426	101,218	104,452
Home consumption	369,600	377,635	385,670	393,704	404,873	417,809
Processed to finished cassava products (Gari, depah, HQCF, etc.)	369,600	377,635	385,670	393,704	404,873	417,809
Potential Revenue from processed cassava (US\$ mn) at US\$ 1,017/MT)	376	384	392	400	412	425
<b>Vegetables</b>						
National requirements (MT)	36,500	37,293	38,087	38,880	39,983	41,261

<sup>52</sup> Empirical analysis by the World Bank of the relationship between public spending and productivity in selected sectors using cross-country data in a panel of developing countries, estimated the elasticity of public spending to productivity changes and economic growth. The study concluded that for education and health expenditures to influence growth over the medium and long-term, they would have to be planned and executed in conjunction with the most economic expenditures. In the case of poor countries, the highest value is in the agriculture sector.

Crop hectares (ha):	304,167	310,779	317,391	324,004	333,195	343,841
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Notes: Baseline data from the Ministry of Agriculture. Projections done based on population growth to 2023

### 3.4.1.3 Priority commodities for domestic food consumption

According to the 2016 HIES, food consumption constitutes about 67.5 of household spending of which rice accounted for 22.4%<sup>53</sup>. The key strategy to increase food production is to support private sector participation, including using contract farming to attract farmers to participate. Production will be encouraged around processing facilities. This will reduce Liberia’s reliance on imported rice. Overall, food insecurity will reduce and agriculture contribution to GDP will rise from 26% to 35% by 2023.

More than 60% of farming households, about 264,009<sup>54</sup> households are engaged in cassava cultivation. Government will enhance cassava value chains by increasing access to inputs, especially for female farmers who are concentrated in subsistence farming. It will intensify research and development (R&D) on appropriate production technology and processing along the value chain, empower smallholder organizations, and foster an entrepreneurship mindset for farmers’ cooperatives.

The annual vegetable requirement of Liberia is 36,500 metric tons. This demand is expected to rise to 41,261 metric tons over the PAPD period. Government will also support the use of appropriate production technology and processing of multiple crops to improve productivity and continuous supply of vegetables. Supplied technology will include equipment, assorted improved seeds and planting material, as well as storage facilities. Government will continue its duty-free policy on agriculture equipment and products to sustain incentives for improved technology use.

### 3.4.1.4 Priority export commodities

Table 3.5 shows the projected production and exports of three priority crops—palm oil, rubber, and cocoa. Palm oil offers a great potential for diversification and is becoming a major export to the Sahel countries, Economic Community of West African States (ECOWAS) region, as well as the United States and European Union (EU) markets. Government will boost the productive capacity in the sector, particularly at the smallholder level, by intervening to resolve access to land challenges, and investing in skills development of out-growers and the labor force in close collaboration with the industry. Skills development will be accompanied by business and extension services support to strengthen cooperatives and Farmer Field Schools (FFS).

Increasing oil palm production and exports will be a priority. The government commits to finding an amicable solution to land disputes to bring additional acreage under oil palm cultivation because the potential is enormous. Bringing an additional 84,000 ha of out grower oil palm into production will lead to an estimated, 13,000 jobs, 150 million USD in exports, and 48 million USD in tax revenues. Moreover 34,000 residents of rural communities could benefit with a guarantee of a source of livelihood and the lives of 180,000 dependents will improve.

Rubber remains a mainstay of Liberia’s exports. Rubber remains the highest contributor to agriculture export and is anticipated to attract more than US\$86 million (12 percent increase) in export earnings. The level and scale of participation of Liberian enterprises and individuals increased in value with rib smoke sheet production and direct exports.

<sup>53</sup> Liberia Institute of Statistics and Geo-Information Services (LISGIS) Household Income and Expenditure Survey 2016, P. 22

<sup>54</sup> National Cassava Strategy, p.5

Government will strengthen the overall trade support network in the rubber sector and improve access to infrastructure and services. Government will also facilitate and strengthen access to inputs and research and development (R&D) to enhance production and processing along the value chain. In partnership with the Rubber Planters Association of Liberia (RPAL), small producers and their associations will foster an entrepreneurship mindset and improve access to finance.

Seven (7) major rubber plantations will provide raw materials to the value chain: i) Firestone – near Harbel, Margibi County; ii) Liberia Agricultural Company (LAC) – near Buchanan, Grand Bassa County; iii) Guthrie (also known as Goodrich plantation) near Baha, Bomi County; iv) Nimba Rubber inc. – near Cocopa, Nimba County; v) Salala Rubber Corporation – near Nienka, Margibi County; vi) Cavalla (initially part of the Firestone concession) – near Harper, Maryland County; vii) Sinoe Rubber Corporation (SRC) – near Greenville, Sinoe County.

*Table 5.5: Production and Exports Forecast of Priority Crops*

Commodity	2017	2018	2019	2020	2021	2022	2023
<b>Palm oil</b>							
Crude palm Oil Export (US \$ 000's)	6,865	7,192	7,526	7,863	8,213	8,557	8,911
Price (US\$/MT)	715	715	715	715	715	715	715
Export volume (MT)	9,605	10,064	10,530	11,003	11,492	11,973	12,469
Production volume (MT)	11,176	11,709	12,252	12,802	13,371	13,930	14,508
<b>Rubber</b>							
Rubber export (US \$ 000's)	76,978	79,076	80,964	82,449	83,854	85,172	86,469
Price (US\$/Kg)	1.843	1.843	1.843	1.843	1.843	1.843	1.843
Volume (MT)	41,768	42,906	43,931	44,737	45,499	46,214	46,918
Production volume(MT)	46,540	47,712	48,721	49,606	50,452	51,293	52,143
<b>Cocoa</b>							
Cocoa export (US \$ 000's)	2,759	7,558	9,356	11,657	15,026	19,975	27,363
Price (US\$/Kg)	2.03	2.03	2.03	2.03	2.03	2.03	2.03
Volume (MT)	1,360	3,724	4,610	5,744	7,404	9,843	13,483
Production volume(MT)	6,773	14,597	18,069	22,513	29,021	38,579	52,847

**Notes:** Baseline data from the Ministry of Agriculture and CBL. \*Export and production volume projected using GDP growth prospects of key importers. Commodity prices data are from the World Bank commodity prices. Identification of export partners is done through the Trademap from the International Trade Centre (<https://www.trademap.org>).

#### 3.4.1.5 Cocoa

Cocoa is projected to become the second highest agriculture export commodity by value. The forecast is more than US\$27 million in export earnings. From 2010 to 2017, cocoa yields increased from 200 kg to 800 kg per ha. Total production is expected to increase from 6,773 to 52847 metric tons by 2023.

Government intends to strengthen the overall trade support network in the cocoa sector. It will improve access to infrastructure and services and facilitate increased access to, and strengthen the ability of enterprises to utilize, trade information. The quality and efficiency of Licensed Buying Agents will be improved. Government will support cooperatives and Farmer Field Schools (FFS) in the sector and develop a strong Liberian cocoa brand – especially leveraging the future potential for exporting certified cocoa.

Government commits to pursuing innovative policy prescriptions targeting incentives, research and innovation, investment and industry and marketing, to accelerate pro-poor agenda in the agriculture sector. It will harmonize national agricultural instruments with regional and international standards, strengthen policy coordination, agricultural research and the extension system.

To increase access to finance, government will re-activate the Agriculture and Cooperative Development Bank (ACDB) to increase access to agricultural finance with specific options for women and youth farmers. The Cooperative Development Authority (CDA) and LACRA will be strengthened to improve agribusinesses along commodity chains and facilitate linkages to input and output markets.

#### 3.4.1.6 Fisheries Improvement

The fisheries subsector contributes 3% of the real GDP. Liberia's coastline and continental shelf has 20,000 sq km of fishing ground and currently produces about 8,000 tons of marine fish per year. Liberia's fish consumption capacity is 23,800 tons; meaning 15,800 tons are imported despite the opportunity. The Government invested in fish landing and cold storage infrastructure and facilities to be operated by the private sector in Robertsport and Monrovia. Another landing and cold storage is being developed in Grand Bassa County as a hub for fishing along the coast.

The sector provides income for women and youth through fishing cooperatives. Women make up approximately 60 percent of those making a living in the fishing industry. The average cooperative income is estimated at US\$66,700.00 per year and work opportunities for 37,000 Liberians and 114 fishing communities in the nine coastal counties are provided. Twelve fishing cooperatives are registered and supported by the Cooperatives Development Authority<sup>55</sup>. The sector has the potential to supply fish products to the ECOWAS countries, European Union, and the United States under the Africa Growth Opportunity Act (AGOA).

Industrialization of the fisheries sector has been hindered by weak regulations and the continual illegal, unreported, and unregulated (IUU) fishing. Moreover, the labor force is unskilled and the quality of the infrastructure for processing and preservation is poor. Limited use of modern fishing technology and the high cost of electricity undermines productivity and profitability. Over the long term, the development of Liberia's marine resources will be threatened by overharvesting, habitat destruction and pollution, and incursion by fishing vessels from other countries.

In this regard, Government intends to support artisanal communities to increase domestic market supply from 8,000 tons to 16,000 tons annually by 2023. This supply will come largely from semi-

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<sup>55</sup> Invest Agriculture 2017, p.11

industrial, artisanal, inland, and aquaculture fisheries activities. Government will facilitate private investment in the construction and operations of a modern fishing harbor complex with facilities for the repair and maintenance of fishing vessels as well as for storage, preservation and processing of fish. This will provide job opportunities for low income domestic fishermen and women, increase their capacity and income, and facilitate exports. To make the sector more vibrant and profitable, Government will tackle the IUU fishing by establishing a multi-year plan for a robust fishery monitoring and surveillance systems. The Sustainable Fisheries Partnership agreement with the European Union will be expanded to attract other interested and capable partners. A medium-term business plan will be developed for the National Fisheries and Aquaculture Authority (NaFAA).

#### 3.4.1.7 Effective Forest Utilization

The forestry sector contributed between 8-11% of the real GDP from 2012 to 2017 and remains one of the major sources of income, employment and livelihood in Liberia. The annual revenue generated by chainsaw milling alone is estimated at US\$31-41 million, or about 3-4 percent of GDP.<sup>56</sup> Approximately 24,000 workers are employed in the industry. The demand for charcoal continues to grow at approximately 4 percent per year with a potential annual market value of about US\$25 million going largely to small producers. Commercial timber processing contributes about 10 percent of GDP with an estimated annual value of US\$88 million in 2016.

The industry performs below its potential due to a combination of infrastructure deficits, complicated processes, poor data quality, limited downstream processing, and challenges from local communities for full benefits from the Forest Management (FMC) and Timber Sales (TSC) production contracts. The sector is faced with high deforestation rate averaging 0.46 per cent per year<sup>57</sup> and the economic costs of forest depletion increased from 0.5 to 32 percent as a share GNI between 2005 and 2015.<sup>58</sup> Furthermore, a combination of shifting cultivation practices, unregulated chainsaw milling, unregulated charcoal production for urban markets, encroachment by commercial and artisanal miners, and weak governance of forest resources hamper sustainable forest management. The lack of adequate logistics and technical skills also hinder the growth potential.

Nevertheless, considerable progress has been made since 2005 in reinforcing the capacity of the Forestry Development Agency (FDA) and establishing the regulatory framework for sustainable forest management through the passage of the National Forestry Reform Law (NFRL) in 2006 and the Community Rights Law (CRL) in 2009. However, a combination of weak enforcement and institutional capacity at the FDA undermines the effort to raise productivity and manage forest resources in an environmentally sound and sustainable manner. Liberia is home to globally significant forests and most of its people depend on them for their livelihoods. Table 3.6 shows exported round logs worth US \$ 2.6 million in 2017, which is equivalent to 7,321 cubic metres of logs. The total value of exports is projected to rise to US\$12.1 million.

*Table 3.6: Projected Production and Exports of Round Logs*

<b>Round logs</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
Round logs export (US \$ mns)	2.6	2.8	3.5	4.8	6.8	9.9	12.1
Price (US\$/Cubic metre)	356.3	356.3	356.3	356.3	356.3	356.3	356.3
Volume (Cubic metres)	7,321	7,801	9,800	13,476	19,136	27,863	34,026

<sup>56</sup> USAID, 2015 Liberia Gap Analysis of Targeted Domestic Natural Resource Markets

<sup>57</sup> Winrock International. 2016. Development of Liberia's REDD+ Reference Level: Final Report. Forestry Development Authority, Republic of Liberia

<sup>58</sup> World Bank Indicators 2015

Production volume (cubic metres)	73,311	76,408	79,542	82,765	86,140	89,631	93,239
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**Notes:** Baseline data from CBL. \*Export and production volume projected using GDP growth prospects of key importers. Identification of export partners is done through the Trademap from the International Trade Centre (<https://www.trademap.org>).

In view of the foregoing, government will focus on the human and institutional capacity of the sector to enhance productivity and promote value addition in wood products. Emphasis will be placed on forest contract and concessional enforcement to promote effective distribution of benefits via Community Benefit-Sharing Mechanism (CBSM), spur sustainable economic development, and empower communities living and working in the forest.

Government will improve the policy, legal and institutional framework for forestry management; strengthen its monitoring and law-enforcement capabilities, enhance transparency of its operations, and bolster accountability in the overall governance of the forestry sector. Regulations on drivers of deforestation and environmental degradation will also be enforced.

Government will continue to implement forest products enterprise development policies for chainsaw and sawmill regulations; and for regulations on biomass and third-party access and abandoned logs. Government will support sustainable fuel-wood and charcoal production while creating alternatives for domestic energy sources and establish an information dissemination and data management repository system. To reduce deforestation and environmental degradation, alternative livelihood for forest dependents and local communities will be created in select areas. By 2023, Liberia will have effective institutions and systems in place for sustainable management and utilization of forest resources as well as preservation of the environment for biodiversity.

### 3.4.2 Manage Natural Resources Sustainably

#### 3.4.2.1 Environment

Government has developed the Environmental Management Law as a legal instrument for enforcing environmental protection. The law will be supported by 22 guidelines, of which 5 have been developed. A compliance monitoring regime has been established with project developers obligated to make quarterly, biannually, and annual reports. The government has developed the CRL and its regulations, Ten Core Forest Harvesting practice, National Forestry Reform Laws of 2006, Wildlife and Protected Area Management Law, Wetland and Climate Change Policies, ESIA procedural guidelines and Fees regime, Noise and Asbestos regulations, Water quality guidelines, and a dispersant policy. Thirty-eight inspectors are deployed in 10 of the 15 counties of Liberia and this effort will be sustained.

Critical issues and constraints to sustainable management of the natural resources include inadequate enforcement of the policy, legal and institutional framework. Enforcement is constrained by an inadequate infrastructure for data collection which hampers efforts to use quantitative indicators to spot emerging problems, assess policy options, and to gauge the effectiveness of environmental programs. The low level of awareness among the general population of environmental protection and climate change issues, coupled with the competition between human economic activities and the environment, also undermines efforts to improve environmental management.

By 2023, Liberia will have improved management of natural resources and conservation of biodiversity. The government will establish an inter-sectoral environmental sector network and environmental school clubs and units in ministries and agencies and develop a national environmental action plan (NEAP) which will incorporate climate change into national development programs. All forms of wastes will be managed more efficiently. The waste sector will be reviewed



to determine existing institutional, policy and legal constraints/barriers to improve policy, legal and institutional framework for waste management at the national and local levels. The domestication the Paris Declaration and safeguard information system, and the training of GHG technicians and policy-makers will be completed. Government will begin implementation of the Revised National Biodiversity Action Plan for the next 10 years and complete the economics of Ecosystem and Biodiversity-TEEB framework.

#### *3.4.2.2 Disaster Risk Management*

Liberia's location and weather condition make it prone to natural disasters such as floods. High population growth, uncontrolled urbanization, rural and urban poverty often lead to unplanned settlements in marginal and environmentally-sensitive areas. The weak policy, legal and institutional framework for disaster preparedness, physical planning systems, and land use practices are bottlenecks to effective disaster management. Inadequate emphasis on hazard risk management, including lack of hazard data and mapping, vulnerability assessments continue to exacerbate environmental degradation.

Liberia has an enormous natural capital that can be used to provide environmental benefits to the entire country. However, given Liberia's proneness to climate related risk, there is an urgency to improve Liberia's preparedness in mitigating disaster and other climate related risks. Key cities and infrastructures are already threatened by the sea erosion and other climate actions. A National Adaption Action Plan (NAP) is currently being supported by the government and the UN System. The aim is to identify climate change adaptation needs, develop and implement strategies and programs to address those needs to safeguard vulnerable communities' incomes and livelihoods, and develop medium term investment plans in climate sensitive sectors (i.e. agriculture, energy, waste management, forestry and health) and coastal areas in Liberia.

By 2023, Liberia will have made significant steps in achieving a disaster-proof development. Specifically, the country will have: a) improved resilience to all forms of hazards; b) improved emergence response capability; and c) climate change-sensitive development process.

Going forward, Government will modernize the legal framework related to disaster risk reduction. Government will also strengthen disaster Management Committees at national, district, county and clan levels. Focus will be on enhancing Liberia's preparedness for risk through early response and early warning mechanism; and mitigation and adaption. Government will use knowledge, innovation, and education to build a culture of safety and resilience among Liberians. Government will also create mechanisms to fully consider the impacts of climate change and "climate proof" all future national policies and sectoral plans.

#### *3.4.2.3 Natural Resource Management*

The management of natural resources comes with risks as well as opportunities. There are opportunities to use the natural endowments to attract investment and promote greater economic development and risks of political and social instability caused by the mismanagement of natural resources. Mining has been Liberia's major sources of real GDP. The sector has different categories of mining activities, including artisanal/small-scale miners (ASM), medium size domestic enterprises, large-scale mining, and exploration companies. There are approximately 1293 mining operations in the country, of which 1142 (88.3%) are ASM, 65 (5%) are medium size, 78 (6%) are exploration companies, and 8 (0.6%) are large-scale enterprises. Among the large-scale companies, the main producers are Arcelor Mittal (iron ore), China Union Investment (iron ore), MNG Gold Inc. (gold), and

Aureus Mining Inc. (gold). Table 3.7 lists the major mining operations under Mineral Development Agreements (MDA).

The ASMs are also involved in the extraction of gold and diamond. However, the development of these operations is limited because of lack of resources and infrastructure. Consequently, there is inadequate information available on the ASMs and medium-sized enterprises in detailing their processes and economic activities. Nevertheless, the compilation and research of this information is a necessary activity. The government is committed to improving capacity for more effective management of the resources to produce wealth and generate revenues.

Liberia also has significantly high levels of species endemism and accounts for 42 percent of West Africa’s remaining Upper Guinea Forest--a humid coastal rainforest belt and a global Biodiversity Hotspot that stretches across the other West African countries of Sierra Leone, Ivory Coast, Guinea. Liberia’s forest ecosystems are home to the highest populations of elephants in the region and over 225 timber tree species, 2000 flowering plant species, 140 mammal species, 600 bird species, 75 amphibian and reptile species and over 1000 species of identified insects which must be conserved, utilized equitably and managed sustainably<sup>59</sup>. A countless number of flora and fauna, which science has yet to discover, remains within the country’s resource rich and diversified ecosystems.

*Table 3.7: Major Mineral Development Agreements*

Mine/company	MDA	Production	Type of mineral	Ore grade	Mining method	Estimated reserves
Nimba Range/AML	2005; 25years	5.1 Mt ore	Iron ore; hematite, magnetite	65-69% Fe	Open pit	417 Mt
Bong Mines/China Union	2009; 25 years	0.70 Mt ore	Iron ore; magnetite	35-45% Fe	Open pit	290 Mt
Putu Range/PIOM	2010; 25 years	Mine development	Iron ore; itabirite, goethite	45% Fe	Proposed Open pit	4.5 Bt
Bomi, Bea, Mano/WCL	2011; 25 years	Mine development	Iron ore; hematite, magnetite	51% Fe	Proposed Open pit	563 Mt
Kokoya/MNG	2004; 25 years	619.48 Koz Au	Gold	3.54g/t Au	Open pit	1.84 Mt
Bea Mt./Aureus	2002; 25 years	2376.45 Koz Au	Greenstone gold	4.17g/t Au	Open pit	8.7 Mt

Source: MLME, 2010; Mineral and Mining Law, 2000; LEITI Report, 2016; US Geology Survey Mineral Year Book, Liberia-2013; African Aura Mining Inc., 2010a, p. 8; AML: ArcelorMittal Liberia, WCL: Western

The concessions model used to exploit mineral resources has not yielded the expected dividends to communities. The export of raw materials, including the lack of relevant information on values for decision making by government institutions, expose Liberia to price distortion and puts communities at a disadvantage in distribution of the benefits of their natural resources. Weak legal and regulatory framework, as well as intuitional oversight, lead to revenue loss for government and income loss for citizens who are doing artisanal mining.

Going forward, government will encourage Corporate Social Investment (CSI) with strong Local Content Development Framework and Strategy for local benefits, and Free Prior Informed Consent (FPIC) for community engagement for all concessions to reduce/mitigate potential conflict. Government will improve the management of natural resources and conservation of biodiversity for inclusive and sustainable development while generating lawful revenues for development. A major

<sup>59</sup> Lomax 2008, UNEP 2004, FDA 2000

focus will be placed on strengthening of regulatory mechanisms to provide greater transparency and to cater to the welfare of small scale miners while safe guarding the environment.

Government will establish a compliance monitoring Global Information System (GIS) laboratory. A National Benefit Sharing and Conservation Trust Board and Fund will be established. Government will also review and improve the regulatory system in compliance with mineral production strategies with emphasis on strengthening small-scale mining to enable quality job opportunities and to build the capacity of vulnerable and unskilled extreme poor segments of the population to harness opportunities in the private sector for natural resources. Nevertheless, government will improve the enforcement of regulation on artisanal, small scale and large skill mining activities through robust monitoring; and review concessional agreements for compliance with laws and regulations especially those that benefit the local communities (see Pillar IV).

Government also intends to promote governance framework to implement Sustainable Natural Resource Management (NRM) through enhanced stakeholder's participation, cross sectorial cooperation, coordination, coherence and synergies on natural resource related issues at all levels through a natural resource governing committee. Through this framework, government will facilitate inter- sectorial planning and coordination, MEAs and climate change in national development programs, wetland, waste and disaster risk management, and promote the development of national Green Economy strategy.

To stabilize and improve the investment climate, especially around natural resource development, greater attention will be paid to economic governance reforms but also to improving social cohesion. By combining these efforts, strengthening local economic governance structures and improving local capacity to engage more effectively with investors and state institutions, the prospects for both greater stability and the sustainable management of Liberia's natural resources will improve.

To produce these outcomes, government will mobilize significant resources from all sources and at all levels to finance Sustainable Natural Resource Management (NRM) including but not limited to the enhancement of natural resource-based economy, as well as improving the livelihoods of natural resource dependent communities.

### 3.5 Transforming the Infrastructure

The infrastructure deficit remains one of the binding constraints to Liberia's development particularly road, energy, ICT, and water and sanitation. Lack of access to all-weather road and basic infrastructure continues to impede the movement of goods and services, equipment, and machinery for production which directly affects the poor and vulnerable population. To ensure pro-poor development of the infrastructure, Government will ensure that all projects incorporate livelihood programs directly and indirectly into their supply chains to allow local community dwellers as well as local businesses to participate.

#### 3.5.1 Road Infrastructure

The national road network forms the backbone of Liberia's transportation system and plays a critical role in socio-economic development. Liberia has approximately 11,536 kilometers (km) of primary, secondary, urban and feeder roads. These comprise about 1,899, 2,479 and 6,263 km of unpaved primary, secondary and feeder roads respectively. Approximately 622 km of the total are paved roads. Liberia has 2,884 bridges and 7,651 culverts, but approximately half of the bridges and one-quarter of the culverts are in poor condition, limiting accessibility during the rainy season. Only 15 percent of bridges and half of the culverts are in excellent or good condition.

Several constraints continue to impede progress of roads and bridges intervention in Liberia. They include: i) a weak domestic contracting and consulting industry which lack technical capacity; ii) inadequate materials testing facilities; iii) negligible road maintenance interventions; and iv) unpredictable weather due to global climatic change. Low Government funding and investment in the road sector and lack of human capacity in the infrastructure sector combine to impede progress on reducing the deficit.

The government intends to make significant inroads in reducing infrastructure deficits over the next five years. By 2023, Liberia will have a more expansive national road network reducing the cost of transport and doing business, supporting the generation of decent employment opportunities, and transforming the living conditions of the poor and the vulnerable through better access to social services. As supplementary benefit, traffic congestion and transit times around Monrovia will ease. Alternative water transport opportunities will also be pursued.

Road investments will not be pursued in a silo but will be linked to development corridors in important sectors such as agriculture. Along developed road corridors, the government intends to establish growth clusters--comprising SEZ and agriculture value chains in rice and cassava production.

To deliver on its promises, the Road Fund Act and the establishment of a Road Authority will be fully implemented. Five materials testing facilities, zonal planning processes and database, and a more effective road maintenance system will also be established.

### 3.5.2 Air and Sea Transport

The government sees air and sea ports and railways as the gateways to trade, industrialization, investment promotion, and economic development. Currently, Liberia does not have an adequate rail network nor significant rail transportation investment. The Government will enhance growth through investment in air and sea ports infrastructure and build technical capacity for Liberia's industrialization.

**Air Transport:** Liberia has limited domestic and international aerodrome infrastructure. The length of all the run ways cannot accommodate large aircrafts. Air cargo facilities are insufficient and there are limited domestic airports. Inadequate support services at the Roberts International Airport (RIA) contribute to the high cost of travel.

**Sea Transport:** Liberia's seaports cannot generate maximum revenue due to a weak policy, regulatory and institutional framework. The workforce is low skilled and the capacity of cargo handling facilities at ports are limited. This increases freight costs, creates administrative hurdles, and lead to delays.

By 2023, the government aims to have a stronger and more competitive air and sea transport system supporting economic transformation and job creation. Government will construct new and rehabilitate existing air and sea infrastructure including completing the rehabilitation of RIA and priority county airports. The Freeport of Monrovia will be upgraded to pre-war status as supply hub for northern Guinea, western Cote d'Ivoire, Mali and Burkina Faso, and the Monrovia Free Zone will be reclaimed and renovated. To increase revenue generation and facilitate business in in the southeast and central Liberia, Government will rehabilitate the Buchanan, Greenville, and Harper ports. Government also intends to construct an inland dry-port in Ganta, Nimba County and develop alternative intermodal traffic options in partnership with private investors.

### 3.5.3 Post and Telecommunication

The main players in the telecom sector are postal and courier services and three private GSM mobile network operators (Lonestar Cell MTN, Orange formerly Cellcom, and Novafone), the Ministry of Posts and Telecommunications (MPT), Liberia Telecommunication Authority (LTA) and Liberia Telecommunications Corporation (LIBTELCO).

Progress has been made in developing the necessary framework for the expansion of Information and Communication Technology (ICT)/telecommunications and postal services and infrastructure. In 2007, the National Legislature passed the Telecommunications Act. The Act liberalized the sector and enabled growth and compliance to acceptable regional standards. Within the framework of the Act, the Ministry of Postal Affairs serves as the policy institution, the Liberia Telecommunications Authority (LTA) was created to serve as the regulatory arm, and the Liberia Telecommunications Corporation (LIBTELCO) remained the national operator.

In 2011, the first fiber optic cable, Africa Coast to Europe (ACE), landed in Liberia to facilitate the construction of a backbone infrastructure to increase accessibility, reliability and affordability of telecommunications services. A Metro-Monrovia Ring is under construction and, when completed, will improve connectivity and reduce the cost of telecommunications services in the Greater Monrovia area. The total number of postal facilities around the country has increased from 12 to 24. The Ministry has also launched the National Postal Address System (NAPAS) and completed phase one of the project that numbered approximately 2666 (0.313%) structures and vacant lots in Congo Town.

Despite the progress, weak policy and regulatory regime, and inadequate trained personnel available to companies and organizations in the industry, remain major constraints to growth. Limited telecommunication/ICT infrastructure, especially in rural/remote areas, leave communities marginalized. The growing issues of cyber security and high costs for telecommunication services require due attention from Government and operators.

The government intends to make Liberia a technology-enable society with telecommunication/ICT playing a fundamental role in job creation and improvement in the quality of life for all citizens. To improve productivity and enhance revenue generation, Government will integrate science and technology across all areas of development. The government will place 6 ministries and agencies on e-government platforms to improve productivity and service delivery through ICT solutions; and will increase access to e-government platform to incorporate all government ministries and agencies.

Focus will be on the improvement of infrastructures and the regulatory framework for operators in the sector to double ICT access and coverage. This will provide opportunities for private sector growth and productivity expansion particularly for education, services, health, agriculture and manufacturing industries. Access to technology will boost youth and women entrepreneurial abilities, improve their skills, and create jobs. Government will expand the fibre optic infrastructure, including industrial installation to cover 30% access to fiber optic backbone and ensure universal access and services to marginalized communities, women, rural dwellers, and physically challenged population. Government will roll out a national postal address and mail delivery system in all 15 counties.

### 3.5.4 Access to Affordable Energy

Liberia still has one of the highest tariff rates in the world for electricity, although considerable progress has been made in the energy sector. The cost of energy reduced from 0.55/kwh in 2012 to 0.36/kwh in 2017. In 2015, a new energy law was passed, and an energy regulator established to

ensure the private sector has a viable say in developing affordable energy options. The Mount Coffee Hydro-Electric Dam was refurbished and restored. The plant's 88-megawatt capacity is still vastly under-utilized because of transmission and distribution problems. The hydro dam's run of the river nature means in the dry season, capacity plummets to a mere 20 megawatts.

Despite the progress made, there are several challenges to achieving the goals of the pro-poor agenda within the energy sector. Some of the key challenges include: i) high dependence on imported petroleum, which makes the country highly vulnerable to crude oil price changes; ii) limited private sector investment, public financing, and political support; iii) corruption and electricity theft which undermine power transmission and distribution as well as sustainability; and iv) low human capital and technical capacity. Lack of transparency and accountability, as well as awareness on the affordability options for electrification and very low marketing strategy, also bedevil the sector.

The government believes these challenges present clear investment opportunities for the private sector. One solution to stabilize the hydro dam at 88 megawatts throughout the year is to build a reservoir at the confluence of the Via and St. Paul River over which Mount Coffee sits. The reservoir and cascading dams along the St. Paul River can generate as much as 500 to 800 megawatts of power.

For rural electrification, the Rural Electrification and Strategic Master Plan sets clear targets, identifies least-cost projects and technologies, and investments needed to increase renewable energy access for rural areas and populations. These include mini and small hydropower as well as solar technologies. Scaling up these investments will have huge implications for the development and expansion of development corridors as well as for agriculture value chains.

The Rural and Renewable Agency (RREA) has rehabilitated mini-hydro plant delivering 60 KW in Yandohum in Lofa County; contracted 2 MW hydro plant on Kaiha River, Lofa to benefit 50,000 homes and businesses, completed feasibility studies for three hydropower sites—Gbedin and Ya in Nimba, and Gee in River Gee; and distributed 31,000 solar lanterns/lamps and solar photovoltaic (PV) systems installed in 9 facilities in Lofa County<sup>60</sup>. Opportunities for more affordable energy investments exist for private providers.

Government anticipates a sustainable path towards creating a modern, efficient, diversified and environmentally sustainable energy sector which has the capacity to provide affordable and accessible energy supplies for all to sustain economic performance and national development. Specifically, by 2023, the sector will increase universal electricity access by 30% and electricity generation from 134mw to 270mw. The sector will reduce energy cost from 0.36kwh to 0.25kwh and increase transmission and distribution from 511km to 2279km

To enhance economic productivity, Government intends to: i) revise energy sector policy; ii) establish energy sector working group; iii) invest more in generation, transmission, and distribution with emphasis on private sector distribution network; and iv) accelerate implementation of the Rural and Renewable Energy Agency strategic master plan.

### 3.5.5 Water and Sanitation

Access to and use of improved sources of drinking water has improved. Access to drinking water is estimated at around 73 percent and access to sanitation is estimated at 17 percent. About 15 percent of the population has access to sanitation and hygiene. In the rural areas open defecation is

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<sup>60</sup> Rural Renewable Energy Agency Strategy Plan ....

still the most widespread method of feces disposal with as many as 85 percent still practicing open defecation. Only 6 percent of the rural population currently have access to improved sanitation. It is estimated that each year, Liberia loses USD 17.5 million due to the poor sanitation; the poorest quintile of the population is almost 7 times more likely to practice open defecation than the richest.

Additionally, large disparities exist across the country. There are inequalities in coverage. The 2015 MDG targets for access to improved drinking water sources and improved sanitation are 79 percent and 63 percent respectively. The targets for rural areas were 67 percent access to improved water sources and 52 percent access to improved sanitation. An estimated 35 percent of existing clinics and schools lack adequate access to water and sanitation facilities while formal solid waste management services are only available in Monrovia.

Major limitations to achieving sustainable WASH services includes but are not limited to: i) institutional fragmentation; ii) weak legal and regulatory framework; iii) inadequate water distribution infrastructure due to lack of funding; and iv) inadequate sanitation services. The sector also lacks trained manpower, has inadequate data (on access to services), and have difficulties with planning, resources financing, and assessing progress.

By 2023, the government aims to have equitable, safe, affordable and sustainable water supply and sanitation services for all Liberians. Government has established the WASH Commission and will mobilize resources for water supply infrastructure, provide rural water supply, facilitate supply and financing for water resources management, mobilize communities to fully participate in planning, operation and maintenance of WASH facilities, and eliminate open defecation nationwide while enforcing minimum standard WASH packages.

### 3.6 Sustaining Medium to Long-Term Economic Growth

The government intends to place the economy on a sustainable and inclusive economic growth pathway that can generate productive employment and livelihood opportunities by 2023.

#### 3.6.1 Improved Governance and Management of State-owned Enterprises

State-owned enterprises (SOEs) are vehicles for public investment to expand public service delivery into priority areas demanding large capital investments that the private sector cannot provide or where returns are too low to attract private interests. With consolidated gross revenues growing year-on-year by 6 percent or from more than US\$186 to US\$208.6 million (anticipated for FY2018/19) over the past three years, SOE's are major economic actors. Despite revenue growth, SOE's still require approximately US\$14 million a year in subsidies.

SOEs are created as autonomous corporations to provide the managerial and regulatory framework that engender efficiency and effectiveness of public utilities while maximizing profit to meet Government's social and financial goals. The corporations are established by law, using a business model, for efficiency in service delivery. The Liberian civil war destroyed many infrastructures of public utilities and many of the SOEs lost their managerial and skilled workforce. During the last 12 years, Government resuscitated the existing SOEs and created new enterprises. Only about a third of the 15 SOE's showed operating surpluses over the past three fiscal years. Many of the SOEs now rely on government and donor to finance their operations which has constrained the fiscal space.

Going forward, government will review the financial position of SOEs to qualify them for subsidies and grant-aid from partners. Those SOEs that are financially viable will have to pursue opportunities to achieve greater efficiency in service delivery and those that are not will undergo structural

reforms. Government will open opportunities for PPP arrangements to attract private investment capital into energy, telecommunications, and rubber. SOEs mandate and core functions will also be reviewed to avoid overlap and market failure and to re-position them for growth. Government will review managerial competency. Finally, government will introduce performance-based subsidies, encourage coordination with MACs for joint infrastructure investment and co-location of projects for smart investment. This process will align with reforms under Pillar IV on Governance and Transparency.

By 2023, Government will: i) double number of users of SOE-provided services, ii) reduce subsidies by 50% and concurrently increase the total amount of revenue transfers, and iii) increase private equity investment by at least 10%.

### 3.6.2 Diversify the economy

The government will diversify the economy through private sector development, including financial services, and establish the basis for manufacturing and industrial development.

#### 3.6.2.1 Private Sector Development

A vibrant private sector is an important engine of growth and for expanding opportunities for economic inclusion. The private sector also plays a critical role in the exploitation of natural resources through the international concession holders' model. However, most of the businesses operating in Liberia are new and small; and face many challenges to profitability including: i) weak legal and regulatory framework, ii) weak and unclear property rights, iii) limited infrastructure, iv) high costs of energy, v) high administrative and regulatory costs due to red tape, corruption and lack of transparency, and vi) difficulty in accessing low interest and favorable terms finance, especially long-term financing due to a nascent financial services industry. Many of the businesses lack entrepreneurial and business operation skills and operate informally as unregistered concerns to escape what they perceive as predatory government policies and practices.

The government commits to transforming the doing-business environment facilitating a competitive private sector that can power sustainable economic growth and generate decent jobs and other livelihood opportunities, especially for the poor and the vulnerable. The government also commits to the implementation of the Insolvency and Restructuring Law of 2017. This will reduce the risk to lenders and facilitate greater efficiency of the borrowing and lending processes in Liberia.

Furthermore, the government will explore innovative ways to improve access to finance, strengthen the regulatory environment, and improve customs administration. The following approaches to financing will be used to boost private sector activities and create jobs: i) public-private partnerships, ii) private sector finance fund, iii) micro, small, medium enterprise (MSME) development, and business development services (BDS); iv) Special Economic Zones (SEZ).

**Public Private Partnership (PPP):** PPP investments will be done through a careful analysis of the potential of joint ventures between government and private firms to finance infrastructure projects

<b>Pathways to Economic Growth</b>	
<b>1)</b>	Capital and labor-intensive investments in infrastructure development
<b>2)</b>	Intensify research and extension services and remove constraints to raise food production in the 'food basket' counties by 25 percent
<b>3)</b>	Double acreage under oil palm cultivation using out grower communities to boost export potential
<b>4)</b>	Value addition in agriculture processing to increase exports
<b>5)</b>	More effective forest utilization to added value and exports
<b>6)</b>	Special Economic Zones in development corridors to balance regional growth and attract Foreign Direct Investment (FDI)



in the form of build, own, operate and transfer (BOOT), or build, operate and transfer (BOT), or build own and operate (BOO). Successful PPPs will reduce pressure on investment expenditures on the government's budget and create jobs for youth and women under infrastructure investment activities. The existing contract for the construction and operations of the Freeport of Monrovia by APM Terminal will be examined to draw lessons learned. Going forward, Government will establish a PPP unit and build capacity of MACs for PPP negotiation, contracting, and management to ensure that the country benefits from these arrangements.

**Private Sector Finance Fund:** The government will pursue social investors to establish a Private Sector Finance Fund (PSFF). The PSFF will provide start up financing and/or take equity in Liberian companies. Government intends to collaborate with the International Finance Corporation (IFC), the African Development Bank (AfDB), the ECOWAS Bank for Investment and Development (EBID), and Diaspora Liberians around investment opportunities in the economy. The PSFF will finance companies that have more than 100 employees and need capital equipment for large investment in road construction, energy, ICT, and Water and Sanitation.

**Micro, Small and Medium Enterprises (MSMEs) Development Fund:** Micro, small and medium-size enterprises (MSMEs) can directly help to lower poverty and integrate women and other marginalized groups into society. Thus, MSMEs will remain the main entry point to the labor market for youth, women and disadvantaged group, especially for those without formal education. The total number of MSMEs grew from 3,059 in 2011 to 7938 in 2013. Women-owned MSME's increased by 30%. The Government, through the FY2018 budget, has appropriated US\$1.2 million as seed capital for loans for MSME development.

**Special Economic Zones (SEZ):** The government commits to the review and implementation of the SEZ law as a key component of its strategy for accelerating regional economic growth through development corridors. The strategy is to 'crowd-in' business and infrastructure investments along corridors that will maximize the economic rate of return on public infrastructure. The SEZ will be used to attract quality investment that will add value to Liberia commodities along routes with new roads and electricity. Incentives will be provided for location in the SEZ. Vocational and skills development programs will also be located nearby to provide the skills base needed by industry.

**Business Development Services (BDS):** Government will facilitate private sector capacity building through public-private partnership with a consortium of private, civil society and donor partners, to provide development and incubation services for Liberian owned businesses. The capacity building initiative will provide opportunity for SMEs to learn and adopt innovative strategies through training, coaching, technical assistance, access to market, access to finance, and trade facilitation programs.

#### *3.6.2.2 Financial Sector Development*

Liberia's financial system is shallow, mainly dominated by the banking sector, and remains vulnerable to shocks. Financial intermediation is low with high cost of credit and limited access to financing, particularly in the case of medium, small and micro enterprises (MSMEs). High nonperforming loans (NPLs) and high operating costs, including challenging infrastructural constraints, such as electricity, continue to limit banks' ability to increase credit to the economy as well as constrain the expansion of financial services to the unbanked population.

In 2016, the Government of Liberia through the Central Bank of Liberia (CBL), launched a 5-year Financial Sector Development Implementation Plan (FSDIP) aimed at addressing the issues of access to finance, social security (pension) reform, credit information system, financial inclusion, improving payments system, and expansion of digital financial services, amongst others. As at end-2017, there

were 90 commercial bank branches with bank’s presences in 11 counties and 12 Rural Community Finance Institutions (RCFIs) in 8 counties. The summary statistics can be seen in Table 3.8. Also, the CBL had rolled out a collateral registry, a credit reference system, and licensed mobile money service providers. By 2023 Liberia will have made significant steps towards achieving a stable, modern, and competitive financial system that provides a supportive infrastructure and access to quality and affordable financial services<sup>61</sup>.

As set out in the FSDIP, the CBL will do the following over the PAPD period:

- i) safeguard the financial sector through effective prudential regulation and supervision of financial institutions; including pension schemes.
- ii) Reform the insurance sector and promote the use of digital financial services for financial inclusion; especially in inaccessible regions and for the poor
- iii) Development and implement a success plan consistent with the PAPD

**Table 3.8: Summary Statistics on Bank and Non-Bank Financial Institutions in Liberia 2017**

Description	Total
Commercial Banks	9
Commercial Bank Branches	90
Rural Community Finance Institutions	12
Foreign Exchange Bureaus	131
Development Finance Company	1
Credit Unions (CUs)	260
Insurance Companies	19
Mobile Money Service Providers	2
Mobile Money Agents	2110
Village Savings and Loans Associations (VSLA)	2300

Source: CBL Annual Report, 2017

### 3.6.2.3 Manufacturing and Industrial Development

The manufacturing sector contributed 7.7% of the real GDP in 2014, 6.6% in 2018, and has the potential to significantly contribute to growth in the medium term. The sector includes local goods production such as cement, paints, flour, furniture, alcoholic and non-alcoholic beverages and handicrafts. A vibrant manufacturing sector will boost primary sector such as agriculture, fisheries, forestry and mineral to create jobs through value addition by small- and medium-scale enterprises.

**There are weak** linkages between the manufacturing sector and primary sectors such as agriculture, fisheries and minerals; low levels of manufacturing output due to weak infrastructure and import-dependence; shortage of skilled work force, (especially women); inadequate and unreliable supply of raw materials as well as a small domestic market. The high cost of capital and unreliable and high cost of energy undermine the sector’s development.

Under the framework of the PAPD, the government will endeavor to remove the infrastructure constraints through the provision of affordable electricity, improve road access and transportation

<sup>61</sup> Financial Sector Development Policy 2016.

equipment, and support aggregators to provide processing, storage and preservation facilities. In addition to changes in the macroeconomic environment that favor entrepreneurship, the government will facilitate access to finance for MSMEs in manufacturing in collaboration with the CBL.

The development of the SEZ will consolidate industries to reduce cost of production and increase market access; and attract FDI. The certification of Liberian products under the ECOWAS Trade Liberalization Scheme (ETLS) and Common External Tariff (CET) for ECOWAS market will be promoted. Focus will also be placed on developing a gender-balanced manufacturing workforce and promoting woman manufacturing MSMEs; designing programs to link TVET and youth employment programs with the manufacturing sector; and promoting market access and information about available raw materials and finished products through ICT solutions.

### 3.6.3 Expanding Regional Integration and Trade

#### 3.6.3.1 *Regional Integration*

Government's development diplomacy is anchored on strong bilateral and multilateral cooperation and regional cooperation for shared prosperity. Liberia plays pivotal roles in regional global organizations including the Mano River Union (MRU), Economic Community of West African States (ECOWAS), African Union (AU) and the United Nations (UN). In 2016, Liberia became the Chair of the Authority of Heads of State and Government of ECOWAS for the first time. Currently, Liberia heads the Secretariat of the MRU, the Administrative and Conference Commission of ECOWAS, and the Peace and Security Council of the AU.

In addition, Liberia joined the world trade organization (WTO) in December 2015 and is working on its WTO post-Accession Implementation Support program. There are a number of preferential trade windows to exploit such as the African Growth and Opportunity Act (AGOA) of the United States (US); the Economic Partnership Agreement through ECOWAS, Voluntary Partnership Agreement on forest products, and Everything but Arms (EBA) with the European Union (EU); the 97% Export Tariff reduction with China and bilateral agreements with several countries to expand exports.

Despite the progress made, there are several challenges which the government will specifically seek to address. And by 2023, Liberia would have improved foreign relations and sustained diplomatic presence for international cooperation; and for regional economic integration and cross-border trade.

Through interventions identified under the PAPD, the government will ensure a sustained global and regional presence through strengthened development diplomacy. Government will improve service delivery through professional Foreign Service training and merit-based deployment and expand Liberia's diplomatic presence in 3 strategic regions (Australia, Southern America, and Southeast Asia). Government will also strengthen online application processes, automate e-visa issuance, and deploy passport application centers in regions with high concentration of Liberian Diasporas. Government will strengthen resources mobilization through bilateral and multilateral cooperation, trade and investment dialogues, and active engagement in regional cooperation and integration programs.

Finally, Government will operationalize existing bilateral and multilateral cooperation agreements and establish new strategic cooperation with emerging economies. Government will align its development plan with bilateral cooperation forums such as Tokyo International Conference on African Development (TICAD) with the Japanese Government; the Forum of Cooperation between

Africa and China (FOCAC) with the Chinese Government; and the India-Africa Forum Summit (IAFS) with the Federal Government of India.

### 3.7 Short to Long Term Priorities of the Government

Table 3.9 shows the short to medium term priorities of the government aimed at transforming the infrastructure, increasing competitiveness of existing industries and creating the right policy environment for economic growth and job creation. The complete results framework listing national targets to be achieved by 2023 is in Annex III.

**Table 3.8: Short, Medium, and Long-Term Priority Investments for the Economy and Jobs**

No.	HIGH-LEVEL NATIONAL TARGETS	Short-Term Interventions	Medium-term Intervention	Long-Term Intervention
1	<b>Transforming the Infrastructure</b>			
	By 2023: 517km roads connecting all county capitals, 260km of urban roads, 237.1km secondary road constructed and paved; constructed material testing facilities in 5 regions; 6,184.7km of primary, secondary and urban roads maintained; zoning laws standardized and enforced	Identify road corridors, carry out road condition studies, and commence implementation of road construction projects; Operationalizing Road Fund Act; Establish an effective road maintenance organization and system;	Construct, procure equipment, operationalize and build capacity of laboratory staff for materials testing facilities;  Incorporate livelihood programs directly and indirectly into all infrastructure projects supply chains to allow affected communities dwellers to participate as well as local companies as a stimulus to MSMEs development	Establishing Road Authority;  Construct major primary, secondary and urban roads and build capacity for infrastructure sector;  Standardize and enforce zoning laws; improve zonal planning process and database;
	Increase universal electricity access by 30%; generation from 134mw to 270mw; reduce cost from 0.36 to 0.25kwh; increase transmission and distribution from 511km to 2279km	Expansion of Transmission and Distribution (T&D) of electricity;	Improve legal and regulatory environment for private sector investment	Issue electricity licenses to operators; Increase share of renewable energy for rural electrification Build five (5) additional mini-grids;
	30% access to fiber optic backbone Double ICT access and coverage; 6 ministries and agencies on e-government platform	Expansion of fiber optic backbone infrastructure Increase access to e-government platform to incorporate ministries and agencies; Improve regulatory framework for operators in the sector	Expand universal access and services to marginalized populations including women, rural dwellers, physically challenged	Rollout national postal address and mail delivery system in 15 counties;
2.	<b>Increasing Competitiveness of Existing Industries</b>			
	By 2023, increase agriculture and fisheries contribution from 26% to 35% of real GDP;  Reduction in post-harvest loss by 50%; Double the number of women farmers, agro-business incubators and in agriculture value chain Population food secured reduced by 18% in food insecure regions Number of jobs created in agriculture sector 75% of farmers accessing extension	Facilitate the creation of an enabling environment for public and private institutions for increased investments in agriculture, particularly food crops (rice, cassava, and vegetables) and cash crops (rubber, oil palm and cocoa)  Promote women and youth participation in the production and value chains; agro-business incubators for women and youth; improve knowledge of market information systems and quality control measures and standards;	Harmonize national agricultural instruments with regional and international policies, strategies and regulations i.e ECOWAP/CAADP;  Ensure sustainable and reliable access to adequate, nutritious, and needed food for utilization for healthy lives Increase agricultural production and enhance food security and nutrition based on competitive value chains;  construct farm-to-market roads to link	Re-activation of Agriculture and Cooperative Development Bank (ACDB), strengthening of Rubber Development Authority and Cooperative Development Authority; Promote irrigation mechanism for low land farming; Construct processing and storage facilities at strategic locations; develop farm mechanization;  Promote operationalization of potential agro-poles; engage actors in the agriculture

	services and the level of productivity  75% of women farmers adopting new and innovative technology	Strengthen livestock and poultry, fisheries and aquaculture development; enhance crops production and productivity;	major production areas to markets; Develop agribusinesses along commodity chains to facilitate linkages to input and output markets; Facilitate access to credit for actors along the agricultural value chain;	value chains; Promote adapted community level credit schemes for actors along the agricultural value chain; 10,000 of out-grower farmers in sub-sectors
3.	<b>Creating the Right Policy Environment</b>			
	By 2023, increase average annual real GDP growth rate from 3.2 to 5.8%; Improve tax compliance and increase domestic revenue collection from 14% to 20% Maintain and sustain single-digit inflation consistent with acceptable sub-regional standard  Achieve a single Liberian dollar currency in line with ECOWAS objective of a single currency regime.	Strengthen domestic resources mobilization, ensure tax compliance and modernization of tax administration, adherence to fiscal deficit and borrowing limit;  Strengthen coordination between fiscal and monetary entities and public financial management; reform of state-owned enterprises to effectively respond to market demand; and enhance gender budgeting for sector and pillar; redirect spending on investment project priorities;	Facilitate regulatory framework on Specialized Lending for economic diversification through the promotion of SMEs, agriculture, ICT, tourism and mortgage lending;  ensure compliance of minimum wage, decent work act and establish labor market information to monitor workforce; labor-intensive employment programs for vulnerable groups including physically challenged;	Review PFM reform law and revenue code of 2000 De-dollarization for Single Currency
	Improve business regulatory framework and investment climate through business registration in 8 of 15 counties; improve Doing Business Ranking from 172 to 152/190; 10% and 50% reduction in transaction cost and time;	Enhance Liberia Business Registry; develop single window platform and improve infrastructure quality; Provide transparent and predictable trade environment Complete the ongoing Express of Interest process at the National Investment Commission on single window platform and verification of conformity (VOC) and upgrading of national standard lab	Improve National Standard Laboratory facilities and fully accredited and aligned with 15 requirements of International Organization of standardization (ISO)  Publication of international trade information, import and Export and establish trade facilitation committee;	open centers in five (5) counties; Implement post-WTO accession programs; Improve business regulatory framework including strengthening natural resources management mechanism, exploring the potential for tourism subsector.
	Double number of users by 2023; Reduce subsidies to SOE by 50% contribution to revenue; 10% private equity investment	Enhance SOEs reform for effective governance, efficient management, financial stability and sustainability to reduce reliance on subsidies	Introduce performance-based subsidies Pursue public-private-partnership for efficiency in service delivery	Formulate of new SOE guidelines for effective governance and sustainability;

## 4.0 PILLAR THREE: SUSTAINING THE PEACE

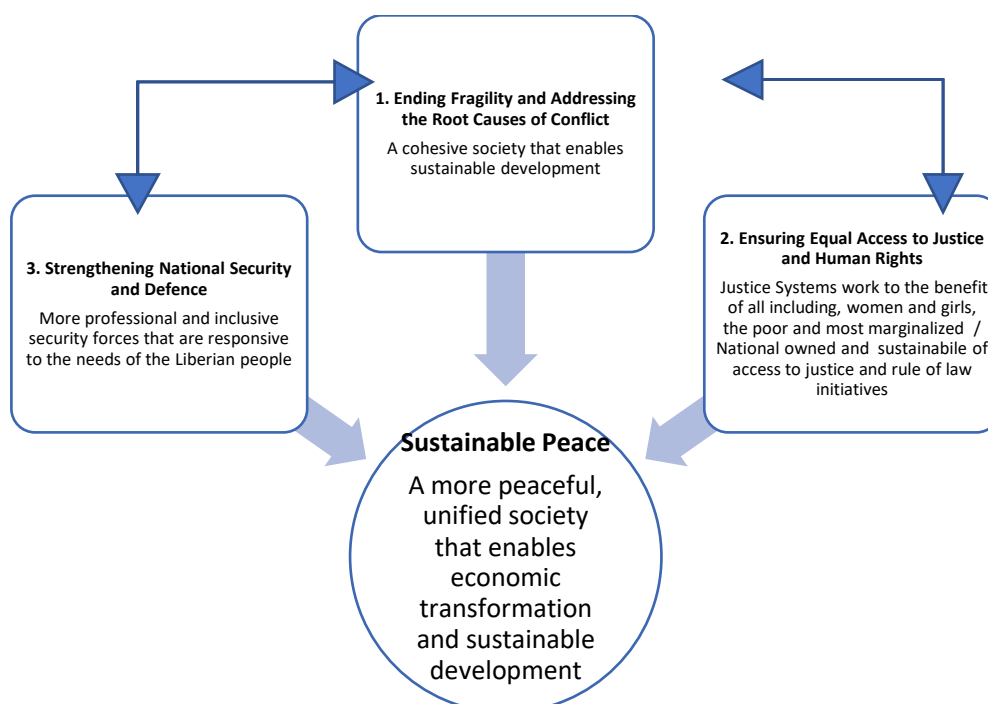
### 4.1 Current State of Peace and Security

Sustainable peace is essential to the achievement of all other objectives of the PAPD. Goals related to improvement of human capacity and the development of a knowledge economy which aim to transfer “power to the people” under Pillar One can only be achieved if initiatives are inclusive, non-discriminatory, and respectful of human rights and justice. Likewise, private sector-led growth under Pillar Two requires a level of stability and an assurance that long-term investments can be protected if the desired economic transformation is to be achieved. Building a capable state that governs effectively and transparently, under Pillar Four also requires accountability and reconciliation of political, social, and economic injustices.

All four pillars of this Pro-Poor Agenda are interdependent and aim to reach the furthest first while leaving no one behind. Without other changes highlighted in Pillars One, Two, and Four, there is little chance that peace will be sustained. For example, the expansion of infrastructure by building roads and bridges under Pillar Two will enable communities and counties to interact both economically and socially. This will lead to the rebuilding of confidence and trust and provide a basis for consolidating peace. Likewise, providing employment and entrepreneurship opportunities for the youth will ensure that they are productively engaged and mitigate some of the security risks associated with this demographic.

In view of the foregoing, the goal of this pillar is to **promote a peaceful, unified society that enables economic transformation and sustainable development**. Figure 4.1 illustrates the three inter-related strategies that will be deployed to achieve this goal.

Figure 4.1: Supporting Relationships of the Strategies



Liberia has taken significant strides aimed at sustaining the peace and improving overall national security. Following the civil conflict, the Armed Forces of Liberia (AFL) were reformed in a process

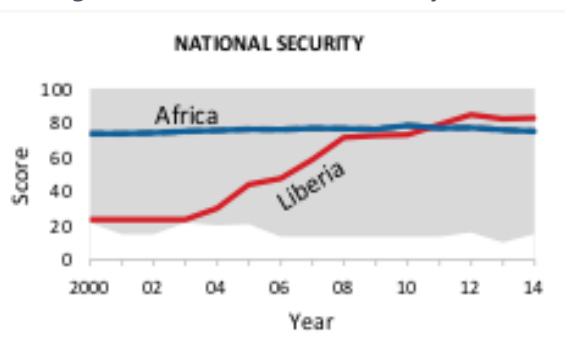
under which 9,400 irregular personnel recruited into the armed forces after the outbreak of the civil conflict were disbanded.<sup>62</sup> Likewise, sustained efforts have been made to professionalize and bolster the size of the Liberia National Police (LNP). The LNP, the frontier internal security agency stands at 5,545 strong – up from 2,100 in 2006<sup>63</sup>. LNP is deployed throughout the 173 Police Territorial Districts via a network of security hubs and sub-stations.<sup>64</sup>

Preliminary steps have also been taken towards strengthening the legal framework for the provision of security services through the passage of the Liberia National Police Act 2015, the Liberia Drug Enforcement Agency Act 2014, and the Liberia Immigration Service Act 2015. The Ministry of Justice’s Department of Prosecution has also been re-established and has strengthened its Anti-Corruption, Civil Litigation, Felonious Crime, and Sexual and Gender-Based Violence Sections.

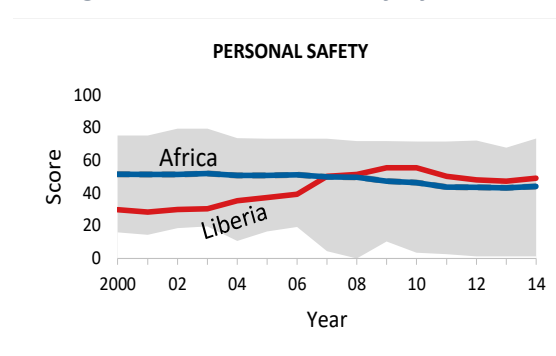
Security sector reforms have been complimented by the rehabilitation of the rule of law institutions including the courts, public prosecutors and defenders, legal aid practitioners and corrections officials. National peacebuilding and reconciliation efforts focused primarily on the establishment of the Truth and Reconciliation Commission, reintegration of displaced persons following the civil conflict, research, policy development, and institutional reform.

These efforts have led to improved public perception of the level of peace and stability as well as an actual decrease in crime. According to the Mo Ibrahim Index (MII), since 2011 Liberia has performed above the African average on national security. The indicator measures the extent of the Government of Liberia’s involvement in armed conflict; the incidence of domestic armed conflict; the incidence or prevalence of cross border tensions and the number of internally displaced people and political refugees arising from conflict situations. Figures 4.2 and 4.3 below shows Liberia’s performance since 2000.

**Figure 4.2: MII National Security Index**



**Figure 4.3: MII Personal Safety Index**



In relation to personal safety, Liberia has exceeded the African average since 2008. This indicator measures the safety of the person, the availability or extent of police services, and the incidence of violent crime. (See Figure 4.3). These findings correlate with more recent studies such as the HIES

<sup>62</sup> Sayndee, T. Debey; Kofi Annan Institute for Conflict Transformation, University of Liberia

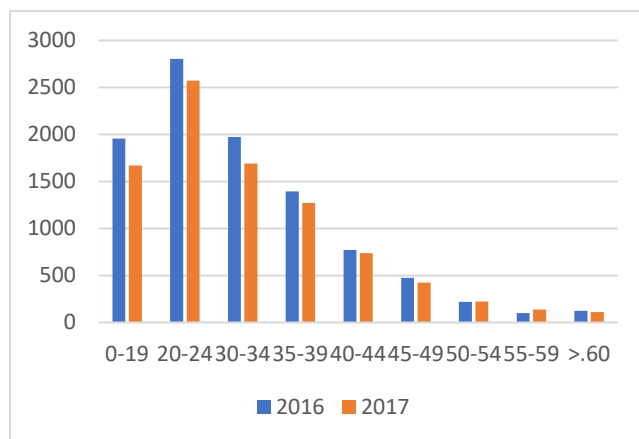
<sup>63</sup> United Nations Department of Public Information, 2007

<sup>64</sup> Minister of Justice, Annual Report 2015



2016 which found that 69.4% of Liberians were satisfied with the protection available to them against crime. This positive perception of security correlates with a decrease in actual crime.

**Figure 4.4: Crime and Age 2016 to 2017**



Within the past year alone, violent and non-violent crimes have decreased across all regions and nearly all age groups. Crime has also decreased by an impressive thirteen percent within this period. Most impressively, crime committed by highest offending age-groups, those 20-24 and 25-29 has decreased 8.3% and 19.4% respectively. (See Figure 4.4)

#### 4.1.1 Challenges to Sustaining Peace and Security

Despite these achievements, peace in Liberia today is represented by the absence of violence rather than equitable access to opportunities and justice for the most vulnerable, the renewal of legal and social systems which effectively serve the needs of the poor, or a fully inclusive society. Moreover, there are still significant gaps in the security forces’ ability to provide safety and security for all. These include: the absence of oversight and accountability mechanisms, capacity gaps, insufficient funding, and corruption. Limited human capacity, poor ICT connectivity, limited access to electricity, and bad roads further limit the security force’s ability to respond to emergencies. Legislation related to the justice and security sectors and civil service reform intended to promote human rights and strengthen accountability across the government remain before the Liberian National Legislature for enactment. Likewise, accompanying regulation and administrative instructions for essential legislations such as the Liberia Drug Enforcement Agency Act 2014 and the Liberia Immigration Service Act 2015 are needed to reinforce the legal framework.

Social, economic, educational, and political disparities between rural and urban populations and amongst Liberia’s regions are both causes and effects of the disproportional concentration of services. The concentration of educational and economic opportunities in Monrovia and surrounding areas has led to the disproportionate recruitment of justice, rule of law, and security personnel from these areas. For example, in 2017, of the 5,545 police deployed, 3,817 (68.8%) were deployed in Montserrado County<sup>65</sup> even though only 32% percent of the population are in Montserrado<sup>66</sup>. Only 79 LNP Emergency Response Unit (ERU) personnel are based outside of Monrovia <sup>67</sup> serving a population of more than 2.5 million people.

The centralization of services is not limited to the security services. There is only one juvenile detention center and no dedicated facilities for women. All prisons are operating well above capacity. Overcrowding at prisons is in part due to the limited capacity of the judicial system. Because of these challenges, sixty-five percent of prisoners have never been convicted of a crime –

<sup>65</sup> ibid

<sup>66</sup> Liberia Institute of Statistics and Geo-Information Services, Republic of Liberia 2008 National Population and Housing Census

<sup>67</sup> Liberia National Police, 2017 Annual Report

they are simply awaiting trial.<sup>68</sup> Excessive pre-trial detention is a violation of human rights and undermines the rule of law, creating further mistrust of the justice system.

Additionally, limited capacity of key justice institutions to implement legal reform, land tenure insecurity, and other fundamental problems that fueled past civil conflict are still present. Inadequate numbers of public defenders, magistrates, courts, prisons and rehabilitation centers lead to inequitable access to justice and continue to challenge the peacebuilding process. The high cost of access to the justice system for most impoverished Liberians, including court fees and time and expenses traveling to distant courthouses, have fed the perception that justice is an entitlement only for the wealthy and privileged.

The 2008 Poverty Reduction Strategy (PSR) identified systemic political and economic exclusion of the majority and over-concentration of power as a direct cause of the public mistrust for government institutions which make an enabling environment for endemic corruption. A decade later, these issues remain critical challenges to peace and reconciliation. Despite policy and institutional reforms, the nation remains divided on many fronts. The recent civil conflict demonstrates the dangers of extreme socio-economic inequalities, lack of confidence in national institutions and limited integration amongst communities. The persistence of these issues signifies that peace in Liberia remains fragile.

#### 4.1.2 Goals and Development Outcomes for Sustainable Peace

The following sections summarize programs under each strategic priority for 2018-2023. Table 4.1. outlines the goal and development outcomes for this pillar. The Pillar alignment to the Sustainable Development Goals and Agenda 2063 aspirations and targets are also outlined in the table below. A complete results framework can be found in Annex IV.

The key outcomes under this pillar will be ending fragility and the root causes of conflict, improving the justice system and human rights protection, and enhancing national defense and security. The interventions are not only concerned with negative peace – expressed through the absence of violence, but also with positive peace – expressed through social cohesion and integration. The attainment of a cohesive society is not only fundamental to achieving sustainable peace, but also supports the achievement the pro-poor goal of lifting the poor and vulnerable out of poverty. The government views **social cohesion as both a desirable end and a means to inclusive development**.

Therefore, the interventions outlined in all pillars of this Agenda not only work towards achieving the high-level national goals, but also towards the making Liberia a socially cohesive nation. Under this Pillar, interventions will include broader social cohesion objectives to create a sense of shared values and civic responsibility, mitigate conflict, reduce income inequalities, as well as improve access to basic services and upward social mobility.

**The first set of interventions** aims to end fragility and the root causes of conflict by creating a cohesive society that enables sustainable development. Interventions under this strategy aim to promote a society that embraces its triple heritage and guarantees space for all positive cultures to thrive. This strategy will be supported by agriculture and infrastructure programs under Pillar Two, which aim reduce economic and regional disparities.

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<sup>68</sup> Ibid

**Table 4.1: Pillar 3 Goals and Development Outcomes 2018-2023**

<p><b>GOAL:</b> A more peaceful, unified society that enables economic transformation and sustainable development</p> <p><b>SDG Goals:</b></p> <ul style="list-style-type: none"> <li>• <b>Goal 5:</b> Achieve Gender equality and empower all women and girls</li> <li>• <b>GOAL 16:</b> Promote peaceful and inclusive society for sustainable development, provide access to justice for all and build accountable and inclusive institutions at all levels</li> </ul> <p><b>CORRESPONDING AGENDA 2063 ASPIRATIONS AND TARGETS:</b></p> <ul style="list-style-type: none"> <li>• Aspiration 3 An Africa of good governance, democracy, respect for human rights, justice and rule of law</li> <li>• Aspiration 4 A peaceful and secure Africa</li> <li>• Aspiration 5 An Africa with a shared cultural identity, common heritage, values and ethics</li> <li>• Aspiration 6 An Africa whose development is people driven, relying on the potential offered by people, especially its women and youth and caring for children</li> </ul>
<p><b>Ending Fragility and the Root Causes of Conflict:</b> promoting a cohesive society for sustainable development</p> <p><b>DEVELOPMENT OUTCOME:</b> A society that embraces its triple heritage and guarantees space for all positive cultures to thrive</p>
<p><b>Ensuring Equal Justice and Human Rights:</b> Justice Systems work to the benefit of the poor and most marginalized / National ownership and sustainability of access to justice and rule of law initiatives</p> <p><b>DEVELOPMENT OUTCOME:</b> A society where justice, rule of law and human rights prevail.</p>
<p><b>Strengthening National Security and National Defense:</b> ensuring security forces are more professional and inclusive and responsive to the needs of Liberian people</p> <p><b>DEVELOPMENT OUTCOME:</b> Improved security service delivery nationwide and adequate capacity to deter and or respond to security threats.</p>

**The next set** aims to ensure equal access to justice and the promotion and protection of human rights by ensuring that both formal and informal justice systems work to the benefit of all, including women and girls, the poor and most marginalised. These interventions aim to promote a society where justice, rule of law and human rights prevail. This will be complementary to social protection interventions under Pillar One and anti-corruption provisions under Pillar Two which aim to build civic trust and demonstrate effective use and equitable distribution of national resources.

**The final set** of interventions aims to strengthen national security and defence by ensuring security forces are more inclusive, professional, and responsive to the needs of Liberian people. These interventions will improve security service delivery nationwide and ensure adequate capacity to deter and or respond to security threats. Pillar Two infrastructure expansion interventions will contribute to the enabling environment needed by the security services to be responsive. The combination of these strategies is the basis for sustainable peace in Liberia.

## 4.2 Ending Fragility and the Root Causes of Conflict

The achievement of a “cohesive society” will be measured through improvements to civic trust and coexistence, civic engagement, and satisfaction with state service delivery. The reduction of violence will also be monitored as an indicator for improved social cohesion and reduced fragility. The achievement of these targets aims to make Liberia **a society that embraces its triple heritage and guarantees space for all positive cultures to thrive. Embracing Liberia’s triple heritage will require actions aimed at encouraging increased positive interactions amongst various heritages to cultivate understanding and tolerance for the nation’s diversity.** Liberia’s score on the Social Cohesion and Reconciliation Index to will be used to measure these indicators.

### 4.2.1 Increasing Civic Trust and Coexistence

In 2016, Liberia scored a 7.0 on Social Cohesion and Reconciliation (SCORE) Index for Intergroup Harmony. This means that seven out of every ten people surveyed felt that they had a harmonious relationship with their community. On face-value, this finding is encouraging and in line with negative peace measures.

However, when coexistence is disaggregated by other indicators such as the state service delivery, confidence in institutions, and violence, the fragility of our peace becomes apparent.

Figures 4.6 and 4.7 show that less than four out of every ten persons are satisfied with state service delivery and only five out of every ten have confidence in national institutions.

**Figure 4.5: Coexistence and Civic Trust**

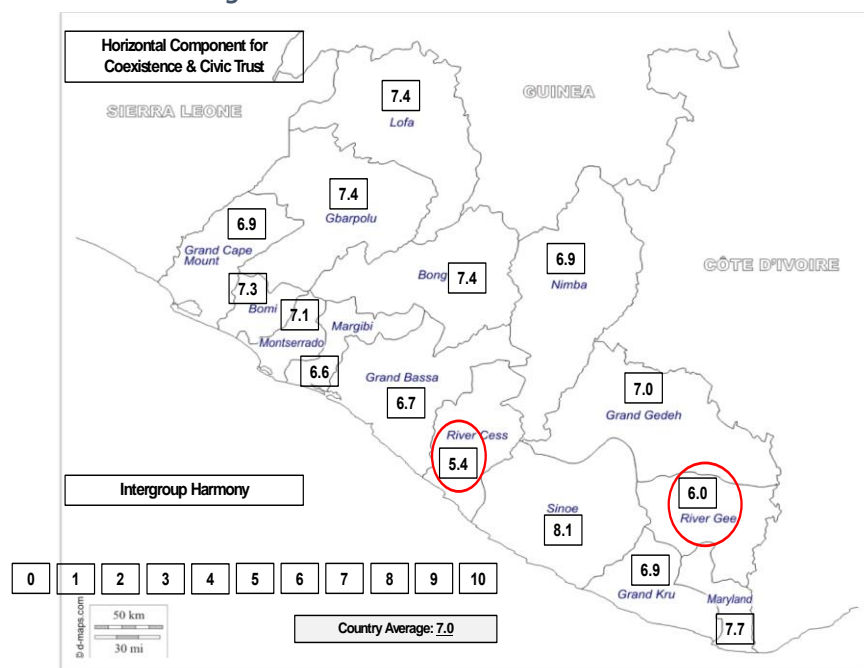


Figure 4.6: Satisfaction with State Service Delivery

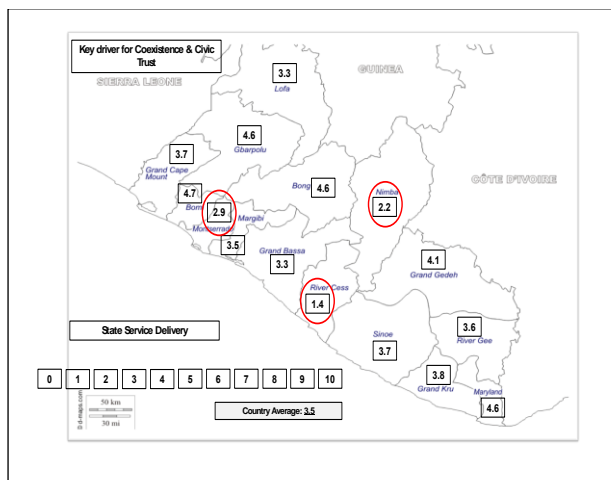
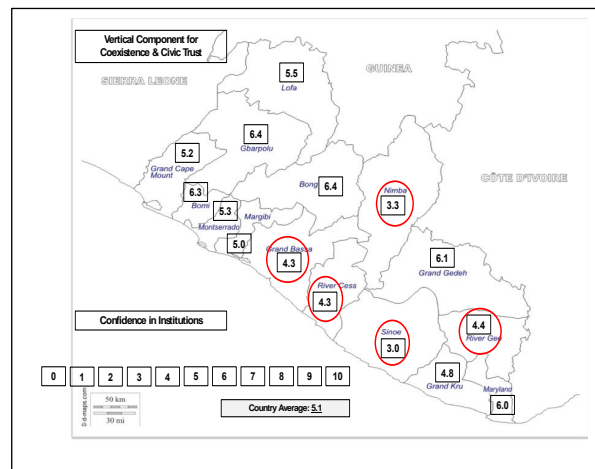


Figure 4.7: Confidence in National Institutions



These trends are particularly disquieting as a lack of confidence in national institutions is correlated with a disregard for the rule of law. Disregard for the rule of law can lead to low public engagement with the justice system, crime and violence. This issue is demonstrated by the increased incidence of mob violence, rioting, armed robbery, and burglary despite the overall decrease in recorded crime.<sup>69</sup> This can be attributed to the inability of the security forces to respond to emergencies in a timely manner in widely dispersed communities, a lack of confidence in rule of law institutions and limited social cohesion.

Therefore, reconciliation processes will be used as a tool to improve civic trust, co-existence and overall social cohesion. This will include following through with recommendations from the Truth and Reconciliation Commission and implementing the National Peacebuilding Plan and the Strategic Roadmap for Healing, Peacebuilding and Reconciliation. In the context of the PAPD, reconciliation is a multidimensional process aimed at mending and transforming relationships, addressing historical wrongs including the structural root causes of conflicts, and bridging social, economic, and political differences.<sup>70</sup>

Reconciliation processes will include interventions aimed at expanding and extending collaboration, cooperation, participation amongst different communities and counties. These include youth recovery and women’s empowerment programs focused on entrepreneurship and social, cultural and economic activities which will be implemented as a means of decreasing economic disparities, improving intra and inter-group harmony, and improving overall social cohesion. These processes will be supported by Pillar Two programs aimed at creating a more inclusive and vibrant economy.

Palava and Peace Hut engagements will be restructured to address conflicts/atonement and to provide mental health support and create awareness of national frameworks<sup>71</sup> and economic opportunities. This will require coordinated efforts across several government institutions including but not limited to Human Rights Commission, the Ministry of Internal Affairs, the Ministry of Gender, the Ministry of Justice, the Ministry of Agriculture and the Ministry of Education. Combining

<sup>69</sup> Ibid

<sup>70</sup> Strategic Roadmap for National Healing, Peacebuilding, and Reconciliation (2012)

<sup>71</sup> Particularly relevant in Grand Cape Mount, Sinoe, Nimba, Lofa and River Cess.

economic incentives with psychological counselling promotes group healing processes and can improve overall inter-group harmony and coexistence.<sup>72</sup> Also, creating awareness of national frameworks that can provide much needed services is also intended to civic trust.

Interventions under this pillar will also focus on de-concentrating government services to strengthen confidence in state and local institutions, and to improve access to justice, rule of law, and security for the poor and vulnerable. Security, justice, rule of law services will also be strengthened through targeted human and institutional capacity building efforts. These services will be de-concentrated targeting areas disproportionately affected by poverty and conflict particularly using the justice and security regional hubs mechanisms. This will improve overall satisfaction with state service delivery.

Table 4.2 outlines short-term, medium-term, and long-term priorities aimed at addressing economic regional disparities and improving government services in affected areas. Other strategic interventions aimed at ending fragility and the root causes of conflict are available in in Annex IV of this Agenda.

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<sup>72</sup> Particularly relevant in River Cess, Gbarpolu, Bomi, Grand Gedeh, Sinoe, River Gee, Nimba, Montesarro and Lofa.

**Table 4.2 Short, Medium, and Long-Term Priorities for Increasing Civic Trust and Coexistence**

No.	High-Level National Targets	Short-term interventions	Mid-term interventions	Long-term interventions
1.	Liberia's Social Cohesion and Reconciliation Index (SCORE) rating improves from 6.6 to 8.0	Review and implementation of Liberia Peace Building Plan and Strategic Roadmap for Healing, Peacebuilding and Reconciliation  Revised national curriculum which includes peacebuilding and reconciliation	Youth recovery and women's empowerment programs focused on entrepreneurship and social, cultural and economic activities	Reparations Trust Fund established; Community based reparation program designed and implemented;
2.	SCORE Index rating for civic trust and coexistence improves from 5.2 to 7.0 <sup>73</sup> (disaggregated by county, gender)	De-concentrating security, justice, rule of law services especially targeting areas disproportionately affected by poverty and conflict particularly using the justice and security regional hubs mechanisms  CSO/AID engagement strategy revised and implemented	Sports used as tool for peace and reconciliation for children, young men and women in and across communities National Youth Service Program  Strengthen community-based access to finance initiative; Community-based insurance schemes	Scale-up community-based access to finance initiative; Community-based insurance schemes (for artisan cooperatives, community-based unions and private sector initiatives etc.);
3.	Nationwide average for satisfaction of state service delivery increase from 3.5 to 6.0 <sup>74</sup> (disaggregated by county, gender)	Restructured Palava Hut/Peace Hut engagements to create awareness of national frameworks to create awareness of economic opportunities in line with PAPD approach to "clustering economic development"	Human and institutional capacity building for, justice, rule of law institutions especially targeting areas disproportionately affected by poverty and conflict particularly using the justice and security regional hubs mechanisms	Enhanced the reach, presence and capacity of the different justice and security institutions, including the Independent National Commission on Human Rights (INCHR)

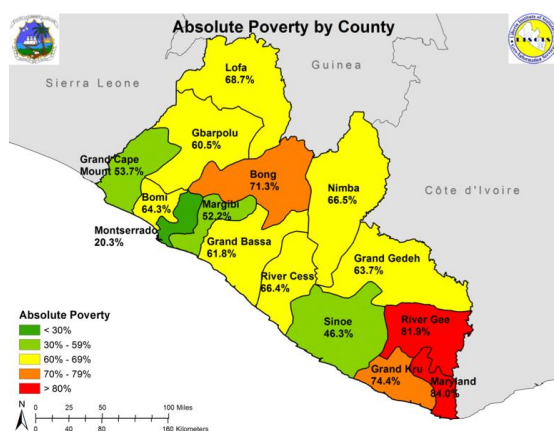
<sup>73</sup> Especially targeting improvements in civic trust and coexistence in River Cess, Nimba, Sinoe, River Gee, Lofa and Grand Cape Mount improves from below 5 to 7

<sup>74</sup> especially targeting Montserrado, River Cess, Nimba

#### 4.2.2 Decreasing Violent Tendencies

In 2016, a conflict study with the aim of “mapping opportunities for the consolidation of peace in Liberia” was commissioned.<sup>75</sup> The study found that feelings of disadvantage and marginalization were the leading motivation of those engaged in conflict behavior in all counties.<sup>76</sup> It is therefore unsurprising that counties with the highest risk perception of existing and latent conflict overlap with the counties with the highest levels of absolute poverty. Figure 4.8 shows, the highest levels of absolute poverty are found in the south eastern region in River Gee, Maryland and Grand Kru. Bong County also experiences high levels of absolute poverty. Correspondingly, Figure 4.9 shows that the highest perceived risks of conflict are also found in Grand Kru, Maryland and Bong. River Gee was found to have a medium perceived risk of conflict. The prevalence of conflict within communities can lead to the breakdown of intra-communal harmony, diminished social cohesion and instability. This in turn can affect overall development

**Figure 4.8: Absolute Poverty by County**



**Figure 4.9: National Conflict Map**



The conflict mapping exercise also found that land and property disputes (57.8%), corruption (40%), and border/boundary disputes (22.8%) were perceived most frequently as causes of conflict and potential drivers of instability. “Corruption” was used as a catch-all phrase to express grievances related to “the mismanagement of public funds and natural resources, reflected by the inequitable distribution of the benefits of said resources” and frustration with governance that left many feeling that “decision-making processes are not inclusive enough”.<sup>77</sup>

The concentration of government services and economic opportunities in and around Monrovia continues to be a cause for concern. Even though natural resource concessions are based outside of Monrovia, exploitation of these resources has not led to significant development outside of the capital. The perceived “mismanagement of public funds and natural resources, reflected by the inequitable distribution of the benefits of said resources” is the third most cited driver of conflict. Liberians in rural areas are less satisfied with the basic services available to them as compared to Liberians in urban areas (49.6% versus 73.8% for health care and 52.7% versus 75.4% for education).<sup>78</sup> Poverty rates are significantly lower in Monrovia at 20.3 percent compared with 57.2 percent in South Central, 58.6 percent in North Western, 68.5 percent in the North Central and 81.3

<sup>75</sup> Liberia Peace Building Office, Ministry of Internal Affairs, “Mapping Opportunities for the Consolidation of Peace” (April 2017)

<sup>76</sup> Ibid, p24

<sup>77</sup> Ibid, p16

<sup>78</sup> Household Income and Expenditure Survey 2016



percent in the South Eastern region. These disparities leave rural communities feeling marginalized and discriminated against. This manifest itself in collective violence, fueled by political and/or inter-tribal tensions. Mob violence is one of the highest-risk threats to peace in the short term as relatively minor disputes can rapidly escalate into major destabilizing incidents.<sup>79</sup>

Liberia's SCORE ratings around indicators for sexual and gender-based violence (SGBV) and aggression in daily life further support the findings of the conflict mapping study. Ineffective rule of law mechanisms not only lead to mistrust of the government but also allows perpetrators of violence, especially SGBV, to act with impunity. In relation to sexual and gender-based violence, Liberia received a rating of 1.8 on the SCORE Index, meaning that 18 percent of those surveyed expressed tendencies towards committing SGBV. In counties, such as these Rivercess, Grand Gedeh, Sinoe, and Grand Cape Mount, these tendencies are reportedly as high as 39, 32, 26, and 25 percent respectively.

Addressing these potential drivers of conflict requires coordinated effort across all pillars of this agenda. Pillar One social protection interventions aimed at decreasing economic inequalities and improving educational and health services also contribute to reducing fragility and improving social cohesion. Likewise, economic opportunities created under Pillar Two will target the regions most effected by absolute poverty to decrease regional disparities. Pillar Four interventions aimed at reducing corruption and improving accountability of the state will also reduce actual and perceived of "mismanagement" of national resources.

As a means of mitigating conflict and improving livelihoods for the poor and vulnerable, cash transfer programs and other social protection interventions under Pillar One support conflict reduction efforts under this Pillar. Pillar Three intervention will prioritize improving access to land rights and promoting land tenure security. The passage of the Land Rights Act and its recognition of customary communities as owners of their land presents a unique opportunity for disadvantaged Liberians in rural areas to be decision makers in the management of their land resources and to benefit from its proceeds. These efforts are directly aligned with agriculture expansion initiative under Pillar Two.

Conflict management and mitigation interventions are also be prioritized under. Restructured Palava and Peace Hut engagements will be used address conflicts/ atonement, provide mental health training and group therapy for PTSD- and to create awareness of national frameworks that are more appropriately suited to resolve serious crimes – particularly SGBV. Table 4.3 outlines short-term, medium-term, and long-term priorities aimed at reducing conflict and decreasing violent tendencies. Other strategic interventions aimed at ending fragility and the root causes of conflict are available in Part IV of this Agenda.

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<sup>79</sup> Liberia Peace Building Office, Ministry of Internal Affairs, "Mapping Opportunities for the Consolidation of Peace" (April 2017)

**Table 4.3 Short, Medium, and Long-Term Priorities for Decreasing Violent Tendencies**

No.	Hi-Level National Targets	Short-term interventions	Mid-term interventions	Long-term interventions
1.	<p>SCORE Index rating for violent tendencies decreases from 1.9 to 0.5<sup>80</sup> on SCORE Index (disaggregated by county, gender)</p> <p>National average for tendencies towards SGBV decreases from 1.5 to 0.5<sup>81</sup>(disaggregated by county, gender)</p>	<p>Develop conflict sensitive national reconciliation policy based on county visions and plans</p> <p>Undertake 7 county reconciliation dialogues and organize phase II national conference on reconciliation;</p>	<p>Strengthened conflict Early Warning and early response System at county and district levels;</p> <p>Leadership, non-violent communication and conflict mediation training program for youth</p> <p>Restructured Palava Hut engagements to: address conflicts/ atonement; mental health training for PTSD- (group therapy) and to create awareness of national frameworks that are more appropriately suited to resolve serious crimes – particularly SGBV;</p>	<p>ADR through palava hut and other forums; County Peace Committees – at district and county level</p> <p>Address transitional justice issues in Liberia in line with the TRC recommendations</p>
2.	<p>National average for tendencies towards aggression in daily life decreasing from 2.7 to 1.0<sup>82</sup>(disaggregated by county, gender)</p>	<p>Technical and human capacity building at the Liberia Land authority to strengthen land administration processes</p>	<p>Developing regulatory framework for the actualization of Liberia Land Authority Act and the Land Rights Act</p>	<p>Implementing the Land Rights Act, particularly customary land rights provision</p> <p>Improve land use planning and natural resource management frameworks to ensure fair distribution of benefits from natural resources</p>

<sup>80</sup> Especially targeting Grand Cape Mount (decrease from 4.0 to 1.0), Grand Gedeh (decrease from 3.0 to 1.0), River Cess (decrease from 2.7 to 0.5)

<sup>81</sup> Especially targeting Rivercess (decrease from 3.9 to 0.5), Grand Gedeh (decrease from 3.2 to 0.5), Grand Cape Mount (decrease from 2.5 to 0.1), Margibi and Lofa (decrease from 2.1 to 0.1)

<sup>82</sup> Especially targeting Grand Cape Mount (decrease from 7.7 to 2.7), Grand Gedeh (decreasing from 4.0 to 2.7), Lofa (decreasing from 4.4 to 2.7)

## 4.3 Ensuring Access to Justice, Rule of Law and Human Rights

### 4.3.1 Improved Satisfaction with Judicial System and Rule of Law

Interventions under this pillar will prioritize both the formal and the traditional justice systems—ensuring that they work to the benefit of all including the poor and most marginalized with the goal of increasing satisfaction with the quality and outcomes of services. By tackling impunity, the national justice system can be a robust tool for improving overall rule of law.

Going forward, the primary purpose of judicial reform and judiciary capacity strengthening is to **strengthen the court system at all levels and ensuring access to justice through improved judicial services and facilities in all 16 Judicial Circuits comprising the 15 counties of Liberia.** By employing this strategy, **public confidence in national institutions by ensuring justice for the poor and most vulnerable will improve and a rule of law framework that supports economic development will emerge.**

#### 4.3.1.1 Improving Judicial Systems

Over the past fourteen years, the judicial system has undergone extensive reform in the form of infrastructure expansion, institutional capacity development rendering 242 courts functional and human resource capacity enhancement, the development of a database management system for tracking jurors in the 16 Judicial Circuits, the expansion of the jurisdiction of magisterial courts to exercise trial jurisdiction over 116 categories of offenses, and the establishment of Liberia’s first Commercial Courts.

Despite these achievements, inadequate human, financial and infrastructural capacities as well as inadequate systems, structures, procedures and policies have continued to impede the effective functioning of the Judiciary. These impediments resulted in a backlog of cases, which has in turn contributed to excessive rates of pre-trial detention. The key constraints to the judiciary and its ability to ensure justice for the poor and most vulnerable are:

1. Inadequate physical infrastructure and required human and logistical resources for Circuit, Magisterial, SGBV, and Juvenile Courts
2. Inadequate numbers of functional public defenders with the logistical resources to increase representation in the 242 courts across the 15 counties
3. The lack of a case management policy and a digitized case management system to measure and improve performance of the judiciary;
4. Limited public confidence in the ability of the courts to uphold the rule of law;
5. Inadequate Juvenile Justice System;
6. Short court terms that does not take into account the case burden of the current system;
7. A lack of defined law for alternative dispute resolution (ADR)
8. Inadequate jury management facilities across the 16 Judicial Circuits
9. Inadequate dissemination of court costs, fees, and fines schedules; and
10. Centralization of the office of the court administration, resulting in the insufficient monitoring of local court administration, inspections, and reporting
11. Need for greater transparency of court fees and costs.

Table 4.4 outlines short-term, medium-term, and long-term priorities aimed at increasing satisfaction with the justice system and the rule of law and by improving the performance of the judiciary by increasing case adjudication rates. Other strategic interventions aimed at improving judicial systems in the results framework annexed in Part IV.

**Table 4.4: Short, Medium, and Long-Term Priorities for Improving Judicial Systems**

No.	High-Level National Targets	Short-term interventions	Mid-term interventions	Long-term interventions
1.	Increase from 69.1% to 85% of people that are satisfied with the quality of judicial system or rule of law available to their household (% of people satisfied and very satisfied, disaggregated by county, gender) .	<p>Implementing transparency initiative aimed at clarifying court fees and costs;</p> <p>Improving physical infrastructure for jury management facilities;</p>	<p>Increase the number and capacity of clerical staff, public defenders, and magisterial officers particularly targeting rural and vulnerable area</p> <p>Coordinating with Palava Hut and Peace Hut engagements to create awareness of legal protections and national frameworks</p>	<p>Construct, furnish, and equip physical infrastructure for outstanding Circuit, Magisterial, SGBV and Juvenile court facilities in three additional counties</p>
2.	Increase adjudication of cases rate from 50% to 75% annually	<p>Improving the performance of the judiciary through development of case management policy</p> <p>Increasing term of court to allow for adequate timeframe towards the adjudication of cases</p>	<p>Digitizing court systems beginning with the commercial courts</p>	<p>Digitizing specialized and magisterial courts</p> <p>Implementing and effective case management system</p>

#### 4.3.2 Improving Access to Justice

Over the past 14 years, Liberia has taken several steps to improve the effectiveness of its justice institutions, increase access to justice and strengthen the rule of law. During this period three Regional Justice and Security Hubs have been established to improve security service delivery and access to justice. Public service offices have also been established in eight counties as justice referral points and justice sector staff have been trained on the fundamentals of child protection. There have also been improvements in services available to survivors of sexual and gender-based violence. These efforts have been complimented by legal reforms through the Law Reform Commission, the implementation of the National Law Reform Policy and the national legal aid scheme. Civil society and private actors have also been instrumental to strengthening access to justice. Nevertheless, several constraints impede equitable and equal access to justice remain, including:

1. **Inadequate access to statutory systems in rural areas:** Insufficient numbers of police officers, prosecutors, judges, public defenders, and lawyers limit access to statutory systems in rural areas. These constraints are exacerbated by dual statutory and traditional systems which can at times be in conflict. Furthermore, as demonstrated through the SCORE index ratings, a mistrust of the justice system by those who have felt excluded in the past leads to the underuse of available statutory provisions. Issues related to the judiciary and its support to rural communities will be discussed below.
2. **Lack of public confidence in the ability of the formal justice system to uphold the rule of law:** the formal justice system has historically been the preserve of urban elites. It is still seen, by Liberia's poor, as inaccessible and unreliable, favouring the interests of those with power, and entrenching the marginalisation of those without. Unfortunately, this perception is further exacerbated by rampant corruption; impeding efforts to strengthen state-society relations and to build a society based on justice, rule of law and human rights.
3. **Excessive pre-trial detention:** Sixty-four percent of all those detained by the state have not been to trial. Pre-trial detention remains a major concern from both an access to justice and human rights perspective. Excessive pre-trial detention undermines the respect for the rule of law by reinforcing the perception that the justice system is unfair. Inadequate detention and rehabilitation facilities, and an under-resourced judiciary are two key causes of this problem.
4. **High prevalence of SGBV and HTP:** During the civil war, rape and other forms of sexual violence were an integral part of the pattern of violence that was inflicted upon targeted communities, creating a culture of impunity for SGBV, which has left a lasting legacy. The nation is still trying to come to grips with the magnitude and the complexity of the problem and much more needs to be done to reduce impunity for SGBV crimes and to provide better support to victims.
5. **Insufficiently supported and adequate Alternative Dispute Mechanism Programs:** ADR Programs have not been sustainably resourced. These initiatives not only help to resolve disputes and mitigate conflict, they can also help to reduce pre-trial detention.
6. **Insufficient consideration given to the special needs and rights of children:** The child justice program which coordinates child justice issues including legislative advocacy, policy formulation, child labor and child trafficking issues, issues affecting children who come in contact and in conflict with the law, diversion and detention issues, and general child protection remains severely underfunded and under-resourced. As a result, the Diversion Program, aimed at channelling juveniles in conflict with the law to specially designed programs, is only available in eight counties. In the absence of such programs, juvenile courts, and rehabilitation and detention centers, children are held in adult prisons. The Child

Justice Program is only available in seven counties meaning children in the remaining eight counties do not have access to justice.

7. **Consistency and Sustainability of Justice:** The justice system suffers from chronic capacity constraints in terms of basic infrastructure and material resources and acute shortages in human and financial resources. To combat this problem, several justice sector initiatives, including those related to juvenile justice and sexual and gender-based violence, are funded by international partners and non-governmental organizations. However, when these funding sources are withdrawn, vulnerable Liberians are left with inadequate access to justice.
8. **Access to justice for women:** Women, especially those in rural areas, continue to encounter hurdles when trying to access and indeed achieve justice, particularly in relation to SGBV. A lack of awareness and understanding that women's rights are fundamentally human rights further exacerbates this situation.

Going forward, the government will employ strategies and interventions aimed at improving accessibility of justice systems by eliminating of barriers that prevent people from understanding and exercising their rights and delivering fair and just outcomes for all parties, including those facing financial and other disadvantages. The government will prioritize the following strategies:

1. **Reducing pre-trial detention by**
  - a. Developing and implementing an effective case management system to decrease inefficiencies and expense of the justice system, increase adjudication rates and improve just service deliver. More details about case management will be provided below under the section on the judiciary.
  - b. Supporting ADR mechanisms, especially in rural areas with inadequate access to statutory systems
  - c. Pass and implement the criminal procedure bill
2. **Improving access to justice for the poor and vulnerable by:**
  - a. Improving service delivery in rural areas by increasing the number and capacity public prosecutors, defenders, legal aid practitioners, corrections officials, and social workers
  - b. Identifying and filling critical gaps of human resource, infrastructure, quality service delivery, and logistical support financially for child justice initiatives to improve child justice and combat child trafficking
  - c. Educating the people of Liberia about the law and their fundamental rights
  - d. Providing mental health training for justice sector staff
3. **Improving access to justice for women by:**
  - a. Strengthening justice sector SGBV initiatives;
  - b. Passing the Domestic Violence Bill;
  - c. Implementing women's rights awareness campaign

These interventions aim to **reduce pre-trial detention, improve access to justice for, all especially the poor and vulnerable**. Table 4.5 outlines the related short-term, medium-term, and long-term priorities Other strategic interventions aimed at improving access to justice are available in the results framework found in Part IV of this Agenda.

**Table 4.5 Short, Medium, and Long-Term Priorities for Improving Access to Justice**

No.	Hi-Level National Targets	Short-term interventions	Mid-term interventions	Long-term interventions
1.	Increase from 69.1% to 85% of people that are satisfied with the quality of judicial system or rule of law available to their household (% of people satisfied and very satisfied, disaggregated by county, gender) .	<p><b>Improving justice service delivery in rural areas with a focus on vulnerable groups by:</b> increasing the number and capacity public prosecutors, public defenders, legal aid practitioners, and corrections officials, and social workers (especially female social workers); and</p> <p>Harmonizing customary and statutory systems;</p>	<p>Educating the people of Liberia about the law and their fundamental rights and freedoms</p> <p>Identifying and filling critical gaps of human resource, infrastructure, quality service delivery, and logistical support; harmonizing customary and statutory systems; investing in accountability and oversight mechanisms, including the Professional Standards Division in the Liberia National Police and the Courts Inspectorate Unit in the Judiciary;</p>	<p>Building capacity amongst traditional justice systems and other community structures’ stakeholders to protect women’s legal rights, including women in the traditional justice mechanism;</p> <p>Strengthening the capacity of SGBV units of the Ministry of Justice and its coordination with Ministry of Gender</p>
2.	Proportion of BCR detainees held without trial decreases from 65% to 20%	<p><b>Reducing pre-trial detention: the government aims to tackle pre-trial detention by:</b> prioritising the provision of legal aid and assistance to pre-trial detainees; put in place a plea-bargaining system that would allow the prosecutor and the defendant to reach an agreement to dispose of the case without going to trial; and</p> <p>Passing ADR law and policies</p>	<p>Supporting ADR mechanisms, especially in rural areas with inadequate access to statutory systems;</p> <p>Providing mental health training for justice sector staff and developing a referral program linked with initiatives under health and social protection</p>	<p>Capacitating the probation and parole program</p> <p>Passing and implementing the criminal procedure bill</p>

### 4.3 Complying with International, Regional, and National Human Rights

Protection for human rights is enshrined within the Liberian Constitution. Articles 5 through 21 provide for the protection of civil and political rights including liberty and freedom from discrimination, torture and slavery. The rights to fair trial, freedom of thought, expression, religion, assembly, movement, privacy, family, are equal opportunity to work are also protected by the Constitution.

Although Liberia has had a chequered history regarding the promotion of Human Rights, the nation is a founding member of the United Nations and signatory to the Universal Declaration of Human Rights (UDHR). Consequently, since 1966, Liberia has signed and ratified almost all human rights treaties.<sup>83</sup>

In recent times, several steps have been taken to promote and protect human rights. Most of these actions have been at the legal and policy level and aimed at promoting public awareness of human rights. At the policy level, the government has ratified several international treaties, conventions and optional protocols and has also domesticated a few including: (1) the Convention on the Rights of Persons with Disabilities (CRPD) in 2012, (2) The National Commission on Disabilities (NCD) has been designated as the Secretariat for the CRPD and is responsible for leading the treaty reporting and implementation processes for the CRPD. (3) In 2013, the Government also adopted a national strategy on implementation of the CRPD. (4) Liberia signed the Optional Protocol to the CRPD and favourably considers its ratification.

Human rights monitoring, and investigation capabilities, have also been strengthened and country reports have been submitted to the Human Rights Council Universal Periodic Review (second circle) covering the period 2010 – 2014, the CEDAW, and the CRC.

Regarding the rights of children, the Children's Law was passed in 2011 enshrining the rights of children to be protected from involvement in armed conflicts and violence, sexual abuse and commercial sexual exploitation, and harmful work in line with the Optional Protocol of the Convention on the Rights of the Child. In addition, in 2014, Liberia also launched its Five-Year National Action Plan in the Fight Against Trafficking in Human Beings and established a National Anti-Human Trafficking Task Force co-chaired by the Ministries of Labour and Justice. Furthermore, the Ministry of Health and Social Welfare has placed a moratorium on international adoptions due to concerns about the trafficking of children and has submitted a proposed Child Adoption Act to the Legislature to improve the regulation of international adoptions.

Regarding awareness-raising, the Independent National Commission on Human Rights has conducted several trainings in human rights for rule of law and security officials, aimed improving the protection of human rights in the execution of their work. INRC also conducted public awareness campaigns and education initiatives, targeting traditional leaders and elders, on harmful traditional practices.

Liberia's commitment to human rights are captured in the National Human Rights Action Plan, which aims to provide guidance to all Ministries, Agencies and Commissions on their role in protecting and promoting human rights.

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<sup>83</sup> Liberia has signed and ratified the International Covenant on Civil and Political Rights (ICCPR), the International Covenant on Economic, Social and Cultural Rights (ICESCR), the International Convention on the Elimination of All Forms of Racial Discrimination (CERD), the Convention on the Elimination of All Forms of Discrimination against Women (CEDAW), the Convention against Torture and Other Cruel, Inhuman or Degrading Treatment or Punishment (CAT), Convention on the Rights of the Child (CRC), and the Convention on the Rights of Persons with Disabilities (CRPD)



However, **policy and legal reform are not enough for the effective protection and promotion of human rights.** Several constraints hinder the full enjoyment of human rights provided for under the law.

Weakness within administration of justice (discussed above under “access to justice” and judicial reform’) have led to excessive pre-trial detention and poor prison conditions. Likewise, limited knowledge amongst duty-bearers and rights-holders about human rights have led to reduced accountability for the promotion and protection of rights. This situation is further exacerbated by harmful traditional practices such as female genital mutilation (FGM),<sup>84</sup> trial by ordeal, and accusation of witchcraft, which continue to be practiced contravening human rights protection under the law.

1. **Limited protection for the rights of vulnerable persons including children, women and persons with disabilities remains particularly worrying.**
  - a. **Children’s Rights:** Trafficking of children continues to be a concern and related laws are not properly enforced. Impoverished and vulnerable children from rural Liberia continued to be trafficked to cities and are often severely exploited. Although the parents of these children are enticed by the promise of a better education and livelihood, once in the city, children are usually not given the opportunity to enroll in schools. Instead, they are engaged in street selling, and other forms of exploitation, including commercial sexual exploitation.
  - b. **Women’s rights:** Although article 11 of the Constitution of Liberia guarantees fundamental rights and freedoms for all, irrespective of sex, the institutional and legal framework for the protection of women’s rights are lacking. There is no explicit definition of gender discrimination in either the Constitution or Liberian legislation. Liberia has also not ratified the Optional Protocol on Violence Against Women. The progress report on the implementation of the National Gender Policy highlights the low quality of service provided by legal institutions, (including for survivors of GBV), the under-representation of women in the justice sector, corruption, and the lack of protection of the rights of women Liberia’s SCORE index ratings show that tendencies towards sexual and gender-based violence are concerning.
  - c. **The rights of persons living with disabilities:** Although the National Legislature ratified the Convention on the Rights of Persons with Disabilities in 2012, persons living with disabilities continue to experience discrimination. Primary, senior secondary and tertiary institutions do not have the necessary infrastructure to accommodate persons with physical or mental disabilities. Health facilities are also often ill-equipped to deal with special needs.
2. **There is very limited protection for socio-economic rights.**
  - a. **Access to health:** Access to health services remains a challenge especially in rural communities and for patients with special needs including vulnerable or marginalized groups. Health facilities are still a distance away from many communities and road conditions have further compounded the problem.
  - b. **Right to education:** Education is not readily available and accessible for all. The quality of education is often dependent on one’s finances with privately owned schools providing higher quality education than state institutions on average.

- c. **Right to Housing:** The right to housing is under threat due to land grabbing and environmental degradation such as coastal erosion and flooding.

All interventions will emphasize a human rights approach to sustainable development. To **build a peaceful, stable, resilient, and inclusive nation embracing our triple heritage and anchored on our identity as Africans** is dependent upon the protection and promotion of the full spectrum of civil, political, social, economic and cultural rights. Providing some form of income security to **an additional one million Liberians over the next six years through sustained and inclusive growth** is dependent on the enjoyment of socio-economic rights.

The government is concerned with the legislative protection of human rights and with ensuring the full enjoyment of those rights. As such, Pillar 3 prioritizes interventions aim to ensure **all Liberians, especially the poor and vulnerable have full access to and enjoyment of their civil-political and socio-economic rights**. Table 4.6 outlines the related short-term, medium-term, and long-term priorities. Other strategic interventions aimed at improving human rights protection are in results framework found in Annex IV.

**Table 4.6 Sort, Medium and Long-term Priorities for Improving Human Rights Protection and Promotion.**

No.	Hi-Level National Targets	Short-term interventions	Mid-term interventions	Long-term interventions
1.	Increase from 69.1% to 85% of people that are satisfied with the quality of judicial system or rule of law available to their household (% of people satisfied and very satisfied, disaggregated by county, gender).	<b>Improving socio-economic human rights by:</b> Implementing social protection initiatives on health, education	Cash transfer to ensure full enjoyment of socio-economic human rights with focus on rights of women and other vulnerable groups;	Pass and implement the Land Rights Act to improve land tenure security;
2.	Liberia's compliance with International, Regional and National Human Rights Obligations and reporting on implementation is improved by 80%	<b>Strengthening policy framework for human rights protection and promotion by</b> developing and implementing a New Human Rights Action Plan (2019-2023) to outline new government priorities and ensure better coordination between duty-bearers on their role in the multi-sectoral approach to protecting and promoting human rights;	<b>Strengthening women's access to justice and women's rights by:</b> fostering a certain level of specialisation across the justice 'chain' to effectively and professionally handle often exceedingly complex cases of SGBV; supporting the sensitisation of justice and security sector personnel on the rights and needs of women and girls, with a view to reducing discriminatory attitudes and behaviours	Monitoring and reporting on progress on UPR recommendations accepted by GoL; Update submission of annual reports on CEDAW, CAT and UN1325  Passing the Domestic Violence Bill; Implementing women's rights awareness campaign

#### 4.4 Improving Security Service Delivery

The objective of security sector interventions under this agenda is to ensure that security services are available nationwide including to the most vulnerable people and in the hardest to reach areas. The government also aims to ensure the security forces remain professional and responsive to the needs of the Liberian People.

Despite many accomplishments and gains made towards strengthening the various security apparatuses (highlighted in the introduction to this pillar), the security sector remains under capacitated. For example, the United Nations recommends on average one police officer for every 450 citizens. The Liberian police force falls far below this recommendation with a force of roughly 1 police officer for every 849 persons,<sup>85</sup> directly affecting the ability of the LNP to provide effective protection nationwide. This capacity gap is not limited to the Liberia National Police and its human capacity but is also prevalent in all other security sector agencies and relates infrastructural capacities. Security sector faces several challenges in achieving its goal to improve service delivery. These include:

1. **Poor infrastructure:** Poor physical infrastructure including inadequate facilities, limited road connectivity and inadequate access to electricity limit the ability of the security forces to de-concentrate services and provide security to some of the most vulnerable areas of Liberia. Limitations related to infrastructure also prevent security forces from responding rapidly to emergency situations.
2. **Inadequate oversight and supervision:** Oversight and supervision mechanisms are not adequate to monitor enforcement/adherence to rules and regulations, including inadequate redress mechanism for complaints coming both from the public and servicemen/women.
3. **Inadequate specialised capacity building:** Inadequate specialised training on new and emerging trends prevent effect security service delivery – particularly related to mental health, terrorism, and transnational organized crimes including financial crimes.
4. **Undue political interference:** Undue influence from the politically connected and powerful continue to constrain the security sector in its duty to provide equal, fair, and impartial services
5. **Limited ICT infrastructure and training:** Limited ICT infrastructure and training continues to challenge the security sector and its ability to share information and prevent conflict and crime.

Going forward, the government will provide security services by strengthening and implementing policies, providing targeted training, and improving the infrastructure. The government will also deconcentrate services (e.g. through community policing and other initiatives) and training opportunities. These interventions will not only improve overall personal security but will also create a secure environment for economic development.

Table 4.6 outlines the related short-term, medium-term, and long-term priorities. Other strategic interventions aimed at improving national security are available in the results framework annexed in Part IV of this document.

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<sup>85</sup> Based 5,545 Police officers (MOJ 2017) to population of 4,243,476 (LISGIS 2008)

**Table 6.6: Short, Medium, and Long-Term Priorities for Improving Security**

No.	Hi-Level National Targets	Short-term interventions	Mid-term interventions	Long-term interventions
1.	10% reduction in violent crimes	Strengthening community policing initiatives	Decentralizing hotline support at a county and district level with the aim of improve reducing response times, reduce crime, and mitigate and deescalating conflict.	<b>Improving security services delivery in leeward regions by</b> Deconcentrating training and recruitment and improve existing structures for training outside of Monrovia- targeting five areas most affected by conflict and crime;

2.	Increase from 69.4% to 85% of people that are satisfied with their protection against crime/their safety (% of people satisfied and very satisfied disaggregated by county, gender).	<b>Improving legal, regulatory and policy framework for security sector by:</b> Passing Public Safety Bill, Bureau of Correction Bill, Fire Service Bill; Drafting and enacting law for medical examiner office; Reviewing and domesticating Arms-Trade Treaty	<b>Improving capacity of security sector personnel through:</b> Targeted capacity development and training for security sector personnel;	Targeted and specialized recruitment for security sector personnel
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## 5.0 PILLAR FOUR: GOVERNANCE AND TRANSPARENCY

### 5.1 The Current State of Governance

Liberia transitioned from a failed to a recovering state through favorable political and economic policies, rebuilding of the civil service, instituting rule of law to a good measure, and achieving macroeconomic stability. These were supported by security sector reform (SSR), and socially transformative policies on a broad range of issues covering human rights, freedom of the press, women rights, children rights, land reform, and the rehabilitation of basic social services. These gains were however, constrained by unresolved issues relating to the full accession to the existing and new legal, regulatory, and fiscal frameworks.

Over the past 12 years, the emphasis on political governance has been nation building and re-establishment of state institutions with the goal of entrenching peaceful, transparent, and inclusive democratic practices at the central and local government levels. At the local government level, the first step was the establishment of instruments that would drive the process through a decentralization policy followed by a Local Government Law.

Under the decentralization policy, 15 service centers and 4 pilot county treasuries were established. Additionally, appropriations and contributions were made by central government and private corporations operating concessions within the geographic areas for County Development and Social Development Funds to support locally-driven development initiatives. The centers were meant to deconcentrate government services away from Monrovia to other parts of the country. The Treasuries and Funds would serve as fiscal repositories at the local level to support some level of local implementation without relying wholly on disbursements from the central government accounts.

A Public-Sector Modernization Program was designed and is currently being implemented to help standardize civil service conditions of service, harmonize employment processes, cleanup payrolls, and review mandates and functions of public sector institutions. Additionally, the National Identification Registry (NIR) was established to ensure biometric registration of all citizens, help to cleanup government payrolls, and improve the integrity of elections data.

The thrust of economic governance has been on strengthening institutions dealing with economic issues. Integrity institutions were also established or revamped to serve as ‘checkpoints’ for effective management of government resources and for follow-up actions to deter breaches.

Integrity institutions established or revamped include the Liberia Anti-Corruption Commission (LACC), General Auditing Commission (GAC), the Internal Audit Agency (IAA), the Public Procurement and Concession Commission (PPCC), the Liberia Extractive Industries Transparency Initiative (LEITI), and the National Bureau of Concession (NBC). Additionally, the Public Financial Management (PFM) Law, the Public Procurement Law, and other financial and procurement systems – IFMIS, IPSAS, ASYCUDA, Standard Integrated Government Tax Administration System (SIGTAS), Tax Administration System (TAS), and a PPCC database were rolled out to track and ensure compliance with financial management and procurement procedures.

#### 5.1.1 Challenges going forward

A high degree of centralization of administrative authority in the CMA’s, along with fragmented or overlapping mandates and functions, continue to impede effective service delivery. Therefore, there are still major bottlenecks in the delivery of basic services to local levels. The implementation plans of local projects are often misaligned with execution due to political influence. In some cases,

deliverables are usually aligned with the political decision-makers desire for future gains. Many of the projects selected and implemented were driven by political and elitist interest rather than the interest of the local community<sup>86</sup>.

Infrastructure deficits and capacity gaps and the speed at which personnel at the service centers can execute customers' request vary considerably. The single window used to process multiple requests is inadequate for the range of services that may include driver licensing, vehicle registration, marriage licenses, birth registrations, business registration, etc.

For public sector reform, the full implementation of the public-sector modernization plan remains a challenge given new shifts and paradigms in the civil service regarding entries, grades, and functions. Moreover, there are still overlapping job descriptions, unclear functions and organizational structures throughout the public sector.

The government acknowledges that effective governance of the SOEs remains a challenge. Operations remain opaque. Nearly all are inefficient and heavily reliant on government and donors for operational support and subsidies which takes away resources from other public investment priorities that would have greater impact on the lives of the poor. Four SOE's accounted for 65 percent of operating revenues in FY2016/17 while five absorbed 50 percent of all subventions and grants.

Regarding accountability and transparency, implementation of the PFM Act remains a major challenge. Only 50 percent (34 of 68) of spending entities are compliant with the implementation of IFMIS, IPSAS, procurement and other PFM instruments<sup>87</sup>. Moreover, only 19% (13 of 68) of MACs utilize financial management tools or software for effective tracking of budgets, expenditure, or disbursements<sup>88</sup>.

Conduct of audits at all MACs and the full implementation of audit recommendations also remain a challenge. About 75 percent of the MACs are fully audited (internal and external) and the audit recommendations have been submitted to the National Legislature. Generally, it takes up to a year for the needed actions to be initiated, if at all. Hence efforts to improve the system or institute punitive measures to deter would-be violators, are undermined<sup>89</sup>. On natural resource governance, the government acknowledges serious weaknesses in the capacity of responsible institutions to track and ensure more equitable shares are received from exploitation of the nation's wealth.

### 5.1.2 Development Outcomes

The interventions of Pillar Four directly support one of the two development goals of the PAPD-- building a peaceful, stable, and inclusive nation. Achieving this goal is only possible through effective implementation of policies and strategies that will ensure the participation of the entire citizenry in decision making and empowers all groups--especially women, children, and people with special needs. The achievement of this goal hinges on both major forms of governance -- political and economic.

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<sup>86</sup> African Peer-Review Mechanism (APRM) 2018 Country Review Report

<sup>87</sup> USAID-GEMS Project 2014 Annual Progress Report

<sup>88</sup> Republic of Liberia 2017 PEFA Self-Assessment Report

<sup>89</sup> Ibid



On political governance the focus going forward will be on deepening fiscal transference, strengthening local administrative capacity for public service delivery, and elections reform. Economic governance interventions will focus mainly on improving State Owned Enterprises (SOE) governance for more effective service delivery, better financial management, and improved procurement, and reduction of the subsidy provided for operational support.

Furthermore, the government sees the passage of the Land Rights Act is a critical step forward towards improving land security and ensuring the productive use of land assets to reduce poverty and vulnerability. Accelerating the process of accession to the provisions of the Act and ensuring the full functionality of the Land Authority will therefore be a major focus under economic governance.

The government, as a priority under this pillar, will put into place policies, strategies, and programs that **make Liberia a more capable state**. To achieve this, the government commits to the full utilization of existing and the new framework and instruments that can improve fiscal discipline, expand public sector capacity to deliver, expand service delivery to all counties, and improve tenure in the governance of natural resources. By so doing, two development outcomes will be produced by 2023: i) a reformed public sector exhibiting improved fiscal discipline and service delivery, and a rebalance in the concentration of economic and political activities away from Monrovia, and ii) improvement in natural resource governance.

The second priority for the government under this pillar is **reducing corruption**. Corruption undermines the capacity of the state and increases the cost to deliver basic services. To achieve this, the government commits to strengthening anti-graft institutions as the foot soldiers to lead the process while adapting e-governance via ICT platform to improve business processes and productivity. By so doing, two development outcomes will be produced in this area by 2023: (i) More robust structures reducing waste and other systemic losses in the operations of Ministries, Agencies, and Commissions and (ii) Universal migration to ICT platforms and wider adoption of e-government to improve processes and productivity.

Table 5.1 below outlines the goal and development outcomes for this pillar. Corresponding SDG and Agenda 2063 targets are outlined in the below table as well. The outcomes are aligned to six SDG's goals and to four aspirations of the AU Africa 2063. Four development outcomes will be produced. The specific baselines and national targets that will be reached in support of all four areas are listed in Annex V.

**Table 5.1: Governance and Transparency Results Framework 2018 to 2030**

<p><b>GOAL:</b> An inclusive and accountable public sector for shared prosperity and sustainable development</p> <p><b>CORRESPONDING SDG TARGETS FOR 2030:</b></p> <ul style="list-style-type: none"> <li>• <b>Goal 1:</b> No poverty;</li> <li>• <b>Goal 9:</b> Build resilient infrastructure, promote sustainable industrialization and foster innovation;</li> <li>• <b>Goal 11:</b> Make cities inclusive, safe, resilient and sustainable;</li> <li>• <b>Goal 15:</b> Sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss;</li> <li>• <b>Goal 16:</b> Promotion of peaceful and inclusive society for sustainable development, and building effective and accountable institutions at all levels;</li> <li>• <b>Goal 17:</b> A successful sustainable development agenda requires partnerships between governments, the private sector and civil society.</li> </ul> <p><b>CORRESPONDING AGENDA 2063 TARGETS:</b></p> <ul style="list-style-type: none"> <li>▪ <b>Aspiration 2-</b>An integrated continent politically united and based on the ideals of Pan Africanism and the vision of African renaissance</li> <li>▪ <b>Aspiration 3-</b>An Africa of good governance, democracy, respect for human rights, justice and the rule of law</li> <li>▪ <b>Aspiration 6-</b>An Africa whose development is people-driven, relying on the potential offered by African People especially its women, and youth and caring for children</li> <li>▪ <b>Aspiration 7-</b>Africa as a strong, united, resilient, and influential global partner and player</li> </ul>
<p><b>BUILDING A CAPABLE STATE:</b> More effective and inclusive state institutions conformed to the values, codes, and standards contained in the key instruments of the African Union pertinent to governance on the continent (APRM, Abuja Declaration 2003)</p> <p><b>DEVELOPMENT OUTCOME:</b> A reformed public sector exhibiting improved fiscal discipline and service delivery, and a rebalance in the concentration of economic and political activities away from Monrovia</p> <p><b>DEVELOPMENT OUTCOME:</b> Improved tenure in the governance of natural resources</p>
<p><b>REDUCING CORRUPTION:</b> Greater transparency and accountability among spending entities</p> <p><b>DEVELOPMENT OUTCOME:</b> More robust structures reducing waste and other systemic losses in the operations of Ministries, Agencies, and Commissions</p> <p><b>DEVELOPMENT OUTCOME:</b> Universal migration to ICT platforms and wider adoption of e-government to improve processes and productivity</p>

## 5.2 Building a More Capable State

To build a more inclusive nation and a more capable state, Liberia needs to find ways to promote a positive change in attitude by fostering the full participation of citizens in national affairs and nurturing inspirational leadership across all levels of society. Key strategies for success, on the part of the government, will be improving accountability in the public sector, putting in place an enabling legal and regulatory framework that can drive private sector growth, strengthening existing fiscal instruments and increasing local government and citizens' participation in local administration through fiscal and administrative de-concentration. Looking forward, government commits to building a more capable state by utilizing opportunities to promote political and social inclusion via:

1. A radical shift to fiscal and administrative de-concentration and strengthening local governance capacity for service delivery by increasing the capacity of the service centers and aligning the plans of the CDFs and SDFs with pro-poor interventions
2. Piloting the concept of sustainable cities in five selected cities with specific emphasis placed on some form of urban renewal action around informal settlements and city planning and zoning; waste reduction, reuse, and recycling; and expansion in public water, sanitation, and hygiene resources.
3. Institutional strengthening and capacity building for nurturing responsible leaders
4. Improved and aggressive fiscal frameworks and instruments (e-government via IFMIS) to increase revenue and minimize corruption.
5. A flexible and more robust tax system – SIGTAS, TAS, & ASYCUDA, to strengthen revenue collection that can foster growth and social development.
6. Strengthening and implementation of current legal, institutional and regulatory framework to induce private sector-led economic growth

### 5.2.1 Expanding Public Sector Capacity and Delivery

#### 5.2.1.1 *Extending Service Delivery to All Counties*

Initially the emphasis will be on completing the de-concentration of services for residents. The foremost and most relevant issue for jumpstarting this effort is the accession to the provisions of the Local Government Law to provide the legal framework for empowering local administrative structures. Over the next five years, emphasis will be placed on enabling local government to participate more effectively in some level of budgetary and financial processes.

The Government commits to improving the operational capacity of the 15 County Service Centers (CSC) by increasing the service outlets and building the capacity of personnel to accelerate services. Concurrently, government will strengthen the existing service centers through man-power development to increase access to services.

Drawing on the experience from the 4 pilot counties, the government also aims to increase the number of county treasuries to all the 15 counties with the aim of making fiscal services affordable and assessable at the local level. The government will also review the implementation of the SDFs and CDFs to focus mainly on interventions that benefit the most deprived areas of the county.

#### 5.2.1.2 *Public Sector/Civil Service Reform*

Government will strengthen public-sector effectiveness through programs that foster equality and equity relating to employment, pay levels, pay grades, and incentive-based rewards in the civil service. A key intervention will be the completion of the public-sector modernization project that will standardize civil service employment, clean payrolls, and review mandates and functions across

the public sector. Additionally, this intervention will seek to improve competitiveness and equity in the civil service pay levels and ensure incentive-based rewards in response to performance and productivity. The government will make full use of the National Identification Registry (NIR) by linking its database with key MACs for payroll cleaning and biometric information for all civil and public servants.

The government will also expand the autonomy of the Civil Service Agency (CSA) by revising the current legal framework in establishing the Civil Service Commission (CSC<sub>m</sub>). The commission, when established will have more levels of independence to roll out individual and institutional performance management system across the MACs. Additionally, the CSC intends to put in place a user-friendly e-government platform across MACs that will support record management, Personnel Action Notices (PAN) processing, performance appraisals, regular citizen survey, and civil service testing.

#### *5.2.1.3 SOE Reform*

SOE reform for financial stability and sustainability over time, and to attract private investment, will be prioritized. There is no policy on SOEs, therefore they operate with unclear mandate and without medium to long term strategy. SOEs are governed by their enabling legislations and a Board to provide corporate oversight. The government commits to putting in place a policy and regulatory framework that will reduce dependence, increase operational efficiency, and sustainability.

Specifically, the government will develop an SOE Act/policy that will include important targets on efficiencies, fiscal management, and standardized percentage SOE's contribution to government, and sustainability. The government also commits to enforcing International Financial Reporting Standard (IFRS) for SOEs which will provide standard and automatic reporting for all SOEs linked with budget harmonization, performance monitoring, financial statements, and performance trends. The government will also include in the policy framework strategies to strengthen Public-Private Partnerships (PPP) in many areas including infrastructure, agriculture, health and education.

#### *5.2.1.4 Nurturing Responsible Leadership*

The successful implementation of the national development plan will require the coordinated effort of government, private sector actors, the international community and the civil society actors. Government must be able to put together a good number of professionals with the requisite skills and needed policies to drive the process. Private sector actors must be provided the space and environment to invest, the international community and civil society organizations (CSO) must continue to be supported to serve as partners to drive the government-identified agenda and to ensure the agenda remains on course.

There are many capacity gaps that serve as threats and barriers to national ownership, scaling up, and sustainability of this national development plan. To overcome these barriers, the government commits to investing in Human Capacity Development and providing mentorship for its high-level and mid-level personnel. A specific program will be developed around capacity building and knowledge management for middle and senior-level cadres of the civil service. The key to achieving these outcomes will be improved alignment of LIPA services to civil service/public sector capacity building priorities. The government will also establish an independent Civil Service Commission (CSC<sub>m</sub>) with the level of autonomy to implement its mandate of nurturing responsible leadership for effectiveness in the public sector. Specifically, the CSC<sub>m</sub> will work closely with partners for the full implementation of the public-sector modernization project, with the aim of standardizing civil service employment, cleaning payroll, and reviewing mandates and functions of the public

regulatory sectors. The focus of the modernization process will be improving competitiveness and equity in civil service pay levels, and incentive-based rewards through performance and productivity.

#### *5.2.1.5 Improving tenure in the governance of natural resource governance*

The government commits to accelerating the rollout of the Liberia Land Authority (LLA), especially the consolidation of land-related functions, to strengthen land tenure security and improve land information management. The government will also develop a comprehensive urban land policy to address growing informality in urban environments. To acquire, survey, and map concession lands the government will review current approaches to ensure that communities with existing tenure receive maximum benefit from the use of their land. This approach will ensure equitable access to land and greater security of tenure.

Environment issues will be mainstreamed through awareness on the impact of climate change, environmental degradation, nature resource management and biodiversity. The government, through LEITI and EPA, will also endeavor to increase access to information on environment and harmonize appropriate legal instruments for sustainable environmental management. The EPA will serve as lead for monitoring and evaluation of the impact of policy decisions on the environment as well as ensuring appropriate environmental impact assessment of all public and private projects relating will be a key concern of government.

#### *5.2.1.6 Sustainable Cities Initiative*

The government commits to piloting the concept of sustainable cities in the following five cities—Monrovia, Paynesville, Gbarnga, Buchanan, and Ganta to promote a holistic approach to planning for the growth of cities to achieve a balance between the social and economic needs of the community, sanitation, and environmental conservation (especially around the disposal of garbage, plastic products, and access to latrines). Sustainable Cities will become valuable centers for economic growth and development through some form of administrative autonomy.

City selection is based on the size of the population, economic activities, capacity to finance activities from local fees and shared revenues, and some form of existing municipal structure that can be strengthened to provide more services. Some of the initial interventions would be revenue and cost-sharing activities with national government including real estate tax enforcement, zoning, and administration of other city ordinances. The government also commits to organizing local elections of mayors and councils of the city government in the long term.

The concept of sustainable cities will support the current decentralization effort by the Government of Liberia. By so doing, new fiscal arrangements of the LRA specifically regarding real estates and other local taxes and fees, within the five piloted cities will be supported by the current county treasuries within the same county.

Moreover, the sustainable cities initiatives will also support the current cities alliances initiative with the Paynesville City Corporation (PCC) designed for ensuring accountable and well-resourced local governments. This initiative could be extended to other sustainable cities based on new programs and initiatives.

Table 5.2 is the framework showing short to long term priorities and targets for 2018 to 2023. These sets of activities reflect the initial, but not the complete, program of the government going forward. Annex V is the complete results framework.

**Table 5.2: Short to Long Term Priorities for Expanding Public Sector Capacity and Delivery**

<b>HIGH-LEVEL NATIONAL TARGETS</b>	<b>Short Term Interventions</b>	<b>Medium Term Interventions</b>	<b>Long Term Interventions</b>
By 2023, Increase service delivery from 22% to 50% through County Service Centers (CSC).	Increase service delivery to citizens by strengthening existing centers and improving engendered service delivery; and making them sustainable and efficient;	Programs around citizens' participation especially women community leaders in County and Social Development Funds relating to development projects and monitoring of outputs through a participator and gender sensitive mechanism	De-concentration through placement of public services in proximity to citizens;
By 2023, improve overall service delivery and wage bill management in the Public Sector by 20% of its current capacity.	Rolling out of individual and institutional performance management systems across the MACs; conducting mandates, functions, and organizational review of participating organizations; integrate gender-responsive planning & budgeting in the mainstream PFM reforms process;	Supporting e-government initiatives through a user-friendly automated system that supports (payroll and record management, Personnel Action Notices (PAN) processing, PFM legislation on SOEs is amended and BSE decree is repealed	PFM Law and supporting HRM and fiscal management tools; revision of the CSA Legal Framework for transition to the CSC <sub>m</sub> ;

### 5.3 Reducing Corruption

A perception survey by Transparency International (2017) ranked Liberia 122 out of 180 countries worldwide with a 26% increase in corruption from 0.37. In 2012, Liberia ranked 75 of 174 countries representing the highest CPI ranking to date. The government commits to attain the 2012 ranking or above by improving on the anti-corruption indicators which include free speech, independent media, political dissent, open and engaged civil society, and openness in government budgeting, and public procurement.

The Government will reduce corruption by strengthening financial and procurement management systems and instruments including the PFM Law, IFMIS, SIGTAS, TAS, ASYCUDA and the PPCC laws and other instruments for compliance. Moreover, a major focus will be on completion of audits and implementation of audit recommendations to deter corrupt and other fraudulent practices. Table 5.3 outlines the short to long term priorities of the government. The complete results framework can be found in Annex IV.

The LACC will be the priority agency in supporting the government's drive in reducing corruption. Established as an independent organization to investigate, prosecute, and prevent acts of corruption of public officials in Liberia, the LACC is restricted to investigation of public officials with no mandate to prosecute. The government of Liberia is committed to strengthening the LACC with the human resource capacity and the tools to not only investigate but to have the mandate reviewed to be able to quickly investigate and prosecute corruption cases. Government will also assess the need for a fast-track anti-corruption court to speedily handle corruption cases in the future.

As a commitment to reducing corruption, the government will strengthen transparency institutions. Moreover, the government commits to implementing the following anti-corruption measures to increase its corruption perception index:

1. Periodic audits of all government institutions and full implementation of all recommendations to strengthen controls and reduce corruption.
2. Utilization of e-procurement to improve efficiencies, foster transparency, reduce recurring costs and automate processes;
3. Mandate review of the LACC to give direct prosecutorial power to quick investigate and prosecute corruption cases
4. Establishment of a fast-track anti-corruption court to speedily prosecute corruption cases
5. Passage of the Whistleblower Protection Act to encourage more Liberians to freely report issues of corruption.
6. Full implementation of the Code of Conduct including Ombudsman for enforcement
7. Full implementation of the Freedom of Information Law (FOI) for openness in government processes relating to budgeting, procurement and expenditure.

### 5.3.1 Improving Fiscal Discipline, Reducing Waste, and Systemic Losses

#### 5.3.1.1 Improved Tax Administration

The government intends to adopt a more effective domestic resource mobilization strategy to increase tax revenue and minimize tax fraud. Key among the various tax initiatives are the direct bank transfer tax payment system for all domestic taxes, an electronic single window system for accelerating international/cross-border trades and increase efficiency by reducing time and the cost to import/export traders, and Electronic Cash Register for GST administration to automate and track the accounting and reporting process of businesses.

The government, however, aims to transition Goods and Services Tax (GST) to Value-added Tax (VAT) to scale up the revenue base. The VAT is based on consumption thereby providing a stable revenue base imposed on a broader range of businesses. Moreover, it is simpler to administer. The government will improve monitoring systems for revenue collection, tax education, and increase its manpower strength through some form of fiscal decentralization of taxes and full implementation of the various tax laws.

#### 5.3.1.2 PFM Effectiveness

As an initial step, the government commits to amending the current Public Financial Management (PFM) Act and expanding the use of the Integrated Financial Management System (IFMIS), for effectiveness in budgeting, fiscal management, budget control, financial oversight, financial controls, revenue mobilization and ensuring transparency in procurement, budgeting and public expenditure. The Integrated Financial Management System (IFMIS), currently deployed on 55 of the 107 MACs<sup>90</sup>, will be used as a medium for tightening payroll control, improving accounting procedures, reporting, and strengthening tax administration. By 2023, at full effectiveness, the government would have deployed IFMIS to an additional 15 MACs, making a total of 70.

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<sup>90</sup> PFM Reform Strategy and Action Plan, 2017

#### *5.3.1.3 Strengthening Anti-corruption and Integrity Institutions*

Government also commits to working closely with partners in strengthening anti-corruption instruments that include the National Code of Conduct, the passage of the Corrupt Offense and the Whistleblower Acts, the possible development of a fast-track corruption court, and increasing the functional mandates of the LACC to have direct prosecutorial powers. The Government will build the capacity of LEITI, NBC, and other anti-graft institutions to monitor forest management and agricultural concessions as well as mineral development concessions and fisheries.

#### *5.3.1.4 E-governance and ICT to improve business processes and productivity*

ICT will be mainstreamed through the expansion of e-governance services and automation of processes to minimize human inputs. Specifically, the government will integrate and interface the IFMIS system with key PFM databases that include the current project management modules, budget management, Commonwealth Secretariat's Debt Recording and Management System (CS-DRM), e-procurement system, CBL transaction on behalf of MFDP, and Tax Administration System (TAS). E-governance via ICT will enhance tax revenue via improved tax administration; enhance budget management and expenditure through the effective use of the IFMIS database; support the National Biometric Registry in the execution of its mandates; and support e-procurement, asset management and elections systems in Liberia.

#### *5.3.1.5 National Biometric Registry*

The Government of Liberia commits to working with its partners on enhancements to the National Biometric Registry (NBR). NBR interventions can directly and indirectly support other key sectors of government in critical areas. Some of the key benefits of meeting the NBR benchmarks will be support to the CSA, MOA and the MFDP in minimizing payroll padding and human resource interventions in the MACs. To date, only 22,312 representing 0.5% of the current population have been inputted in the National Biometric database. The NBR will require more funding, institutional and manpower development, and infrastructure to meet its target of 50% inputs by 2023.

An effective ICT platform and biometric system can also support the National Election Commission around Election reforms with reference to improved data integrity and removal of anomalies in data collection. A fully deployed National Identification Registry (NIR) can help reduce the likelihood of duplicate or triplicate data registration and other election irregularities which is a source of conflict.

#### *5.3.1.6 Asset Management*

As part of its e-governance platform, the government will also focus on the development of an effective asset management system for the automatic tracking, assessment, updating, and retirement of government's assets. The current asset management system and its administration is flawed with asset registry and tracking errors and is manual in most respects. The government is committed to developing an automated asset registration system that can easily track, update, and retire all government's assets. The government will also review the current framework regarding retirement of assets to make it more equitable and beneficial to both government and the party purchasing these assets.

Table 5.3 shows the short to long term priorities of the government. The full results framework for reducing corruption--listing all targets, strategies, program interventions, and intersectoral linkages, can be found in Annex V of this document.



**Table 5.3: Short to Long Term Priorities for Reducing Corruption**

HIGH-LEVEL NATIONAL TARGETS	Short Term Interventions	Medium Term Interventions	Long Term Interventions
<p>By 2023, strengthen e-governance via ICT to:</p> <ul style="list-style-type: none"> <li>• Increase revenue generation by 10% per annum from 14% of GDP;</li> <li>• Increase financial transaction via IFMIS from 48% (50/104) to 65% (70/107) by FY2022/2023</li> <li>• Increase citizens and residents' registration in the national biometric database from 0.5% (22,312) to 50%; Linked with 4 key MACs.</li> <li>• E-procurement system linked with IFMIS deployed to 50 MAC</li> </ul>	<p>Strengthening tax automation process, online tax payment (I-TAS), mobile tax services, e-filing, &amp; e-registration; Widening the enforcement coverage of GST along with switch over to VAT;</p> <p>Budget streamlining; payroll control, and accounting procedures enforcement; Rollout of IFMIS to additional 7 spending agencies.</p> <p>Biometric awareness for massive citizen participation; logistical and technical support to implementation</p> <p>Making procurement more accessible to Liberian business and individuals providing goods, works and services; Simplification and streamlining of the procurement process</p>	<p>Migration from GST to VAT as part of ECOWAS Common External Tariff (CET); Expanding access to tax administration services and improved technologies.</p> <p>Comprehensive debt database fully integrated with TSA; Rollout of IFMIS to additional 7 spending agencies</p> <p>Strengthening biometric infrastructure to increase entry in National Biometric Registry (NBR)</p>	<p>Passage of tax amendment through National legislature for strengthening legal infrastructure for taxation</p> <p>A complete integration and interfacing of key PFM databases – Budget management, CS-DRM, e-procurement system, CBL &amp; TAS; Rollout of IFMIS to additional 8 spending agencies</p> <p>Interfacing NBR with National Election, CSA, IFMIS &amp; LISGIS</p>
<p>By 2023, reduction by 50% from its current position the number of land cases.</p>	<p>A comprehensive strategy for acquiring, surveying and mapping of concession lands developed and implemented</p>	<p>Programs for improving livelihood for urban poor, especially women, through security of tenure; regulating the process of acquiring, surveying, land acquisition and mapping.</p>	<p>Rollout of the Land Rights Act Ensuring adequate and effective land administration and management system;</p>
<p>By 2023, the total number of cases persecuted by LACC, through MoJ increased from 6 to 30</p>	<p>Strengthening the capacity of LACC to investigate corruption cases; Programs facilitating asset declaration and verification; formation of integrity clubs; Increased awareness and donor engagements;</p>	<p>Mandate review of the LACC to give direct prosecutorial power to quickly investigate and prosecute corruption cases; Program around encouraging more Liberians to freely report issues of corruption</p>	<p>Programs around the establishment of a fast-track anti-corruption court to speedily prosecute corruption cases; Passage of the Whistleblower Protection Act.</p>

## 6.0 IMPLEMENTING THE PLAN

### 6.1 Introduction

This section of the NDP presents the implementation and coordination arrangement for delivery of the PAPD. Effective and efficient implementation and coordination is as important to realizing the goals and outcomes as the strategies within any national development plan. Therefore, the PAPD draws on lessons learnt and builds upon coordination and implementation mechanisms developed under previous NDP's to develop a results-driven, efficient, and effective implementation framework. The implementation framework combines the planning and coordination of interventions and clarifies the roles of MACs, Pillars and Technical Working Groups and other implementing structures. The framework also presents strategies to effectively mitigate risks and potential challenges. This framework is intended not only to guide the management of the PAPD but also to be used as a tool for coordination and a reference for monitoring and evaluation.

### 6.2 Anticipated Challenges to Implementation Effectiveness

The experience with delivery of the commitments under the past three NDP's suggests that any attempt to migrate to sweeping new ways of doing government business will face major challenges. Multiple layers of stakeholders tend to capture the development agenda; and to create emergencies with intent to bend high-level choices towards areas of self-interest. Although state institutions are more capable than they were during the period of the past NDP's, other capacity challenges remain. These challenges extend from poor work environment; such as appropriate office space, equipment, reliable access to electricity and ICT, etc., to the more complex—understanding and translating a high-level time-sensitive NDP into actionable plans at the pillar, sector, regional, and institutional levels.

Furthermore, migration from a sectoral to a multi-sectoral perspective and from random locations to development corridors approaches to build synergies and generate the desired local economic rate of return on capital investments made by the government and partners, will add another layer of complexity to the way government business is done. In the face of this, Liberia's public administration culture does not encourage innovation and front-line administrators continue to be fixated on activities undertaken and not outcomes produced.

Few administrators take cognizance of the significance of individual actions on the doing business environment or the perception of impartial delivery of public service, or the impact of unintended delays created by those actions. Findings from functions such as monitoring and evaluation, audits, public expenditure reviews are more likely to be politicized than used to take corrective actions.

Moreover, the Mid-Term Review of the AfT found significant variance in approved vs. actual spending in the national budget. These variations were explained by the inability of the sector institutions to utilize the budget allocation; because of institutional weaknesses, poor activity and procurement planning, or because of unmet pre-conditions to the use of the allocated funds. This will not dissipate overnight because the public service is not immune to the limitations created by a low-skilled labor force.

Finally, the government acknowledges that the transition in administration and changes in leadership could affect institutional memory and knowledge retention on business processes in the short term. These could, conceivably, contribute to additional delays in delivery of the 120 targets of the PAPD. This will be offset by the strategic placement of a new corps of leaders who, not being

attached to the past, will be more focused on the future possibilities of Liberia and highly motivated to achieve greater development impact.

### 6.3 Migration to the Multi-Sectoral Approach

The multi-sectoral approach will leverage the investments of government, private, and ODA actors to deliver the development outcomes. This will potentially cover the gamut of policy actions, strategies, and investment decisions going forward. But given the limitations created by the implementation challenges identified above, the best initial investments are in infrastructure projects and human capital.

Therefore, the multi-sectoral approach will begin with efforts to justify, match, and arrange investments made in infrastructure development under the PAPD with new training initiatives and labor force development. Efforts made to improve the regulatory environment for FDI will be accompanied by efforts to boost domestic production and empower Liberians engaged in micro, small, and medium sized enterprises to take advantage of emerging market opportunities created through government procurement actions and regional integration.

Future investments in education will be tailored to the skills needed for jobs likely to be generated in priority development corridors. The locations and curricula of TVET interventions will be decided based on the fit to industries, trade, and agricultural production located in a development corridor. The placement of new health delivery services likewise will be sited considering existing patterns of domestic trade, namely which weekly markets feed into which daily markets. The investment in social protection (social grants, school feeding, maternity grants, etc.) will be used to stimulate local markets. While it is anticipated that most of these decisions will be naturally demand-driven, government will intervene in certain circumstances to accelerate the process of creating an effective demand under this approach.

### 1.4 Development Corridors and Special Economic Zones

Efforts to use Social Development Funds as part of the Corporate Social Responsibility initiatives over the past decade have had very limited impact on reducing inequality in access to basic education and health. Furthermore, Liberia still has a high risk and cost of doing business profile. The likelihood of attracting more capable and less speculative FDI partners are high. Compliance monitoring and evaluation of the existing concession agreements is difficult because of limited capacity for analysis and monitoring in Concession Granting Entities and the National Bureau of Concessions (NBC), NBC needs capacity building and training to be effective.

Development corridors will become the key domestic strategy for managing the negative effects of the 'Dutch Disease' or the 'economic enclaves' with stranded potential along the routes created by MDA's and ACA's. The placement of Special Economic Zones (SEZ), linked to the resource enclaves created by the 36 existing and future concessions, will exploit collateral opportunities through published plans and consultations with private investors across all sectors on major new public investment projects. The SEZ will initially be used to boost the competitiveness of the agricultural and forestry sectors through value addition and to mitigate the impact of the depletion of non-renewable natural resources.

### 6.5 National Implementation and Coordination Framework

The commitments of the PAPD will be delivered primarily using four interconnected complimentary structures: i) The National Steering Committee (NSC), ii) an Implementation, Coordination and Delivery Unit (ICDU), iii) Pillar Working Groups (PWG), and iv) Technical Working Groups (TWG). The

efforts of these structures will be complimented by Development Partners, and by private and civil society actors. A Multi-sectoral Planning Working Group (MSPWG) will support efforts of the ICDO to coordinate the selection and sequencing of interventions along priority corridors. Figure 37 is an illustration of the implementation framework.

#### 6.5.1 PAPD National Steering Committee

A PAPD National Steering Committee (NSC) will replace the Liberia Development Alliance (LDA) Steering Committee as the apex level coordination and decision-making body. The key differences between the Steering Committees relate to their size and rapid response capabilities. The NSC will be a smaller body chaired by the President of the Republic of Liberia. The Minister of State for Presidential Affairs, the Minister of Finance and Development Planning, Representatives of five key Development Partners, and Champions of the four pillars will comprise the membership. Due to the limited number of members, the NSC will be able to hold meetings more frequently, respond more rapidly, and make substantive decisions more easily.

The NSC will ultimately be responsible for the overall management and coordination of the PAPD. The NSC will promote the two overall national goals of the PAPD, review financial and program reports, and ensure all government interventions are aligned with the national agenda. As the tertiary level decision-making body, the NSC is also tasked with ensuring that MACs undertake their responsibilities to guarantee the attainment of the national targets within agreed timelines. The NSC will also ensure timely and effective provisioning of needed resources within the Medium-Term Expenditure Framework.

#### 6.5.2 Cabinet

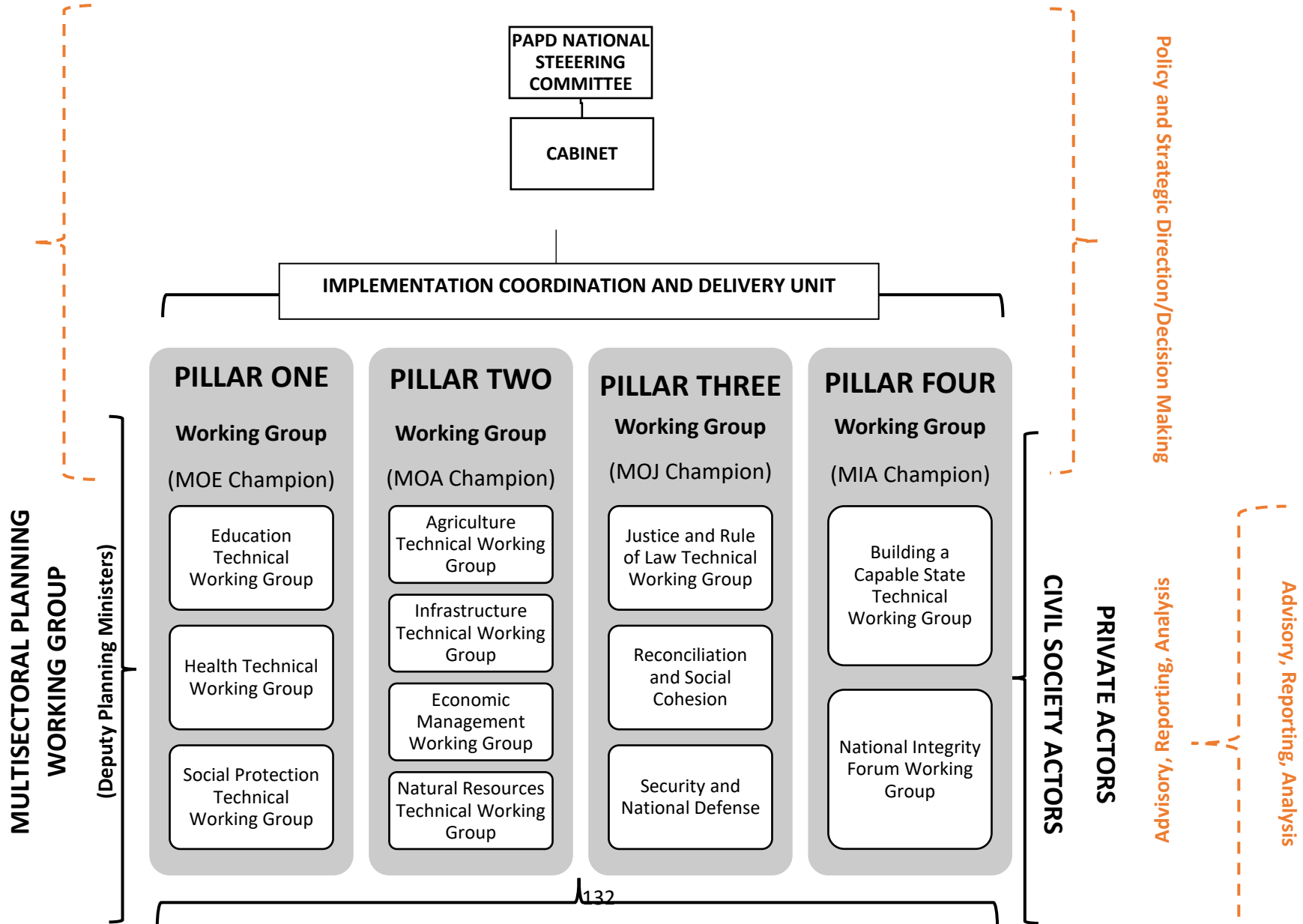
The Cabinet will provide guidance on policies and priorities which may affect the implementation of the PAPD. With assistance from the ICDO, the Cabinet will monitor the attainment of goals, national targets, and strategic objectives by periodically assessing PAPD progress and results, in accordance with the Results Framework. The Cabinet is tasked with facilitating effective inter-institutional coordination and collaboration to improve participation of the various public and private sector actors directly involved in the implementation of the PAPD.

#### 6.5.3 Implementation, Coordination and Delivery Unit (ICDU)

The ICDO is integral to the administration and coordination of the PAPD. The ICDO will be the secretariat to the NSC and the PWG. The ICDO is responsible for the general coordination and monitoring of the PAPD. The ICDO will provide support to and follow up with MACS, and other key stakeholders to ensure the timely implementation of the agreed PAPD strategies and activities.

The ICDO will work with the NSC, the Cabinet, and the MSPWG to monitor interventions and ensure compliance with strategic goals of the PAPD. The ICDO will work with Pillar Champions to plan for and manage PWG and TWG meetings. ICDO will also be responsible for preparing periodic progress reports and other supporting documentation on the implementation of the PAPD

Figure 6.1: Plan Implementation and Coordination Framework



#### 6.5.4 Multi-Sectoral Planning Working Group (MSPWG)

Improved multi-sectoral coordination is an integral component of the PAPD implementation. One lesson learnt from the implementation of previous national development plans is that limited coordination between sectors resulted in reduced effectiveness and avoidable inefficiencies. The establishment of the MSPWG seeks to mitigate this risk. The MSPWG will be comprised of the heads of Planning Departments of all MACs and representatives of the County Development Committees.

The primary function will be to review sector plans, strategies, and interventions; identify linkages and synergies; improve coordination and prevent duplication of efforts. In this regard, the MSPWG will work closely with the ICDU to advise the cabinet and ensure accountability amongst MACs for the harmonization of the delivery of components of the PAPD.

#### 6.5.6 Pillar and Technical Working Groups

Each pillar will be led by a Champion, whose primary role will be to convene quarterly meetings to deliberate on progress towards the development outcomes and agree on resource requirements from a multi-sectoral perspective. PWG membership will comprise cabinet ministers (or their designates) and others by invitation.

Twelve TWG, comprised of experts and specialists from Ministries, Agencies, and Commissions (MACs) will support the pillars. The Technical Working Groups will also ensure participation of multiple stakeholders to advise public planning, ensure wide-ranging buy-in and disseminate information throughout the implementation of the PAPD. Civil Society Actors, Development Partners, County Development Committee Representatives, and Private Actors will also play an advisory role within the Technical Working Groups. In close coordination with ICDU, the TWG's will undertake the strategic and operations planning activities, including the development of the strategic plans and financial projections.

#### 6.5.7 Regional Coordination and the Role of County Development Committees

In line with the pro-poor approach, the PAPD aims to ensure greater regional representation. County Development Committees (CDC) will be tasked with ensuring proposed interventions and plans incorporate regional needs and realities. CDC members' regional experience and technical know-how will feed directly into the plans developed by the Pillar and Technical Working Groups. Their inclusion in an advisory capacity aims to ensure implementation and monitoring of progress of development outcomes and resource requirements are viewed from regional perspective. By participating, CDC's will also understand and learn to improve the selection, design, and implementation of the local county projects.

#### 6.5.8 The Role of Development Partners (DP)

DP's will continue to provide integral support to MACs in the discharge of their responsibilities. DPs are represented both at a higher-level through a designated representative within the NSC and at the working groups level. In both locations, the DP's will play an advisory role consistent with their own country assistance priorities.

#### 6.5.9 The Role of the Private Sector

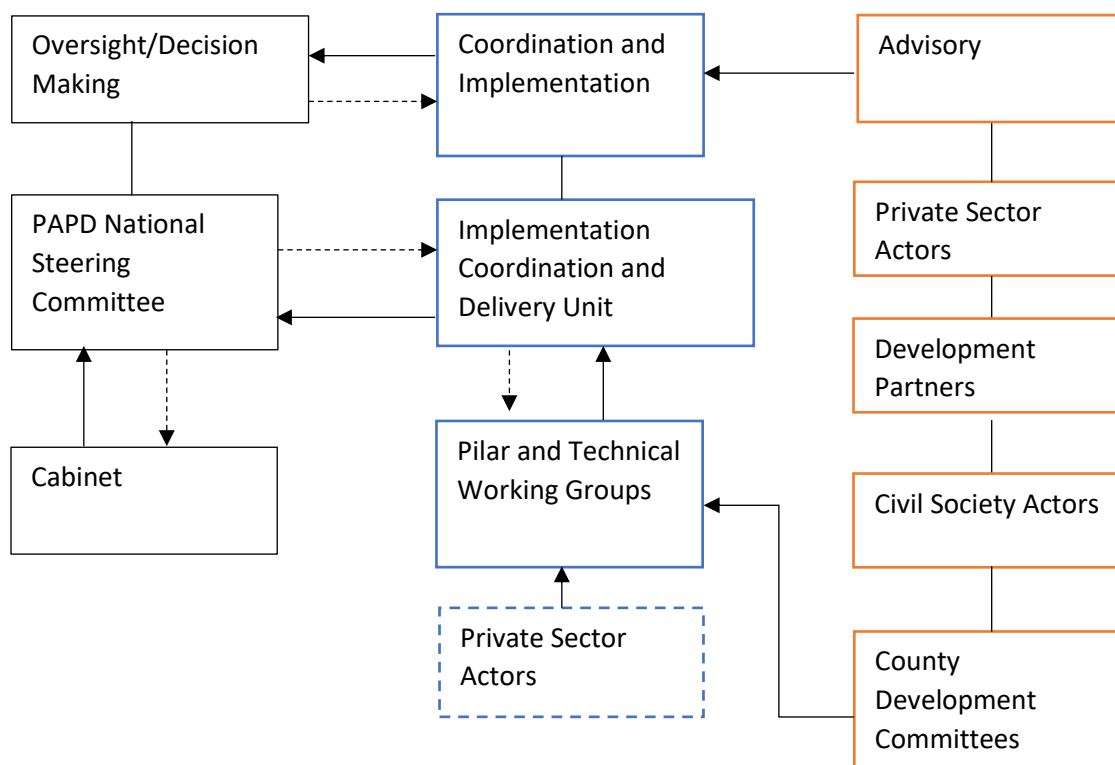
Improved coordination with private for profit and non-profit actors is integral to the realization of PAPD development outcomes. Opportunities will be provided for private actors to play an advisory role to the TWG's but will also support the direct implementation of interventions. The inclusion of private actors also aims to encourage coordinated efforts and synergies in investments particularly in priority regions and communities of the development corridors.

### 6.5.10 The Role of Civil Society

The civil society will participate in the PAPD implementation via attendance at TWG meeting by invitation. Like DPs and the private sector, civil society’s input at the pillar level will also be used as an opportunity to coordinate efforts and mitigate the duplication of interventions.

Figure 6.2 shows how these roles and responsibilities come together to inform and influence the decision-making and implementation processes. PWGs, TWGs and ICDU will be responsible for the coordination and implementation of the NDP. Through public-private partnerships, private sector actors will also contribute to implementation of the Plan. DPs, private sector actors, civil society actors and county development committees will be responsible for provide technical and advisory support for the implementation of the PAPD. Oversight and decision making will be the responsibility of the NSC and Cabinet.

**Figure 6.2: Roles and Responsibilities**



### 6.6 Partnership for Improved Aid Management and Coordination

Government commits to continuing engagement with bilateral and multilateral development partners to produce the outcomes of the PAPD. Likewise, government commits to transparency in accounting for all revenue and expenditure in keeping with the Public Financial Management (PFM) Act of 2009. The sections of the PFM Act relevant to aid management can be found in Table 6.1. The objective is to integrate ODA into the Medium-Term Fiscal Framework (MTFF) more meaningfully—on plan, budget, appropriation, treasury, procurement, accounting, reporting, and audits.

**Table 6.1: Public Financial Management Act 2009-Legal Context for Aid Management**

<b>Relevant Section</b>	<b>Stipulations</b>
Section 8 (1)	National Budget should be prepared in the context of a medium-term fiscal framework for purposes of achieving national objectives over a multi-year period
Section 9 (2)	National Budget shall, to the extent of the availability of reliable data, include all donor financing provided directly to the Budget
Section 12 (1)(g)	An Annex identifying in summary form all donor financing, distinguishing financing in support of central government from other external financing
Section 30 (1)	All spending entities shall fully disclose all information related to donor funding not channeled through the national budget.
Section 35 (3)	The accounting regulations shall also include specific rules and standards for the accounting of all donor funded assistance provided to the government not channeled through the government's accounting system
Section 36	Quarterly reporting requirements

Integrating ODA into the MTFF will ensure comprehensiveness of fiscal information to improve the link between policy, planning, and budgeting across the whole of government institutions and priority sectors; so that the priorities identified in the PAPD drives choices made in country partnership strategies during the planning phase and during the establishment of annual budget priorities. This integration will also improve fiscal discipline, strategic prioritization, and efficiency in the use of all public resources. Future funding obligations, especially of counterpart or recurrent cost of ongoing projects shouldered by donors, will be fully recognized and anticipated. The likelihood of achieving long-term targets will increase.

Table 6.2 shows the trend in aid disbursement modalities from Fiscal Years 2012/2013 compared to Fiscal Year 2015/2016. It shows that only 12.2 percent of aid flowed through budget support in FY2015/2016—a decline of 2.2 percent over the average of the preceding periods. Approximately 55 percent of aid flowing through budget support was grant funding. The remainder (45%) took the form of loan financing or Fixed Amount Reimbursement Agreement (FARA).

**Table 6.2: Aid Modality Fiscal Years 2012/2013 to 2015/2016**

<b>Aid Modality</b>	<b>Percent</b>	
	<b>FY2012/2013 to FY2014/2015</b>	<b>FY2015/2016</b>
Budget support	14.4	12.2
Pool Fund	1.4	1.0
Off Budget Aid (Implementation Units/DP executed)	77.0	77.1
Trust Fund	7.2	9.8
TOTAL	100.0	100.0

As part of the PAPD implementation strategy, the government intends to put forward an updated aid management policy in line with the requirements of the 2009 PFM Act. Government will also revise the partnership policy for nonprofit organizations. The government also intends to reach agreement on a mutual accountability framework to maximize the impact of ODA on the national development agenda. The key features of the framework will be:

1. Harmonized multi-year calendar of action with major bilateral and multilateral partners
  - a. Bi-Annual Joint pillar reviews based on consensus on the review mechanisms



- b. Annual budget support/aid modality reviews
  - c. Common Assessment Frameworks
- 2. Establishment of three dialogue platforms
  - a. Membership of the PAPD National Steering Committee
  - b. Membership of the Pillar Working Groups
  - c. Participation in Technical Working Group Events
- 3. Commitments against the guiding principles of the Paris Declaration

## 7.0 FINANCING THE PAPD

### 7.1 Overview

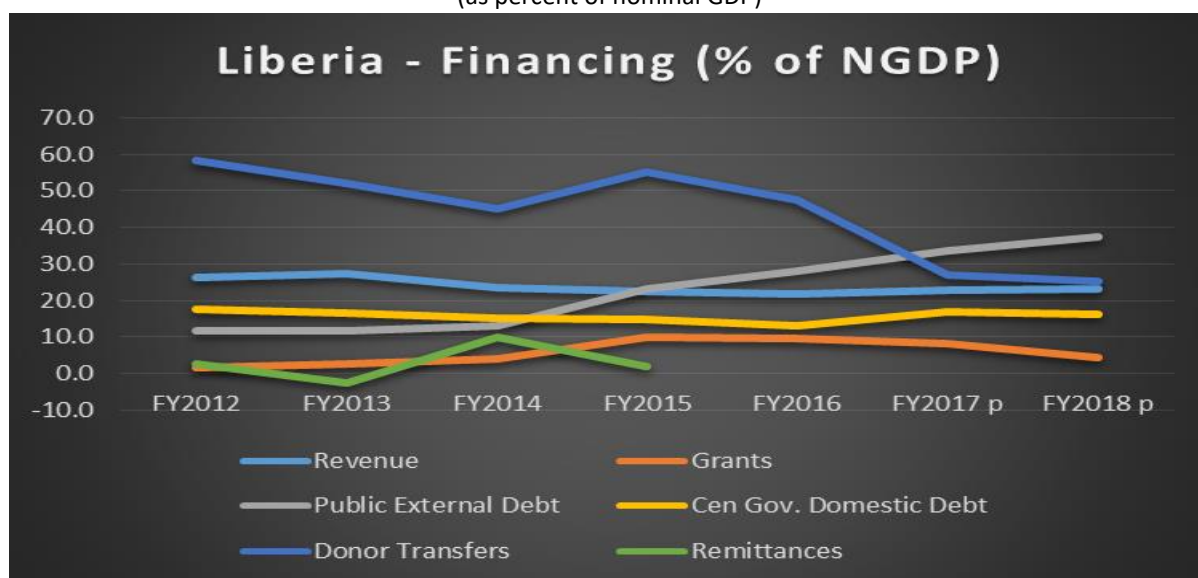
Financing requirements of the PAPD will be met from a combination of sources. The PAPD Financing strategy covers various sources of funding combining domestic resources mobilization (revenue and domestic debt), foreign support (loans and grants), domestic private sector investment and foreign

direct and portfolio investments, and public/private partnerships. More than half (59%) will come from enhanced domestic resource mobilization efforts and new borrowing for infrastructure projects.

Over the past decade, the return of foreign investors to the natural resource sectors was critical to spurring growth in the economy and revenue for the government. Given the current global price outlook for Liberia’s primary export commodities, the short-term prospects for major inflows of FDI are limited.

Moreover, the inflow of ODA over the past decade placed Liberia in the top four receiving countries in the world. The post-EVD period saw stagnating growth in revenues and domestic debt which was around 14% and 10% of GDP respectively, declining donor transfers and grants from 60% to 20% and from 5% to 2% of GDP respectively, and rising external debt at middle debt distress and volatile net remittance flows registering net outflows in 2013. While revenue increased modestly after a decline from FY2014 to FY2016, debt (external and domestic) rose significantly. Figure 7.1 shows the trend in major financing sources of government from FY2012 to FY2018 (projected).

**Figure 7.1: Liberia Sources of Central Government Financing 2012 to 2018**  
(as percent of nominal GDP)



Source: IMF

## 7.2 Resource Envelope

Using the optimistic macro-fiscal outlook (see Pillar Two), slightly more than US\$5.2 billion in revenue and grants is anticipated as shown in Table 7.1. The resource scenario projects approximately US\$2.8 billion from revenue activities and US\$2.4 billion in funding through multiple aid modalities. This would comprise 53 percent from government sources and 47 percent through grants. Under this scenario, the domestic revenue will rise from 13.2 to 15.2 percent of GDP. Up to an additional US\$1 billion will be borrowed bringing the total anticipated resource envelope to US\$6.2 billion.

**Table 7.1: Estimates of the Resource Envelope<sup>91</sup>**  
(US\$ millions)

	Current	Projected				
	FY2018/19	FY2019/20	FY2020/21	FY2021/22	FY2022/23	FY2018/19-2022/23
Domestic revenue	430	446	479	511	560	2,426
Other revenue	62	63	74	80	92	371
Grants	503	513	494	469	462	2,441
Total revenue	994	1,022	1,047	1,060	1,115	5,238

### 7.2.1 Domestic Resources

Raising the tax effort is essential to expanding the tax base to get to a higher revenue growth trajectory. The aim is to raise domestic revenue from slightly more than 12 percent to between 15.2 percent and possibly 18 percent of GDP without the economic distortions that can undesirably effect stabilization and growth. The priorities of the Domestic Resource Mobilization (DRM) strategy are to expand the revenue base by turning tax discount into premium sectors, financial deepening in money and capital markets, and exploiting the nexus between DRM and foreign resources.

The DRM strategy also identifies four headline risks in the socio-economic fabric of Liberia inhibiting the realization of higher revenue growth and domestic savings ratio. These comprise low human and institutional capacity including weak enforcement of tax laws and low technological use; a large informal sector keeping potential taxpayers, large and small, out of the tax net; prevalent corruption permeating the public and private sectors; and capital flight through illicit resource outflows depressing domestic capital accumulation. These headline risks act as inhibitors which are mitigated against in the DRM strategy through customized interventions to achieve the desired outcomes. The DRM strategy also identified critical enablers to increase domestic resources in Liberia.

The components and essential elements of the DRM are summarized below, and details can be found in the new DRM Strategy document which will be co-launched with the PAPD:

1. Revenue Mobilization
  - Greater effectiveness and efficiency in tax system through expanded access to tax administration services and increased use of revenue raising technology
  - Strengthened Legal Infrastructure for taxation
  - Macroeconomic stability including more accountable and transparent public expenditure management to deliver pro-poor socio-economic investment and services for inclusive income growth
  - Strengthened public confidence in tax system to enhance the social contract between the Government and the people to achieve higher levels of voluntary tax compliance
  - Establishment of an automated and taxpayer-centered Compliance and Enterprise Risk Management Framework for revenue administration
2. Turning tax discount into tax premium sectors
3. Mobilization of private resources
  - Financial deepening through introduction of new money and capital markets, institutions and instruments

<sup>91</sup> Sources: MFDP, LRA, IMF Staff estimates and projections; Fiscal table is shown on a commitment basis and includes central government operating budget and estimates of off-budget projects

4. Donor engagement in DRM through technical assistance and funding of infrastructure in the initial years of DRM implementation

#### *7.2.1.1 Revenue Collection Scenarios*

Revenue forecasts have been built under optimistic and conservative scenarios. Under the optimistic scenario, a paradigm shift in tax expenditures and Medium, Small, and Micro (MSM) taxpayer's base expansion would yield up to an estimated additional revenue of 82% of annual average revenue of the past six years and 18% of the GDP of 2017. Under the conservative scenario, this level would be 57 percent of the yield of the past six years and 12.5% of the GDP of 2017.

The elimination of the more stringent assumptions, such as subsistence farming and government subsidies in agriculture and the unlikelihood of attaining a 100% elimination of tax incentives, makes for the differences in outcomes between the optimistic and conservative scenarios. When simulated against average annual intake from 2011 to 2017, the average annual revenue collection under the optimistic scenario would be much higher under the latter scenario. This is in tune with the DRM expectations for financing the Pro Poor Agenda.

For these estimations, however, a compromise scenario is used taking into consideration the rebased GDP figures. The annual DRM targets are fixed to follow the IMF and World Bank short to medium term forecasts of economic growth. Under this scenario, total revenue rises incrementally by slightly more than one percent of GDP per year.

#### *7.2.1.2 DRM Flagship Projects*

The transformational projects under the DRM strategy are presented as part of the PAPD priority investment projects. Flagship projects include:

- An e & m-Tax project
- Digitalization and Physical Infrastructure Development
- Single Window for Customs
- Change from Pre-Shipment Inspection to Destination Inspection of imports
- Capacity Building and Technical Assistance
- Turning Tax Discount into Tax Premium Sectors
- Value Addition by Private Enterprise Initiatives along the Value Chains in the Natural Resources Sectors
- Sector Institutional Development
- Organization and Registration of Informal Sector Operators
- Expanding Markets, Institutions and Instruments in the Money and Capital Markets
- Exploiting the Nexus between DRM and ODA

#### *7.2.1.3 Pilot Program with Municipal Government*

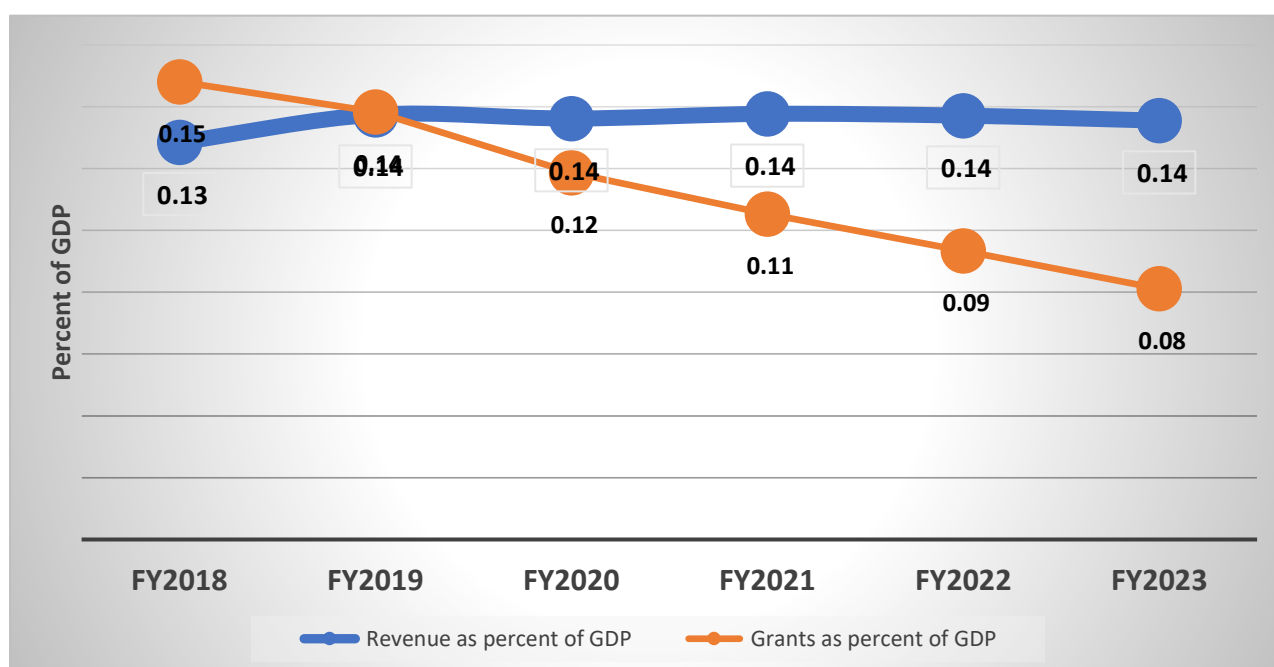
Approximately 54 percent of the population lives in cities; and yet there are only 15,000 taxpayers in the real estate tax digest. The government will pilot an effort to improve service delivery and domestic resource mobilization in five municipalities. The municipalities involved are: i) the City of Monrovia, ii) The City of Buchanan, iii) the City of Gbarnga, iv) the City of Ganta, and v) the City of Paynesville. Efforts to improve service delivery will prioritize community water, sanitation, and hygiene projects; and strengthening of community governance, policing, zoning, and code enforcement. To finance these interventions, the government will use the Annual Budget Law as the instrument to pilot a revenue sharing scheme on certain locally-generated fees and real estate taxes.

Central government will form a partnership with the five municipalities to increase the number of taxpayers in the digest from 15,000 to 150,000; and share the additional revenue generated from the 135,000 new enrollees to finance improvements in public service delivery within the municipalities where the taxpayers reside.

### 7.2.3 External Resources/Official Development Assistance

ODA funding includes direct budget support, pool fund, off-budget aid project/program aid, and trust fund modalities. As can be seen in Figure 1.2, grants as a percent of GDP are expected to fall from 15 to 8 percent of GDP over the PAPD period, while domestic revenue will rise to 14 percent with potential for an additional 4 percent rise to 18 percent with more robust DRM efforts driven by the flagship projects. The Government will continue to strengthen relationships with cooperating partners both on a bilateral and multilateral basis to ensure that the priorities of the country are comprehensively addressed.

**Figure 7.2: Revenue Vs. Grants as Percent of GDP**



Sources: Macro-fiscal outlook (Table 7.1); IMF

### 7.2.4 Domestic and External Borrowing

Government has ratified loan commitments of US\$536 million and intends to borrow an additional US\$464 as priority program loans for infrastructure investment projects.

### 7.2.5 Private Partnerships

Emphasis will be placed on harnessing the potential of the private sector to finance potentially profitable priority infrastructure investment projects to ease pressure on the National Treasury and on borrowing. Fully private sector financing are possible avenues that will be explored including equity participation and management arrangements for SOE's—drawing on the experience with these modalities in the telecommunications sector, Liberia Electricity Corporation, and the Freeport of Monrovia.

## 7.2.6 Other Financing Sources

Other financing sources have been identified under section 7.2.1.

## 7.3 Expenditure

The costing model of the PAPD is built around two principles: i) reflect all of government costs, current and capital, in the expenditure framework; ii) reflect the continuity of government through the capture of costs and funding commitments to ongoing sets of activities in existing sector and strategic plans--while forecasting the incremental cost of PAPD priority programs and investments.

### 7.3.1 Current Expenditure

Current expenditure of the government--which includes compensation, consumables, domestic and foreign debt service payments, subventions to SOE's, as well as other earmarked expenditures, is expected to be slightly more than US\$2.7 billion over the five-year PAPD period. This is shown in Table 7.2. Compensation of employees, non-financial assets, and use of good and services will comprise the largest segments of government current expenditure. Figure 7.3 shows that the annual compensation (wage bill) will be held constant through a combination of savings and cost cutting measures; creating fiscal space for reorientation of spending to priorities activities to achieve of the PAPD targets.

**Table 7.2: Current Expenditure Forecast by Object of Expenditure<sup>1</sup>**  
(US\$ millions)

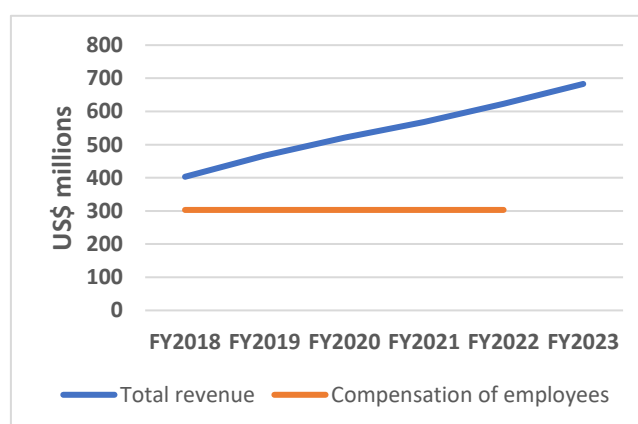
OBJECT OF EXPENDITURE	FY2018/19	FY2019/20	FY2020/21	FY2021/22	FY2022/23	2018/19-2022/23	
						AMOUNT	PERCENT
Compensation of employees	303	303	303	303	303	1,516	55.8%
Use of goods and services	79	51	60	65	73	328	12.1%
Consumption of fixed capital	0	0	0	0	0	0	0.0%
Subsidy	1	1	1	1	1	6	0.2%
Grants	64	41	49	53	59	266	9.8%
Social benefits	0	0	0	0	0	0	0.0%
Non-financial assets	84	84	84	93	102	449	16.5%
Domestic liabilities	7	7	7	8	8	37	1.4%
Foreign liabilities	23	23	23	23	23	115	4.2%
<b>Total</b>	<b>562</b>	<b>511</b>	<b>528</b>	<b>546</b>	<b>570</b>	<b>2,718</b>	<b>100%</b>

<sup>1</sup> based on the 2018/19 draft national budget with 4 outer years

### 7.3.2 Program and Capital Expenditure

Table 7.3 reveals the preliminary summary of the incremental expenditure forecast for priority investment programs over the plan period. The expenditure scenario allows for the completion of ongoing activities that align with the PAPD priorities, pivot towards new or the additional priorities to achieve the national targets thereafter, and the startup of new activities that are not funded under current arrangements.

**Figure 7.3: Domestic Revenue vs Compensation**



**Table 7.3: Incremental Expenditure for PAPD Priority Programs by Budget Sectors**  
(US\$ millions)

Pillar	Budget Sector	FY2018/19	FY2019/20	FY2020/21	FY2021/22	FY2022/23	FY2018/19-FY2022/23	
							AMOUNT	PERCENT
1	Education <sup>1</sup>	42	47	50	51	53	243	5.7%
	Health <sup>2</sup>		25	46	69	83	223	5.2%
	Social Dev. & Protection <sup>3</sup>		35	76	121	177	409	9.5%
2	Industry and Commerce	3	4	6	10	13	36	0.8%
	Infrastructure & Basic Services	409	349	453	360	283	1,854	43.2%
	Agriculture & Fisheries	44	82	93	68	76	363	8.5%
	Energy and Environment	152	152	166	166	166	636	14.8%
3	Security and Rule of Law	54	54	54	54	54	270	6.3%
4	Local and Municipal Govt	4	4	2	2	2	14	0.3%
	Public Administration	22	31	31	24	48	156	3.6%
	Transparency and Accountability	17	18	19	18	18	90	2.1%
	<b>Total</b>	<b>747</b>	<b>801</b>	<b>830</b>	<b>943</b>	<b>973</b>	<b>4,294</b>	<b>100%</b>

<sup>1</sup> based on G2B estimates and program continuity of sector plan

<sup>2</sup> Health sector provisional estimates

<sup>3</sup> estimated at 1 percent starting FY2019/20 to 4 percent of GDP

The total incremental cost for priority programs and capital investments is estimated at US\$4.3 billion. Approximately 88 percent will go to Pillars One (20.4%) and Two (67.3%) investments. Pillars Three and Four will account for 6.3 percent and 6.1 percent, respectively. Total program and investment spending will average 25 percent of GDP over the PAPD period. Table 7.4 shows estimates of the annual resource mobilization targets based on the anticipated financing gap under current scenarios.

**Table 7.4: Forecast of Resource Mobilization Targets**  
(in US\$ millions)

ITEM	2018/19	2019/20	2020/21	2021/22	2022/23	2018/19-2022/23
PAPD Incremental costs	747	801	830.00	943	973	4,294.00
Current Expenditure	562	511	528	544	571	2,716.00
Total expenses	1,309.00	1,312.00	1,358.00	1,487.00	1,544.00	7,010.00
Domestic revenue	430	446	479	511	560	2,426.00
Other revenue	62	63	74	80	92	371
Grants	503	513	494	469	462	2,441.00
Total revenue	995	1,022.00	1,047.00	1,060.00	1,114.00	5,238.00
Balance (finance gap)	-314.00	-290	-311	-427	-430	-1,772.00

## 8.0 Monitoring and Evaluation Framework

### 8.1 Overview

The Government will establish and implement a government-wide Monitoring and Evaluation (M&E) system, including the setting up and strengthening of M&E and management information systems currently existing in MACs. This system will facilitate monitoring of activities and programmes of the PAPD, including the intended and unintended impact on the economy and the conditions of the population. Implementation of the PAPD will be closely monitored through budget outturn reports, periodic tracking of disaggregated indicators, annual progress measurements against key national targets and aggregate change in national statistics data gathered by the LISGIS. The M&E framework for the PAPD is premised on the principles of results-based management with focus on outcome indicators.

The National Statistical and Spatial Data System (NSS) is the starting point. NSS in Liberia has improved since its startup in 2008 but is constrained by a range of socio-economic statistics and spatial data issues. Significant data gaps exist despite the 2008 Population and Housing Census, the wide range of statistical surveys that have been conducted, significant administrative reports and records utilized, and the substantial number of statistical outputs produced. The integrated National Statistical and Spatial Database has not been fully utilized despite the call for full use of statistical systems under the Statistics Act of 2004. The formal National Spatial Data Infrastructure (NSDI) to support compatible spatial data across agencies is yet to be fully developed.<sup>92</sup> In 2017, Liberia received a score of 60 out of a possible 100 on the World Bank Statistical Capacity based on selected international standards. This rating is nearly equivalent to the average of 60.5 for Sub-Saharan African countries. This new score showed a significant improvement from 46.7 out of 100 in 2014.

Despite the improvement in WBSCI indicators, the NSS lacks human and physical capacity including information and communication technology (ICT), for regular data collection, compilation, standardization, analysis, storage and dissemination. Primarily, a limited dissemination of available statistics is particularly observed at LISGIS and the other statistics producing institutions of the NSS. Some capacity has been developed in data collection and statistical analysis over the years but in the face of the additional complexity of delivery on the PAPD, AU, and SDG commitments, there is now a renewed focus on strengthening the NSS. Under the PAPD, the NSS will expand its output range and improve standards to better and more fully meet the needs of users and especially those needs relating to monitoring and evaluation, policy formulation, and evidence-based decision making around the national, regional, and global development agendas. The objectives, strategies, and specific plans for statistical development can be found in the National Strategy for the Development of Statistics II (NSDS).

### 8.2 Measuring, Monitoring, and Evaluating Progress towards the National Targets

#### 8.2.1 Conceptual Framework

Figure 8.1 is the conceptual framework for measuring, monitoring, and evaluating progress towards the PAPD goals and production of the high-level national targets. It dwells largely on information flows. The experiences and lessons from implementation of existing M&E framework under the AfT informed the proposed design of the PAPD M&E framework with a view to enhancing efficiency and effectiveness of the existing processes, institutional arrangements, and information flows.

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<sup>92</sup> National Strategy for the Development of Statistics, May 2016





The focus of Figure 8.1 is on the flow of information, feedback, and the decision-making processes. The details of a comprehensive M&E system will be elaborated by the ICDO, in consultation with development partners and key actors in the NSS, before the end of calendar year 2018. This new plan will essentially be an update to the final National M&E Plan for the AfT and will include recommendations from the *Final Report on the Establishment of Baseline Indicators for Key Sector Plans, AfT-II, SDGs G7+ and Agenda 2063* dated June 30, 2017. The plan also shows strategies for cost-effective subnational decomposition and tracking of indicators.

Surveys and censuses conducted by LISGIS, and discrete sector assessments and project evaluations conducted with development partners, will be used to generate evidence of outcomes and impact across various regions of the country. This body of information will guide decision makers on the ongoing interventions and inform the two major evaluations. Information will be collated and presented to cabinet and the Steering Committee through the ICDO; and feedback will be circulated for appropriate guidance to all relevant actors.

The PAPD will be evaluated at midterm and at end term. The focus of the former will be on progress measurements, assessment of the likelihood of attaining, targets, identification of constraints that can be mitigated or areas that can be accelerated to inform possible midcourse adjustments. The latter will incorporate the findings of the former but will extract useful lessons learned to guide the formulation of the successor national development plan among other things.

### 8.2.2 Measuring the High-Level National Targets

In Figure 1.8, the national goals and pathways are shown. In the Theory of Change (Figure 1.10 and Figure 1.11), the outcome maps are arranged at four levels--the Long-Term Objectives, development outcomes, Results, and Activity levels; corresponding to and defining the pre-conditions to the outcomes of the PAPD.

Embedded in each chapter of the PAPD are the high-level M&E summarized in Tables 8.1 and 8.2. Details of the key results areas, high-level national targets, and key indicators can be found in Annex I to Annex IV--comprising the Results Framework. The tables following show a list of 45 indicators, the planned frequency of measurements, and the technical working groups that will receive and use the information for decision-making at the respective Pillar level and to make recommendations up the chain to the cabinet and PAPD Steering Committee.

One composite indicator will be used to measure progress on Goal One and three will measure progress on Goal Two. Twelve indicators will measure progress on the objectives of Pillar Three (6) and Pillar Four (6). Thirty of the indicators will measure progress on attainment the objectives of Pillar One (23) and Pillar Two (7). About 90 percent of the indicators are already being captured and reported on by the NSS on a periodic basis. The major shift anticipated in the PAPD is the targets that have been established, the subnational disaggregation, and the framework for using the data for informed decision making on impact, results, and implementation reporting on the interventions of the PAPD.

**Table 8.1: Goal One: Measuring the National Indicators**

LEVEL	INDICATOR	FREQUENCY OF MEASUREMENT	RESPONSIBLE INSTITUTION AND TECHNICAL WORKING GROUP
<b>Goal One</b>	Social Cohesion and Reconciliation Index	Biennially	Reconciliation and Social Cohesion
<b>Pillar Three</b>	Compliance with national human rights obligation	Biennially	Justice & Rule of Law
	Share of people satisfied with judicial system	Biennially	Justice & Rule of Law
	Rate of adjudication of cases	Biennially	Justice & Rule of Law
	Proportion of BCR detainees held without trial	Annually	Justice & Rule of Law
	Coverage of juvenile diversion program	Biennially	Justice & Rule of Law
	Crime rate	Annually	Justice & Rule of Law
<b>Pillar Four</b>	Service delivery through service centers	Annually	Building Capable State
	Fiscal decentralization (number of counties)	Biennially	Building Capable State
	No. of financial transactions via IFMIS	Annually	Building Capable State
	Liberia corruption perception index	Triennially	Building Capable State
	Percentage of government agencies audited	Biennially	National Integrity Forum
	Number of citizens in NIR	Annually	National Integrity Forum

**Table 8.2: Goal Two: Measuring the National Indicators**

LEVEL	INDICATOR	FREQUENCY OF MEASUREMENT	RESPONSIBLE INSTITUTION AND TECHNICAL WORKING GROUP
<b>Goal Two</b>	Human Development Index	Biennially	Economic Mngt
	Multi-Dimensional Poverty Index	Biennially	Economic Mngt./Reconciliation
	Absolute Poverty	Biennially	Economic Mngt./Reconciliation
<b>Pillar One</b>	Student to Classroom Ratio	Annually	Education
	Net Enrollment Rate	Annually	Education
	WASSCE scores	Annually	Education
	Girls out of school rate	Annually	Education
	Proportion of qualified teachers	Annually	Education
	Number of schools meeting minimum standards	Annually	Education
	Proportion of out of school children	Annually	Education
	Maternal mortality	Biennially	Health
	Under-five mortality	Biennially	Health
	Under-five malnutrition	Annually	Health
	Malaria, Aids, and TB prevalence	Annually	Health
	Population living beyond 5km of health service delivery point	Biennially	Health
	Public facilities reporting stockout	Annually	Health
	Out of pocket payments for health	Biennially	Health
	Women economically empowered	Triennially	Gender and Social Protection
	Number of SGBV incidents	Annually	Gender and Social Protection
	Number of youths in social inclusion programs	Annually	Gender and Social Protection
	Workers enrolled in NASSCORP & Employment injury claims	Annually	Gender and Social Protection
	Public investment in social protection	Annually	Gender and Social Protection
	Number of children receiving free school meals	Annually	Gender and Social Protection
	Number of households receiving social cash transfer	Annually	Gender and Social Protection
Number of people per social workers	Annually	Gender and Social Protection	
Number of PWD receiving assistance	Annually	Gender and Social Protection	
<b>Pillar Two</b>	Annual GDP Growth Rate	Annually	MFDP/LISGIS
	Gender-disaggregated working population in agriculture	Biennially	Agriculture/Gender
	Energy cost per KWH	Annually	Infrastructure/Economic Mngt.
	Miles of road	Annually	Infrastructure/Economic Mngt.
	Population covered by fibre optic backbone	Biennially	Infrastructure/Economic Mngt.
	Forest cover and environmentally protected areas	Biennially	Natural Resources
	Total domestic resources mobilized	Annually	Economic Management

### 8.2.3 Measuring and Monitoring at the Subnational and Population Groups Level

The PAPD measurements and monitoring will be implemented at various geographic and population group levels. A strategic approach will be developed through the NSS to ensure that all data are

appropriately disaggregated to reflect disparity by gender, disadvantaged population groups, people living with disability, and by geographic location. These will be regularly entered into the monitoring system to be aggregated for overall reporting.

Key geographical levels include:

- National level: aggregating M&E results to the national level, based on the measurable outcome indicators and evaluations.
- Statistical Regions/county level: disaggregating key variables and stakeholders to the local level.

Data will also be disaggregated by key stakeholder groups, including:

- Beneficiary target groups, including gender, youth, people with disabilities and other disadvantaged groups.
- Private sector, especially small and medium scale (agriculture, SMEs, others).

#### 8.2.4 Institutional Arrangements for Monitoring and Evaluation

The institutional arrangements for M&E will mirror, to a large degree, the Theory of Change and the roles and responsibilities outlined in the implementation and coordination arrangement of the PAPD (see Figure 1.10 to 1.11 for the Theory of Change and Figure 6.1 for the implementation arrangement). Greater emphasis will be placed on coordination and information sharing in the context of a more robust NSS—to ensure that processes are internalized and applied, interconnected, and harmonized by responsible institutions with the view to support an informed policy decision making process.

#### 8.3 Measuring, Monitoring, Evaluating the SDGs, the AU 2063, and ECOWAS 2020

The government is cognizant of its responsibility under the 2030 Agenda for Sustainable Development which encourages member states to conduct regular and inclusive reviews of progress at the national and sub-national levels, which are country-led and country-driven. The government intends to seek support from partners for these reviews and to integrate SDG, AU2063, and ECOWAS 2020 measurements, monitoring, tracking, and reporting into the national M&E plan and the NSS.

In this regard, the government intends to establish dedicated coordination units, strategies and action plans, and accountability systems; beginning with a gap analysis or baseline study to assess existing policies elaborated under the PAPD in relation to the global and regional commitments, and to identify areas where additional progress is needed. Properly monitoring change across 169 SDG targets will stretch even the most well-resourced NSS. Moreover, the 2030 Agenda notes the special situations faced by countries in conflict and post-conflict situations. Therefore, a minimalist approach focused on a fewer set of global and regional development goals could be the best option for alignment going forward. Defining and reaching agreement on the elements of this approach will be a key goal of the baseline study.

## ANNEXES

ANNEX I: HIGH LEVEL NATIONAL DEVELOPMENT OUTCOMES

ANNEX II: RESULTS FRAMEWORK FOR PILLAR ONE

ANNEX III: RESULTS FRAMEWORK FOR PILLAR TWO

ANNEX IV: RESULTS FRAMEWORK FOR PILLAR THREE

ANNEX V: RESULTS FRAMEWORK FOR PILLAR FOUR