

Liberia: Poverty Reduction Strategy Paper—Second Annual Progress Report, 2009–10

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Republic of Liberia Lift Liberia Poverty Reduction Strategy



Second Annual Progress Report
April 2009 – March 2010

Table of Contents

ACKNOWLEDGMENTS	4
ABBREVIATIONS AND ACRONYMS	5
EXECUTIVE SUMMARY	8
1. INTRODUCTION	10
2. PROGRESS ON YEAR TWO IMPLEMENTATION	11
2.1 <i>Progress by Pillar</i>	12
2.1.1 PEACE AND SECURITY PILLAR.....	12
2.1.2 ECONOMIC REVITALIZATION PILLAR.....	13
2.1.3 GOVERNANCE & RULE OF LAW PILLAR.....	14
2.1.4 INFRASTRUCTURE & BASIC SERVICES PILLAR.....	14
2.2 <i>Implementation Challenges</i>	15
3. MONITORING AND EVALUATION	16
3.2 Core Welfare Indicator Questionnaire (CWIQ)	17
3.3 County Visits.....	17
4. CONSOLIDATING PEACE AND SECURITY	18
5. REVITALIZING THE ECONOMY	21
5.1 Growth and Macroeconomic Outlook	21
5.2 Public Financial Management, National Budget, and Fight against Corruption	23
5.2.1 <i>Financial Management</i>	23
5.2.2 <i>Project Budgeting</i>	23
5.2.3 <i>Corruption</i>	24
5.3 Monetary Policies and Financial Institutions.....	25
5.4 Agriculture and Food Security	25
5.5 Trade and Industry.....	27
5.6 State-Owned Enterprises and Public Corporations.....	28
5.7 Land, Mining and Forestry	29
6. STRENGTHENING GOVERNANCE AND RULE OF LAW	32
6.1 Governance.....	32
6.2 Rule of Law.....	34
7.0 REBUILDING INFRASTRUCTURE AND DELIVERING BASIC SERVICES	35
7.1 Health and Social Services.....	36

7.2	Education.....	38
7.3	Roads, Bridges, and Public Buildings.....	40
7.4	Water and Sanitation	43
7.5	Telecommunication, Postal Services and ICT4D.....	44
7.6	Energy and Ports.....	47
8.0	CROSS-CUTTING ISSUES.....	48
8.1	GENDER.....	48
8.2	HIV/AIDS	49
8.3	Peace building.....	50
8.4	Environment.....	51
9.	LOOKING FORWARD: STRATEGIC CHALLENGES AND IMPERATIVES	52
9.1	UNMIL Transition.....	52
9.2	Private Sector Development/Involvement.....	53
9.3	Capacity Development	54
9.4	National Vision Planning.....	54
9.5	Scaling up M&E.....	55
9.6	National Aid Policy	56
9.7	Tackling Corruption.....	56
9.8	Public Sector Investment Programs & Projects	56
10.	CONCLUSIONS.....	57
11.	END NOTES.....	59

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The four PRS Pillar Chairs, which include the Ministers of Defense, Finance, and Public Works, as well as the Director-General of the Civil Service Agency, continued to play a pivotal role in facilitating the task of data compilation on each pillar. Sub-Pillar Chairs and the Pillar Technical Advisors also played important roles in providing capacity and mobilizing the resources necessary to complete this report, which was prepared by the Ministry of Planning and Economic Affairs of the Republic of Liberia under the direct guidance of the Minister, Hon. Amara M. Konneh.

We would like to extend additional thanks to the MPEA PRS Annual Progress Report Team, commissioned by Minister Konneh and headed by Hon. Sebastian T. Muah, Deputy Minister for Economic Affairs and Policy. They are James F. Kollie, Deputy National Coordinator, LRDC; Theophilus Addey, National Project Specialist, LRDC; Joseph Zangar Bright, PTA-GRL; Shanda Cooper, PTA-SEC; Jesse B. Korboi, PTA-IBS; Jerry Taylor, PTA-ERC; Henrique Wilson, Director for Monitoring and Evaluation; Rolland Kallon, Program Assistant and Derek Reeves, researcher. These MPEA staff members played key roles in editing the zero draft and finalizing it for publication.

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Several outcomes observed in the process of compiling the report indicate that with the continuous support of the Government of Liberia, the Liberian people and the donor community, the goals of the PRS can be successfully achieved.

We can deliver and ensure success in the third and final year of the *Lift Liberia* agenda if we remain diligent in the implementation!

ABBREVIATIONS AND ACRONYMS

APR	Annual Progress Report
AU	African Union
CBO	Community-Based Organization
CBL	Central Bank of Liberia
CDA	Country Development Agenda
CFDC	Community Forestry Development Committee
CFSNS	Comprehensive Food Security and Nutrition Survey
COC	Code of Conduct
CPA	Comprehensive Peace Agreement
CSO	Civil Society Organization
CSRS	Civil Service Reform Strategy
CWIQ	Core Welfare Indicators Questionnaire
DEA	Drug Enforcement Agency
DTT	Deliverables Tracking Tool
ECOWAS	Economic Community of West African States
EIA	Environmental Impact Assessment
EM	Environmental Management
EMUS	Emergency Monrovia Urban Sanitation project
EPA	Environmental Protection Agency
ERC	Revitalizing the Economy pillar
FDA	Forestry Development Authority
FGM	Female Genital Mutilation
FLY	Federation of Liberian Youth
GBV	Gender-Based Violence
GC	Governance Commission
GOL	Government of Liberia
GRL	Governance and the Rule of Law pillar
HDI	Human Development Index
HDR	Human Development Report
HIPC	Heavily Indebted Poor Countries
IDP	Internally Displaced Person
IBS	Rehabilitating Infrastructure and Delivering Basic Services pillar
IFC	International Finance Corporation
IFMIS	Integrated Financial Management Information System
IHRC	Independent Human Rights Commission
IMF	International Monetary Fund
INGO	International Non-Governmental Organization
iPRS	Interim Poverty Reduction Strategy
KRTTI	Kakata Regional Teacher Training Institute

LACC	Liberia Anti-Corruption Commission
LDHS	Liberia Demographic and Health Survey
LFI	Liberia Forestry Initiative
LISGIS	Liberia Institute for Statistics and Geo-Information Services
LLRC	Liberia Law Reform Commission
LNCG	Liberia National Coast Guard
LNP	Liberia National Police
LPRC	Liberia Petroleum and Refinery Corporation
LPRS	Liberia Poverty Reduction Strategy
LRC	Liberia Revenue Code
LRDC	Liberia Reconstruction and Development Committee
LRRRC	Liberia Repatriation, Reintegration, and Rehabilitation Commission
LWSC	Liberia Water and Sewer Corporation
M&E	Monitoring and Evaluation
MCC	Monrovia City Corporation
MCI	Ministry of Commerce and Industry
MDGs	Millennium Development Goals
MDRI	Multilateral Debt Relief Initiatives
MIA	Ministry of Internal Affairs
MOA	Ministry of Agriculture
MOD	Ministry of Defense
MOE	Ministry of Education
MoGD	Ministry of Gender and Development
MOJ	Ministry of Justice
MOL	Ministry of Labor
MOT	Ministry of Transport
MNS	Ministry of National Security
MPEA	Ministry of Planning and Economic Affairs
MPW	Ministry of Public Works
MRU	Mano River Union
MTEF	Medium Term Expenditures Framework
NAC	National AIDS Commission
NACP	National AIDS Control Program
NBI	National Bureau of Investigation
NBSAP	National Biodiversity Strategy and Action Plan
NPA	National Port Authority
NEC	National Elections Commission
NGO	Non-Governmental Organization
NIC	National Investment Commission
NOCAL	National Oil Company of Liberia
NSA	National Security Agency

NSC	National Security Council
NSSRL-IM	National Security Sector Strategy for the Republic of Liberia with its attendant Implementation Matrix
NTGL	National Transitional Government of Liberia
PFM	Public Financial Management
PPA	Participatory Poverty Assessment
PPCC	Public Procurement and Concessions Commission
PRS	Poverty Reduction Strategy
RIA	Roberts International Airport
RRA	Rapid Results Approach
SEC	Consolidating Peace and Security pillar
SGBV	Sexual and Gender-Based Violence
SOP	Standard Operating Procedures
ToR	Terms of Reference
TRC	Truth and Reconciliation Commission
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
UNMIL	United Nations Mission in Liberia
USD	United States dollars
WACP	Women and Children Protection unit
WB	The World Bank
WHO	World Health Organization
WONGOSOL	Women NGOs Secretariat of Liberia
WTTI	Webbo Teacher Training Institute
ZRTTI	Zorzor Regional Teacher Training Institute

EXECUTIVE SUMMARY

Poverty has been a major challenge for the Government of Liberia; the 2006 Core Welfare Indicator Questionnaire (CWIQ) estimated that 64% of Liberians live in abject poverty with unequal distribution between rural and urban dwellers. In order to address this 21st century, existential challenge in postwar Liberia, the government through broad-based consultations with Liberians in every village, town and city developed an ambitious 3-year, MDG-based poverty reduction strategy (also called Lift Liberia). Lift Liberia has been the national development agenda for the country since April 2008 and it is expected to be completed by June 2011.

March 2010 marked the end of the second year of PRS implementation. In comparison to year one where 20 out of 107 planned interventions was completed, year two presents a more successful implementation picture. Of the 225 total deliverables due in year two, an impressive 181 deliverables were successfully completed, placing the implementation rate at 80 percent for year two of the PRS. There remain 44 interventions marked “off track” by March 2010 despite significant progress made on these deliverables.

As a result of the accomplishments made under the Lift Liberia agenda to date, the living conditions of ordinary people are beginning to show marked improvement. All developmental, governance and social indicators are showing year-over-year improvement. These improvements are not mere accidents; they are results of a more robust implementation strategy led by the government with the support of development partners, civil society, and the private sector. Among the successes scored thus far, Liberians are seeing the construction of more paved roads (over 50 miles); rehabilitation of primary and secondary laterite roads (over 1,000 miles); installment of bridges (8 bailey bridges); construction and rehabilitation of health facilities (more than 83 clinics & health centers); construction and rehabilitation of educational institutes (more than 175 schools & colleges); approval of US\$40 million from the World Bank for investment in education; increase in the provision of safe drinking water (50 percent of the population have access), increase in tele-density (32% of population); increase in primary school enrollment (24%); increase in foreign direct investment (more than 10 forestry and mining concessions ratified); and host of other public investments and projects.

The general economic condition has improved with a 4.6 per cent increase in GDP¹; 27 per cent reduction in the balance of trade²; real inflation decreased from 17.5 per cent to 7.4 per cent³; average bank lending rate dropped to 14.2 per cent⁴; national budget increased by more than 300 per cent between 2005 and 2009⁵; 72 per cent reduction in foreign debt (from 4.7 billion to 1.3 billion at March 2010)⁶; more than 50 per cent of the Liberian population are considered food secured; agricultural sector grew by 5 per cent; and the prevalence of poor food consumption dropped by 7 per cent⁷.

Still further, major policies, legislations and institutional reform initiatives were undertaken: The National Decentralization Policy has been approved by the cabinet; Land Commission has been established and made functional; mandates and function review has been completed for 6 ministries and agencies; General Auditing Commission completed 5 major HIPC audits; Civil Service Reform Strategy completed; Whistleblower, Freedom of Information, and Code of Conduct Acts were submitted to National Legislature for passage; Revised Revenue (before the legislature) and Investment Incentive Codes passed by National Legislature and reforms in legal and judicial systems are taking hold.

All of these gains were accomplished in an atmosphere of peace and security. With the help of the UNMIL, the United States Government and other partners, the security sector has shown impactful progress: incidence of armed robbery, as reported in local media, has been drastically reduced; sexual and gender based violence (SGBV) has been reduced by 4 per cent⁸; and incidents of arson also decreased⁹. Improvement in the relationship between citizens and law enforcement officers has led to an increased awareness amongst citizens and more confidence to report crimes. The statistics gathering on crime is improving.

Overall, the report shows progress on several fronts and general socio-economic and political conditions in the country attest to the impact of this progress. However enormous challenges remain, especially as the country approaches the end of the PRS and the ensuing general and presidential elections. These challenges include roads, climatic conditions, crafting of the next generation of PRS to fill any potential gap in development planning; the mobilizing of resources for the holding of general and presidential elections and; strategically placing the private sector at the heart of economic growth and job creation in the next development strategy; and positioning agriculture as the main stay of the economy.

In spite of these challenges, the result of the second year implementation of the Lift Liberia PRS demonstrates that Liberia can overcome its development challenges. With the right political leadership, strong institutions, dedicated planners and technicians, Liberia can become a middle income country within a relatively short period of time.

1. INTRODUCTION

As Liberia makes in-roads on the path to recovery, the second year Annual Progress Report (APR) captures a review of progress made toward the full implementation of Liberia's MDG-based Poverty Reduction Strategy (PRS), which covers the period from April 2009 to March 2010. The Ministry of Planning and Economic Affairs (MPEA) has prepared this report in collaboration with all stakeholders in Liberia's development efforts, including government ministries, autonomous agencies, bureaus & commissions, donors, and implementing partners, particularly non-governmental organizations (NGOs), civil society organization, and private sector actors.

The second year APR shows a dramatic improvement in the overall completion rate from 20% in year one to 80 per cent¹⁰. This is the result of improved capacity, better coordination, stronger ownership and effective communication.

The APR is intended to promote a deviation from the past where development reporting and citizens' participation in the various aspects of development were non-existent. It provides a gauge for measuring performance and national ownership.

This report was developed with the following objectives and scope:

- Inspect PRS projects and programs across the country;
- Assess the impact of development projects on macroeconomic condition of the country as reflected by the growth rate ;
- Discuss with stakeholders the perception of development progress as well as their appreciation of challenges and constraints;
- Review monitoring data from the national M&E Deliverable Tracking Tool to assess the progress of implementation in all priority intervention areas;
- Document implementation progress of sector outputs and cross-cutting priority interventions against projected timeframe;
- Identify specific cross-cutting issues in implementation such as gender equity, peace building, the environment, HIV/AIDS, and children and youth; and
- Identify implementation gaps based on stakeholder inputs.

This APR documents actual deliverables due, progress achieved, challenges, and lessons learned during the PRS implementation from April 2009 to March 2010. It also serves as a tool to increase successful performance during the PRS' third and final year.

This report is organized into the following sections: Section 2 provides an overview on progress of year two implementation; Section 3 discusses M&E processes, measurement of progress toward M&E achievements; Section 4 provides detailed progress on the Security pillar. Section 5 highlights progress on Governance and the Rule of Law; Section 6 analyzes progress on the Economic Revitalization pillar; Section 7 captures progress on rebuilding infrastructure and delivering basic services; Section 8 examines progress and challenges on cross-cutting issues including gender equity, HIV/AIDS, peace building and conflict sensitivity and the environment; and Section 9 explores the way forward: strategic challenges and imperatives.

2. PROGRESS ON YEAR TWO IMPLEMENTATION

After a dismal implementation rate (20%) on year one implementation of the Lift Liberia Poverty Reduction Strategy (PRS), government, development partners, and civil society resolved to institute measures aimed at accelerating progress. A series of reviews, analysis, sequencing, and prioritization were performed as means to fast track implementation.

The timely release of first year preliminary report by the Ministry of Planning and Economic Affairs enabled the Government to move quickly to identify and mitigate implementation challenges. Based on the results reported for year one, pre-retreat activities were held with development partners and civil society to review all past due deliverables to set the stage for major a Cabinet retreat that brought senior officials of Government along with their technical assistants together to review their deliverables and recommit to full implementation.

At the end of the Cabinet retreat on August 15, 2009, each Cabinet minister demonstrated their commitment to the full implementation of the Lift Liberia development agenda by presenting a set of 90-day action plans to be completed by the end of November 2009. This first set of 90-day action plans set the stage for what would become common practice in the Liberian public sector and eventually spread to development partners.

As a means of ensuring that ministries and agencies were presenting realistic and achievable plans, the LRDC partnered with the World Bank Institute (WBI) and the United Nations Development Program (UNDP) to undertake a series of training workshops on Rapid Results Approach (RRA). The RRA is a results-based approach to management that was pioneered in the private sector but has since gained traction in the public sector. Two rounds of training workshops were conducted with key sector ministries and agencies including Health, Public Works, Agriculture, Education, and WATSAN. Other supporting ministries and agencies like Finance and PPCC were also involved in the workshops. More rounds of training to sharpen the skills of technicians in results-based management are being planned as the benefits of these exercises are already being felt throughout the Government.

As shown in the diagram at the right, recognizable progress has been made in the implementation of the Lift Liberia development agenda. As compared to year one (April 2008 – March 2009) when only 20 of the 107 deliverables were completed, the results for year two (April 2009 – March 2010) shows that 181 (80%) of the 225 planned interventions for year two were completed as scheduled. There were 44 (20%) deliverables that were not completed as at the end of March 2010 even though significant progress had been made on them.

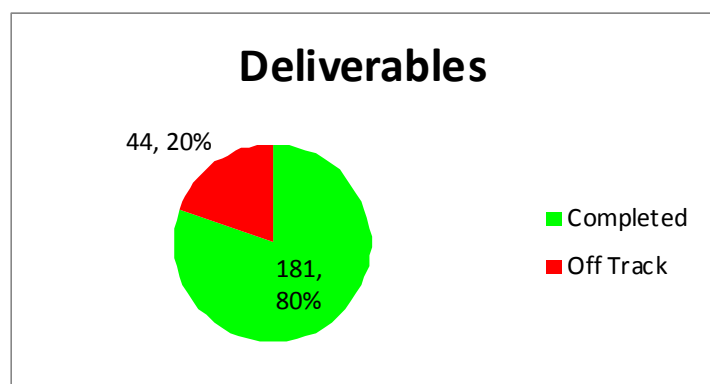


Figure 1: Overall PRS Completion Rate (Source: LRDC Deliverable Tracking Tool)

The successful completion of several critical interventions is beginning to have some impact on the poverty landscape in Liberia as will be seen in other sections of the report. Liberians are noticing several infrastructure projects like roads, bridges, health centers, waste disposal and street cleaning, water and sanitation, educational institutions, improvement in post & telecommunication been undertaken by the Government and development partners aimed at improving living conditions.

For the same period under review, other less tangible but equally important projects, were undertaken by government and development partners. These intangible projects include various legislations, policies, institutional strengthening and capacity building initiatives, as well as overall coordination and monitoring of government and partners’ effectiveness. While the infrastructure projects are important and necessary, future economic growth and development will be significantly undermined if these soft initiatives are not implemented: these efforts will form the solid foundation upon which long term sustainable growth will be based.

2.1 Progress by Pillar

While the overall year two implementation rate shows an impressive cumulative 80%, it is necessary to further dissect this number to understand which specific areas require more attention. As the graph below shows, some pillars are far ahead of others. It is important to note also that the complexities and constraints differ for each pillar and must be taken into consideration in interpreting the report.

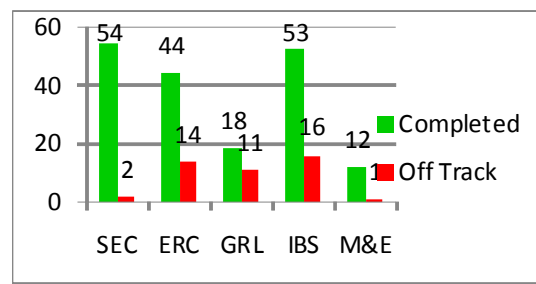


Figure 2: Year Two Completion Rate by Pillar (Source: Lift Liberia Deliverable Tracking Tool)

2.1.1 PEACE AND SECURITY PILLAR

As captured in year two reporting, the Security pillar made significant progress as more than 96% (54 out of 56) of its deliverables were completed by the end of March 2010. One factor for this major surge in completion rate as compared to year one is that most of the Security Pillar deliverables were disaggregated and assigned to specific ministries or agencies rather than lump everything together and making “Security Institutions” the responsible party. It has been observed that without clear accountability, responsibility, ownership, and productivity are compromised. This lesson was learned from year one implementation and swiftly correcting this issue has led to an impressive implementation rate of 96 percent.

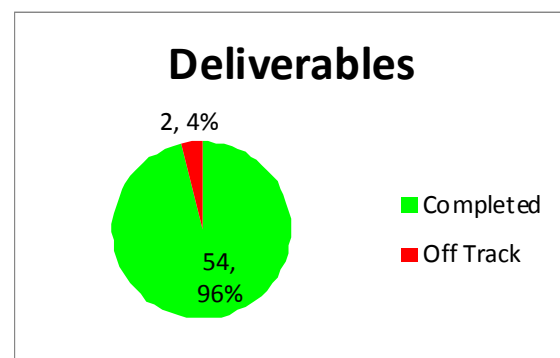


Figure 3: SEC Year Two Completion Rate (Source: LRDC Deliverable Tracking Tool)

Another factor responsible for success in the Security pillar is the effective pillar leadership as well as the strong cooperation of development partners. The Security pillar is the only pillar where the National Legislature is fully represented at all pillar meetings. Development partners have

demonstrated equal commitment to this pillar as exemplified by the high profile presence of the SRSG and the US Government at all pillar meetings.

There remains much to do under the Security pillar with nearly 37 critical interventions to be completed by the end of the PRS period, June 2011. With the commitment and dedication of members of this pillar, the LRDC is confident that nearly all of these interventions will be completed as planned. However, there are some concerns as to whether the Security pillar will be adequately prepared to effectively manage the eventual transition of UNMIL in the future. The progress made in this pillar so far has paved the way for work in other pillars, but the issue of UNMIL transition is one critical area of concern for the pillar and sector.

2.1.2 ECONOMIC REVITALIZATION PILLAR

Efforts to revitalize the economy by establishing a stable and secure environment for sustainable economic growth and development continued in earnest with more activities in year two of PRS implementation. The ERC pillar had 58 priority interventions due at the end of year two of which 44 (76%) were completed. The remaining 14 (24%) interventions recorded significant progress even though they were not completed by March 2010.

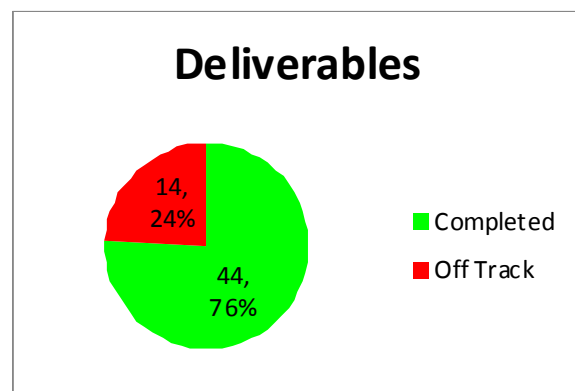


Figure 4: ERC Second Year Completion Rate:
(Source: LRDC Deliverable Tracking Tool)

The ERC pillar made modest progress during year two of implementation although affected by the global economic crisis. Despite the global economic crisis, some major successes were achieved in the pillar during the year under review including: the passage of the Public Financial Management Law (PFM Law) and Revised Investment Code, the rolling out of ASYCUDA in a pilot phase, establishment of Land Commission and the completion of a model Mineral Development Agreements (MDA), National Microfinance Policy, Mining Cadastre System and National Employment Policy (NEP). ,

The completion of key policy and legislative related deliverables facilitated much progress in Agriculture and Food security, Mining, Forestry, Land and Environmental Policy, Private sector investment and Financial Services.

Despite ERC's accomplishments, further achievements have been hindered by a lack of strong leadership and participation by heads of MACs on PRS implementation, funding to implement deliverables; Legislative constraints to pass ERC related bills and inefficient human capacity to implement deliverables.

2.1.3 GOVERNANCE & RULE OF LAW PILLAR

The Governance and Rule of Law pillar made considerable progress in the implementation of the PRS during the second year. The pillar completed 18 out of 29 interventions representing (62%) while the remaining 11 interventions (38%) are considered “off track”. GoL continues to make efforts towards the achievement of its overall goal of making public institutions and governing systems efficient, responsive, and accountable while ensuring everyone has equal protection under the law irrespective of class, status, or affiliation. Also, several interventions under the GRL required Legislative actions, which affected the overall completion rate of the pillar.

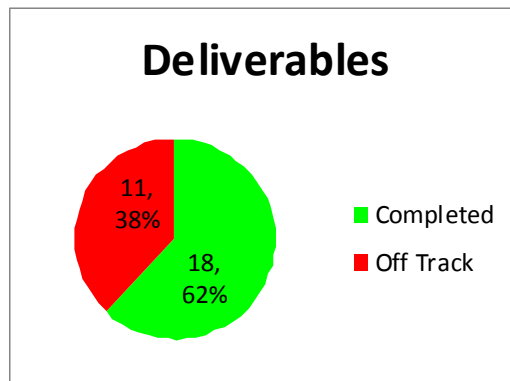


Figure 5: GRL Year Two Completion Rate (Source: LRDC Deliverable Tracking Tool)

While major effort is needed to complete the remaining 34 interventions by the end of the PRS period, significant progress was made in: reforming the civil service, developing a decentralization policy, establishing an anti-corruption commission, supporting and funding an independent General Auditing Commission, establishing a Law Reform Commission, establishing a Land Commission, drafting Freedom of Information Act, drafting a Whistle Blower Act, among many other governance initiatives. Progress made under Rule of Law include the establishment of a public defender system, setting up of county-level case management mechanism, reduction in pre-trial detention, and the rehabilitation of several prisons. However obstacles remain particularly in the area of the judiciary’s coordination with development partners. Special attention must also be paid to interventions that require legislative implications to ensure they are completed.

2.1.4 INFRASTRUCTURE & BASIC SERVICES PILLAR

The major priorities articulated by Liberians during PRS consultations (roads, schools & hospitals) fall under the Infrastructure & Basic Services pillar. The need to accelerate implementation, therefore, cannot be overemphasized. Substantial progress was made in year two and the impact is already being felt in some areas. To achieve its goal of rebuilding critical infrastructure such as roads, bridges, ports, public buildings, power plants, telecommunication, etc that will enhance growth and development while simultaneously providing basic services such as quality education,

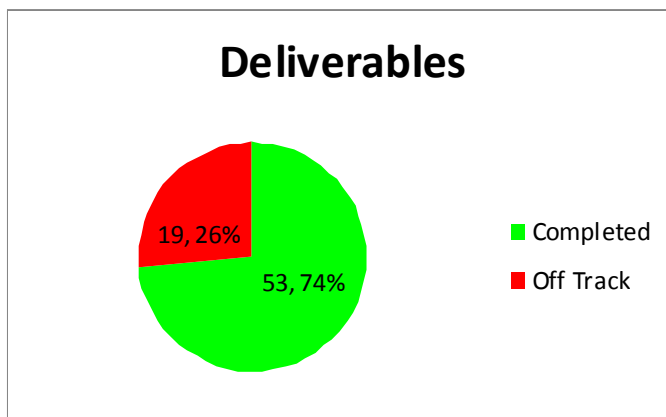


Figure 6: IBS Year Two Completion Rate (Source: LRDC Deliverable Tracking Tool)

affordable healthcare and social protection for vulnerable groups, the IBS pillar had to complete 72 interventions by March 2010. The pillar completed 53 interventions representing (74%) with the remaining 18 (26%) considered “off track” despite the fact that substantial work had done on the outstanding deliverables.

Within the health care sector, several health indicators have begun to improve at the end of year two with the Basic Package of Health Services (BPHS) now implemented in 53% of existing health facilities¹¹; construction of health centers and clinics; all counties have ambulance services equipped with communication devices; the success rate of child immunization has increased; use of mosquito net has also increased; and HIV/AIDS awareness is on the rise and incidence rates are decreasing. Major progress has been made in the educational sector such as payroll verification, the construction of primary and secondary schools, free compulsory basic education policy, renovation of teacher training institutes and school feeding program.

There has been an increase in road construction. Several miles of roads have been paved along with construction of primary and secondary laterite roads. There was rehabilitation of specified Monrovia City streets; pavement of the Cotton Tree-Bokay Town road (10 miles); 991 miles out of 1,187 miles of primary laterite roads completed; 219 miles of 300 miles of Secondary roads completed; 130 miles of 400 miles of Feeder roads completed¹².

2.2 Implementation Challenges

While second year implementation of the PRS showed an impressive rate of implementation (80%) compared to first year implementation rate (21%), there are still critical challenges hampering full scale implementation. Most of the challenges identified in the year one report still remain. Some of the year one obstacles of lower magnitude have been mitigated but the larger obstacles continue to linger and will have to be addressed strategically. The remaining obstacles impeding progress of PRS implementation include but are not limited to:

Capacity to deliver: Technical and functional capacity to undertake medium to complex tasks within and beyond government was recognized as a constraint. In the private sector, businesses are unable to tap into banks lending portfolio because of the inability to write sound business plans and manage operations in order to repay loans. Civil society and local NGOs are having problems writing project proposals for grant funding from donor agencies. On the government side, directors and other line staff are unable to adequately perform tasks and coordinate activities leading to effective service delivery.

Sector Coordination: Various sectors within the government are not coordinating activities in order to benefit from synergies, multiply the gains of interventions, and re-enforce the activities of other sectors.

Sectoral Leadership: Leadership within several sectoral ministries needs to be strengthened. Several interventions in various MACs are implemented by various players in local and international NGOs but these activities are not been properly tracked, monitored and coordinated by sector ministries.

Motivation and Oversight from Cabinet Ministers: Employees at the technical /implementation levels or frontline bureaucrats have complained that supervisors are not providing the kind of support needed to enable task completion. In many ministries and agencies, PRS interventions are viewed as additional work outside present ministerial functions. In few ministries and agencies where cabinet ministers are completely committed to PRS implementation it has been reflected in the overall productivity.

Partnership with other branches of Government: The PRS implementation has been viewed as the prerogative of the Executive branch. This reduced shared responsibility by the other two branches of government has led to slow pace of implementation, especially in cases in which legislative actions are pre-requisites for the completion of deliverables. In Year Three, greater partnership and collaboration will have to increase to accelerate the PRS impact on the lives of the Liberian people.

Community participation: The public ownership of the PRS has been low. The perception of the public is that the PRS is the sole responsibility of the government. An active and more engaged community of local players will have to be brought into the implementation framework for effectiveness, sustainability and impact.

Private Sector participation: While it is articulated in the PRS that the private sector will be the engine of growth, the private sector is yet to find its relevant place in the development agenda, despite modest efforts to involve them at the level of the LRDC Steering Committee. Much more effort is needed as reforms in tax administration; customs clearing and business registration are geared toward reducing transaction costs for businesses thereby encouraging more investment and job creation.

Structured and Effective Aid Environment: Liberia's aid environment remains fragmented and ad-hoc. A stronger framework is needed for aligning development partner support to Liberia's development priorities as a robust institutional framework for coordinating aid to achieve the best development results is lacking. An aid policy that unequivocally articulates the quality of aid that Liberia will accept and the coordination framework is the next critical challenge for accelerating PRS implementation.

Unrealistic and non-catalytic: The ambitious nature of the PRS has been a hindrance with a large number of many interventions to be delivered within the three year period. Since the inception of the PRS, some deliverables are now viewed as unobtainable within the time framework, while others had no clear growth and/or poverty reduction impact.

3. MONITORING AND EVALUATION

Monitoring and Evaluation in the second year Annual Progress Report took a slightly different turn from the first year. Rather than counting the number of interventions completed and reporting progress, the second year M&E involved more physical inspection of projects and conversations with local communities to understand their appreciation of ongoing development efforts. This visible inspection of projects and conversations with local communities provided citizens the opportunity to express their frustrations as well as put forth recommendations on how these

projects could be better implemented. International and local NGOs implementing development projects around the country also had the opportunity to express their concerns on what the role of government and county administration should be with respect to project and program implementation. This move toward participatory monitoring and evaluation provided honesty and attention to PRS implementation: local citizens saw government as being sincere in the PRS implementation and being prepared to pay attention to their plight.

The M&E framework is geared toward monitoring outcome and impact indicators in the second year against the goals set out in the PRS action matrices. PRS priorities are also tracked to ensure that implementation is proceeding smoothly. The LRDC, in collaboration with the MoF Aid Management Unit, monitors financial flows from the Government of Liberia and its development partners in an effort to get a better overall picture of how the Government's inputs and external support are being used. The Regional and Sectoral Departments of the MPEA also assist in coordinating quality delivery of data at the county-level for the duration of PRS implementation.

The mechanism used to gather all the M&E information involve the deployment of County Development Officers and M&E Assistants in each county along with a team of 225 Field Monitors all around the country. This mechanism has worked well for the PRS and the CDAs but as Liberia advances beyond relief and recovery, these efforts will have to be scaled up to a national framework: The Government will design a system that tracks all development programs / projects within the country and conduct effective M&E to ensure that development results are being achieved and that the impacts are being felt by citizens.

3.2 Core Welfare Indicator Questionnaire (CWIQ)

In order to establish the baseline on the incidence of poverty in Liberia, a Core Welfare Indicators Questionnaire (*CWIQ*) Survey was undertaken in 2007. The CWIQ survey was designed to measure indicators of social welfare and standard of living in the monitoring of poverty reduction programs and social development in general.

The CWIQ at the time established the poverty rate at 64 per cent. The MDG framework sets forth the challenge to half this number by 2015, and it was clear that post-war realities in Liberia will continue to hinder the achievement of this goal. Accordingly, the Government of Liberia, along with development partners, aimed to reduce the poverty rate in Liberia by four percentage points. Therefore the goal of the three-year Lift Liberia PRS is to bring down the poverty rate from 64% to 60% over the three year period ending June 2011.

The only objective and empirical way to determine whether any measurable progress has been made on poverty reduction is to conduct another CWIQ. The M&E working group chaired by LISGIS and the LRDC Secretariat initiated another QWIQ survey, involving stakeholders. LISGIS is now analyzing the data and preliminary findings are expected by September 2010.

3.3 County Visits

During this second year implementation period, effort was made to increase county-level M&E. Towards this end, the LRDC secretariat made several field trips nationwide to assess the level of work being done by development partners and NGOs and gauge the impact these initiatives are

having on ordinary Liberians. The special inspection tour covered the following counties, with plans to cover the remaining underway:

- Montserrado County
- Margibi County
- Bong County
- Nimba County
- Grand Gedeh County
- Sinoe County
- Rivercess County
- Grand Bassa County

Notable amongst the projects inspected during this tour were the 100-bedroom Tappita Referral Hospital; the University of Liberia Fendell campus; the 55-bedroom CB Dunbar Hospital in Gbarnga; the newly constructed joint security border post in Toe Town, Grand Gedeh; the Sinoe Agricultural Training Institute; the Rice Mill in Nimba; the Youth center in Ganta, Nimba; the Bassa Community College in Buchanan; the Millennium Village project in Kokoya, Bong County; and the paved 10 mile stretched from Cotton tree to Bokay town road.

4. CONSOLIDATING PEACE AND SECURITY

The overall Objective of the Liberian Government under the Peace and Security Pillar (SEC) is to create a secure and peaceful environment, both domestically and in the sub-region, that is conducive to sustainable, inclusive, and equitable growth and development by: (i) providing strategic and statutory guidance for security institutions; (ii) building the capacity of security institutions; (iii) enhancing adequate territorial protection and law enforcement services to the general population of Liberia; and (iv) ensuring institutional participation in security governance and functions.

As year three of the PRS commences, it is important to reflect on the objectives within the PRS, the progress and challenges made thus far. Pillar I, Peace and Security, remains committed to achieving the three objectives outlined in the PRS: 1) Restructure and reform security institutions; 2) Strengthen human and personal security; and 3) Build and maintain regional peace and security. Security sector reform has and continues to be a crucial segment of long term peace and security in Liberia.

Significant gains have been made in the area of peace and security. Development partners, particularly United Nations Mission in Liberia (UNMIL), the United States and British Governments, continue to play a pivotal role in maintaining peace and security for the last seven years. Donor support has been instrumental in shaping the Liberian Government's efforts to retrain and support the Liberia National Police (LNP) including the Emergency Response Unit and Police Special Unit; to rebuild a 2,000 person strong Armed Forces of Liberia (AFL) and re-establish the Liberia National Coast Guard; to provide training for more than 150 Immigration officers.

The impact of these investments in security is having a ripple effect throughout the country. Despite minor infractions, Liberia's stability is being progressively enhanced. Investor confidence is growing and major foreign investors are increasingly viewing Liberia as an attractive place to invest. Armed robbery has decreased since the beginning of the PRS. Prompt action in reprimanding security officers' abuse of power has improved law enforcement and citizen relations and resulted in a positive perception of security forces by the public

Year Two Outcome

The following section will highlight progress made under the Peace and Security Pillar through its three objectives.

I. Restructure and Reform Security Institutions

Formulation of Standard Operating Procedures: All Security agencies have developed Standard Operating Procedures (SOPs) and have made significant changes in the organizational restructuring process. Each SOP presently includes sections on gender, disability and environmental sensitive modules for inclusion in basic training exercises.

Conducting of Operational Needs Assessment: All Security agencies have completed cost needs assessment to be incorporated into the long term goals for each agency.

Formulation of NSSRL-IM consistent with the PRS Cycle exercises and associated costing: The NSSRL-IM is aligned with the PRS Cycle. The Peace and Security Pillar is the only pillar with an outlined prospectus past the 2011. Each security agency has created a cost assessment and benchmarks to reach its overall goal.

Strategic Plan: All Security Agencies have completed their strategic plan which provides a detailed outline for agency's forecasted outlook.

Recruitment and Training of Corrections Officers: Since January 2010, the Bureau of Corrections and Rehabilitation has recruited and trained 50 Correction officers. Officers have been deployed to designated posts throughout the country.

Preparation of curriculum and training modules to train officers and fire fighters of the National Fire Service (NFS): The Liberia National Fire Service has completed in-service training for 75 officers and firefighters in Fire Science. The participants were drawn from seven counties and the class was the largest training class since 1978.

Establishment of new Armed Forces of Liberia (AFL): Since the reconstruction of the Armed Forces of Liberia, the AFL presently consists of 2,000 men and women who have taken an oath to serve and protect the territorial integrity of Liberia. The most recent achievement of the Armed Forces of Liberia (AFL), the re-activation of Liberia's Coast Guard, is a true indication that the Government of Liberia has begun the transition to regaining full control of its security sector. In 2009, three major benchmarks were achieved under the AFL: the newly renovated Camp Tubman and Edward B. Kessely Military Barracks were handed over to the Liberian Government. Additionally, the United States Government turned over the Barclay Training Center (BTC), housing the Ministry of National Defense, to the Government of Liberia. On January 1, 2010, the AFL took over its military training for AFL recruits from military contractors, a significant accomplishment towards a cohesive and strong AFL.

Establishment of the Liberian National Police's Emergency Response Unit (ERU):

The LNP has received specialist-training for its armed branch, the Emergency Response Unit (ERU). The ERU deals specifically with situations requiring the controlled use of arms. With an

original target of 500 trained officers, 336 ERU officers are active and the unit recently moved into its newly built headquarters. The presence of the ERU continues to address personal crime and strengthen the confidence of the local communities in the police. The ERU has not reached its targeted goal due to a combination of budgetary constraints and change in priority and focus. The pillar has made a strategic decision to focus on the establishment of a Police Special Unit (PSU) instead of the ERU.

Establishment of the Police Special Unit (PSU): Plans to train 600 PSU to augment the strength of ERU. PSU, initially trained for riot control, is currently partnering with the government of France for further training in areas beyond riot control. To date, 200 officers have been trained.

Establishment of the Liberia National Coast Guard: The Ministry of National Defense, with support from the United States Government, has completed the re-establishment of Liberia National Coast Guard which became active February 2010. With a mandate to ensure the security of Liberia's Maritime borders and natural resources, forty-two Coast Guard personnel including one female officer were commissioned and have been tasked with fulfilling this duty.

II. Strengthen human and personal security

Below are various steps and interventions that have been undertaken to strengthen human and personal security:

Increase female participation in security institutions as per UN Resolution 1325: To date, twenty percent (20%) female participation requirement has led to increased gender participation in all security agencies with the Bureau of Immigration and Naturalization recording more than 20% female officers in the rank and files¹³. This 20 per cent requirement has also lead to increased employment opportunities for women.

Strengthened relationship between security agencies and the rule of law: The judicial and security sectors continue to strengthen collaboration. Greater efforts are underway to define specific roles of security agencies to enhance coordination between the two sectors.

Enhance Community-Oriented Policing to improve relations between civilians and security institutions: The LNP has strengthened community-oriented policing through conducting more than 500 basic community forums and putting in place structures to improve security-civilian relations. Community-oriented policing programs have been launched in all 15 counties.

Liberia National Police (LNP): worked on developing its internal capacity through the Armory Procedures, Professional Standards Policy and Performance Appraisal System. Additionally, sensitization of LNP standardized books and registers has been completed in fifteen counties strengthening internal capability. By January 2010, the total strength of LNP stands at 3,917¹⁴ police officers.

III. Build and Maintain Regional Peace and Security

Below are various steps and interventions that have been taken to build and maintain regional peace and security:

The Bureau of Immigration and Naturalization (BIN) has completed the training of 100 of its 150 officers in Ghana. Upon their return and subsequent deployment, an increase in BIN officers will strengthen border control and protection of civilians traveling within in Liberia. Nearly 140 border entry points are presently protected to ensure regional peace and security.

In December 2009, the county-based security mechanism was launched to coordinate and promote local management of peace and security, including civilian and local government participation in security governance.

All Security agencies have prepared deployment plans. These deployment plans outline security agencies' prospective deployment of officers to all 15 counties. Security agencies such as LNP, BIN, Customs, Corrections, NSA have begun deploying officers. In correlation with the county-based security mechanism, an increased security presence will aid in maintaining regional peace and security while strengthening public confidence.

Despite these achievements, security institutions remain challenged in many ways. Successful implementation of security sector reforms deliverables have been negatively impacted by severe budget and capacity limitations. Security agency personnel continue to raise these issues. As GoL and UNMIL prepare for transition, it is necessary to address limitations and methods towards a successful transition.

5. REVITALIZING THE ECONOMY

Under the economic revitalization pillar, the goal of the Government is to resuscitate a devastated economy so that the wealth, resources, and prosperity of the nation are spread equitably across the country. The peace and security of the nation is guaranteed only if everyone has an economic stake in the state.

5.1 Growth and Macroeconomic Outlook

The Government of Liberia continues to make considerable progress in improving the country's economic performance by implementing a comprehensive economic and financial reform program. Like other developing nations, the GoL's robust efforts in this regard was hindered by the unprecedented turmoil in the world's financial markets which caused enormous swings in international commodity prices and culminated in a global economic crisis.

As documented below, various macroeconomic indicators are beginning to show positive signs of improvement. The challenge of spreading and sustaining these economic gains are still real but the progress must be underscored, however:

Indicators	2007	2008	2009
National Budget ¹⁵	209	298	347
Real Gross Domestic Product ¹⁶	473.9	507.1	530.4
Average Bank Lending Rate ¹⁷	11.4	17.5	7.4
Formal Sector Employment ¹⁸	141,581	106,968	124,755
Informal Sector Employment ¹⁹	480,000	487,000	569,790

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Real gross domestic product (GDP) rose steadily from 2004 to 2007, and reached a peak of 9.4 percent in 2007 before falling to 7.1 percent due to the global economic crisis²⁰. The rate of growth of gross domestic product (GDP), which was initially projected for 2009 to be 12.7 percent, had to be scaled back to 4.9 percent on account of decline in the production of rubber (the dominant export commodity) and low global demand for some key commodities. The performance of the real sector remained sluggish for almost three quarters as activities in the agricultural sector were weakened and manufacturing moderated. For 2010 and 2011, the projections for growth in GDP are 5.5 percent and 11 percent respectively²¹. The GoL struggled to maintain a relatively stable macroeconomic environment in spite of the challenges posed by the global economic crisis. Inflationary pressures moderated in the 12-month period up to December 2009 with consumer price inflation averaging 7.4 percent, from an average double-digit rate of 17.5 percent in 2008²². The slowdown in the upward movement in general prices, characterized by single-digit inflation in 2009, was mostly influenced by the domestic pass-through effects of the relative low oil and food prices on the world market.

While the recent growth of the Liberian economy has been considerably weaker than envisaged when the PRS was drafted, it represents significant progress relative to the rest of the world. According to the IMF's April 2010 World Economic Outlook, Liberia's growth performance in 2009 was bettered by only 26 countries while it exceeded that of 156 countries, 91 of which are estimated to have contracted last year.

Current estimates suggest that the agriculture sector continues to be a major contributor to GDP growth with rubber being prominent, as delays in the mining and timber sectors persist even though the situation may change when the recently concluded mining concessions begin full scale operations. The agriculture sector grew from US\$213.8 million in 2008 to US\$221.3 million in 2009, representing an increase of 3.5 percent.²³

The sector continues to be strong due to the large number of the population engaged in agricultural activities and Government incentive programs relating to the provision of seeds and other farming implements. Global demand for natural rubber tumbled as the global vehicle industry struggled with the effects of the financial crisis and recessions in major economies. This had an enormous impact on Liberia's exports in 2009. Of the estimated US\$242 million total exports in 2008, US\$207 million was rubber²⁴. In 2009, exports amounted to US\$152 million, down by 37 per cent on a year earlier, with rubber exports down 54 per cent at US\$95 million²⁵.

Consistent with the rebound in global economy, natural rubber exports in the first two months of 2010 are up 31 per cent on the same period in 2009²⁶. For 2010, a strong expansion in agriculture is expected with the continuation of Government's incentive programs and improved extension services. Inflation in 2010 will largely depend on food and oil prices on the global market, the state of domestic infrastructure, and the exchange rate behavior.

The gains made by the GoL in revitalizing the economy have resulted in some positive results on employment in both the private and public sectors. Total formal sector employment in the country during 2009 was approximately 124,755 compared with a total of 106,968 in 2008, a percentage increase of 16.6 per cent²⁷. Of the aggregate number of employment, public sector employment

totaled 34,000 while private sector employment stood at 90,755. Employment in the informal sector, an important contributor to the growing level of economic activities was estimated at 569, 790 in 2009, from 487,000 in 2008²⁸. The rise of 82,790 in the number of persons engaged in informal activities provides a window of opportunity for policy makers to exploit in harnessing potential contribution to growth of the economy through the provision of capital and capacity building with a view to mainstreaming informal sector activities into the formal sector.

Of the total formal sector employment, the Agriculture & Forestry sector accounted for 28.0 per cent, followed by Social & Community Services, 16.2 per cent; General Merchandise, Wholesale & Retail Trade, 8.8 per cent; Business Services, 7.6 per cent; Transportation & Communication, 4.5 per cent; Banking & Insurance, 3.2 per cent; Manufacturing, 1.7 per cent; Mining, 1.5 per cent; and Construction, 1.3 per cent²⁹.

5.2 Public Financial Management, National Budget, and Fight against Corruption

The use of policy instruments such as the national budget, the PFM law, and a robust debt management strategy has been part of the fiscal portfolio of the GoL. During this PRS period, the fiscal authorities have undertaken a number of reform measures aimed at restoring fiscal sanity and prudence to the management of public resources amidst exogenous constraints and rising domestic expectations.

5.2.1 Financial Management

Over the last three (3) years, the Government of Liberia has made commendable strides in some visible areas of Public Financial Management. Recognizing that sound public financial management is crucial to the economic recovery of the nation, the GoL has embarked on a comprehensive PFM Reform Agenda to support greater transparency and accountability in the budgetary process. To this end, a Public Finance Management Law was enacted in August 2009. The law defines the legal and regulatory framework that underpins the responsibilities of each PFM actor and the reporting requirements of each spending entity and that of the Ministry of Finance. The PFM Law governs all matters related to the management of the public finances of Liberia and will ensure that public finances are subjected to the most thorough scrutiny, which will go a long way to curb corruption. The attendant Regulations to the law were endorsed by the Government and have been subsequently issued to spending agencies, for use in the management of public finances.

In order to fully recognize the benefits of the PFM Law, the GoL has invested resources to develop the capacity of the line ministries and agencies responsible for implementation.

5.2.2 Project Budgeting

The GoL, in accordance with the Public Financial Management Law, prepared a Budget Framework Paper (BFP) for the 2010/11 National Budget. The BFP is an important new element in the planning cycle and aims to improve the budget process by providing the policy, economic and fiscal

context for the budget. The BFP clearly presents resource forecasts alongside the policy priorities those resources will address.

In order to enhance the consistency between the budget and the PRS, the BFP provided for Project Budgeting in addition to the sectoral distribution of GoL resources, distribution of donor allocations, as well as the distribution of total discretionary expenditure.

The Project Budget allows ministries and agencies (M&A) to compete for funds outside their core budget by submitting project bids whose start dates will be determined by the receipt of specific revenues. It contains PRS-consistent projects that represent a clear investment in the future growth of Liberia's economy. The Project Budget will be operated based on the principle that disbursements can be used to finance capital and current expenditures (including temporary staff or office accommodation) that are required for the investment project, but not include any ongoing costs to government. In order to qualify, the projects are required to be 100% PRS aligned and demonstrate high rate of economic returns.

5.2.3 Corruption

Corruption remains a fundamental challenge for the Government of Liberia. It seriously impedes GoL's effort to improve its financial position and enhance the standard of living for the Liberian people as it deprives government of resources that are desperately needed to drive the economic recovery process of the nation. GoL recognized that the current financial management regime has failed to prevent leakages in the system allowing unscrupulous individuals to rig the coffers of the nation. To address this situation, the GoL's Public Financial Management Law enables several new control mechanisms.

An effective public procurement mechanism is critical for ensuring efficient PFM in Liberia. Since the enactment of the Public Procurement Act, public procurement has been decentralized with MACs undertaking their respective procurement consistent with the Act, procurement committees and units have been established in all procuring entities. Training workshops were conducted on the PPCC legislation, the regulatory instruments, and the procurement process. Procurement plans of MACs are integrated into annual national budget.

Another entity that has been established to aid GoL efforts in the fight against corruption is the General Auditing Commission (GAC). The GAC is an autonomous commission created to perform comprehensive post audits, special financial investigations, reconciliation's and analyses, and continuous audits of government entities on a routine basis. The GAC's duties are national in scope and include audits of government ministries, agencies, departments, local governments, state-owned enterprises and other government business type activities, and private entities receiving government funding and/or contracting with the Government of Liberia. The work of the GAC has contributed significantly to the anti corruption campaign in Liberia, but most importantly, GAC audits of key GoL ministries is a requirement under the HIPC arrangement.

Further investments in the Liberia Anti Corruption Commission has allowed the LACC to implement appropriate measures and undertake programs geared toward investigating, prosecuting and preventing acts of corruption in both the public and private sectors of the Liberian society, including educating the public about the ills of corruption and the benefits of its eradication. Living

up to its mandate, the LACC has conducted several investigations into allegations of corruption recommending prosecution in instances where it has been able to gather enough evidence.

5.3 Monetary Policies and Financial Institutions

The conduct of monetary policy during the year focused on ensuring low inflation and containing exchange rate fluctuation. For the most part, inflation was kept in single digits at 7.4% for most of 2009 but as at March 2010 it spiked to 12.5% on account of higher food prices³⁰. The weekly foreign exchange auction remained the key available policy instrument used by the Central Bank of Liberia to affect domestic monetary condition. During the latter part of 2009, the CBL intensified its intervention in the foreign exchange market to help ease the enormous pressure on the exchange rate of the Liberian dollar. In addition to the weekly foreign exchange auction, the introduction of a Treasury bill (T-bill) market is being earmarked for 2010. The introduction of this T-bill will help to widen policy instruments available to the CBL for prudent monetary policy management.

Liberian dollars in circulation in the 11-month period up to November 2009 totaled L\$3,930.9 million, representing a decrease of 3.9 percent, from L\$4,090.0 million at end-December 2008. The decrease in Liberian currency in circulation can be mainly attributed to a 21.0 percent decrease in currency in banks, from L\$452.9 million at end of December 2008, to L\$357.8 million at end of November 2009.³¹

The overall financial sector has continued to show progress. In fact, it remains one of the sectors enjoying exponential growth and profitability. The total number of banking institutions in the market is now 7 with 3 of these banking institutions entering the Liberian market since 2006. Old players in the market continue to enjoy tremendous growth. The entry of several other non-bank financial institutions has also increased. These non-bank financial institutions include several insurance companies and micro-credit institutions. Growth in the financial sector comes with more high paying jobs as well as opportunities for businesses and individuals to borrow.

In order to maintain the soundness of the financial market, the CBL continues to improve its commercial bank supervision activities to ensure that these banks remain liquid to meet customers' demands. The CBL has increased the minimum reserve requirement for commercial banks from \$2 million to \$10 million over the last 3 years. These policy measures are intended to safeguard depositors and investors. These thorough management interventions have prevented any bank failures over the last four years.

5.4 Agriculture and Food Security

Agriculture continues to be the mainstay of the Liberian economy and has accounted for over half of GDP in the post-war period (compared to one-tenth in the late 1970s). Agriculture remains the most viable, sustainable and renewable source of national income providing livelihood for approximately seventy percent (70%) of the poor. Due to the fact that a large proportion of the economically active population of Liberia, including women and children, is engaged either directly or indirectly in smallholder subsistence agriculture or fisheries, agriculture has been strategically positioned in the PRS.

Here, the GoL's goal is to revitalize the food and agricultural sector to contribute to shared, inclusive, and sustainable economic growth and development; provide food security and nutrition; increase employment and income; and measurably reduce poverty.

Despite substantial recovery efforts, high poverty levels and a strongly underperforming agricultural sector have resulted in high levels of food insecurity. The Household Food Security and Nutrition Surveillance (Dec 2009) findings reveal that food security in rural Liberia has not improved over the previous year, with about every second household having poor or borderline food consumption. Using the standard WFP VAM food consumption analysis, 11.3 percent of all Liberians have poor food consumption and dietary diversity, meaning that this population can be considered to be food insecure³². In addition, 38 percent of the households have borderline food consumption, meaning that they are highly vulnerable to food insecurity. Finally 50.7 percent are considered to have adequate consumption and can be considered to be food secure. Rural Liberia continued to reveal higher levels of food insecurity than urban areas of the country³³.

Food production, particularly rice, cassava and other staples has increased significantly all over the country. Production of the main staple, rice has increased from 144,000 MT in 2007 to 175,000 MT in 2008 and estimated at 200,000 MT in 2009 representing a 70 percent increase³⁴. Despite this increase, Liberia remained a net importer of rice as imports accounted for approximately 6 percent of rice consumed. The reasons for low productivity are many, including lack of farm inputs, high pre and post harvest losses due to the use of traditional and unimproved production techniques, poor pest management combined with extremely limited use of fertilizer and other improved cultivation methods; lack of incentives to produce beyond subsistence, given that marketing is difficult due to bad road conditions and high transport costs.

In order to achieve its goal for the sector, GoL accelerated the implementation of deliverables for the agriculture and food security sector. Some of the completed interventions include:

- Strengthening the capacity of the MoA and CARI by providing equipment and training for planning, monitoring and enforcement. The MoA distributed integrated pest management inputs to 71,700 households, distributed high yielding rice seeds to 14,587 smallholder rice farmers, distributed fertilizers to 18,000 smallholder farmers, distributed vegetable seeds to 3,977 food insecure householders in urban and peri urban areas, organized 293 vegetable production and marketing groups and fabricated 298 agro processing machines locally and distribution is on-going.
- 1,120 ruminants have been provided to various households.
- Established a food security monitoring system to observe food security and nutrition indicators and provide early warning or potential emergencies.
- About 232 farmer based organizations/cooperatives established/reestablished in various counties.
- 100 previously established fish ponds have been rehabilitated in Clay, Bomi County and in Lofa County.
- Technology Centers in Lofa, Grand Bassa, Grand Gedeh and River Gee Counties completed.
- Model Agricultural concession agreement and Agricultural Concession policy developed. Fiscal incentives for agricultural concessions and farmers approved and embedded in tax and revenue code.

To accelerate job creation and economic activity in the sector, MoA is championing a cause to renegotiate agriculture concession agreements with particular reference to rubber and oil palm and forging partnerships to establish new concessions.

5.5 Trade and Industry

The first quarter of 2009 was plagued with instability in commodity prices as a result of the global economic crisis which also led to shortages on the market. However, the government instituted aggressive measures to encourage competition especially among importers of essential commodities so as ensure adequate supply of these commodities. The GoL recognizes that the private sector will be the engine of economic growth and is committed to creating a strong enabling environment for investment and exports in non-traditional activities by rebuilding infrastructure, reducing unnecessary business costs, streamlining administrative procedures and facilitating trade.

In order to achieve its goal of private sector enhancement, create new economic opportunities for small and medium-sized enterprises, and break down barriers facing women and other marginalized groups, the GoL's main approach focused on reducing unnecessary costs of doing business, instituting regulatory reform to improve the country's investment climate and easing administrative and regulatory burdens on private businesses.

Significant progress was made under the reform agenda in the PRS resulting in Liberia scoring an encouraging mark on the "Doing and Starting Business" ranking both regionally and internationally. Accordingly, Liberia on the "Ease of Doing Business" category ranked 149 in 2009/10 as compared to 170 in 2008. In the category of Business Start Up, headed by MOCI, Liberia ranked 57 in 2009/10 against 88 in 2007/08 resulting in Liberia's inclusion among the top ten reformers in the world³⁵.

The MOCI has introduced a streamlined business registration process, which is synchronized with One-Stop-Shop procedures of line ministries (MOCI, MOF, and MOFA) that affect business registration. This has effectively reduced the business registration process from twenty-one (21) steps to six (6) steps. A trade policy draft was developed and a Trade Information Center was opened to facilitate growth and promote Liberian exports by providing much needed information on the global market.

There was a modest increase in business registration from 7,056 in 2008 to 7,060 in 2009³⁶. Of the total businesses registered, Liberian own entities accounted for 6,137 or 87 percent, while foreign owned businesses experienced growth in the amount of 2,897 as compared to 2,421 in 2008 or 16 percent increase³⁷. During the same period, 3059 new businesses were registered as against 2642 in 2008; representing a growth of 417 new businesses or 14 percent, but a decline in registration of existing businesses³⁸. In furtherance of the Liberia Entrepreneurial Development/Economic Empowerment Initiative (LED-EEI) Program, the Harper Growth Center was opened to train youth in rubber processing.

Total merchandise trade in 2009 was recorded at US\$713.2 million against US\$1,055.9 million for the previous year, a contraction of 32.5 per cent³⁹. During the period 2009, the value of import dropped to US\$619.11 as compared to US\$856.81M in 2008, representing a 27.4 percent decline⁴⁰. All components of total trade including total exports receipts and total import payments contributed

to the fall in total merchandise trade. The trade deficit in 2009 was recorded at an estimated US\$417.2 million, compared with US\$571.2 million for 2008, a contraction in the deficit by 26.9 per cent. The narrowing of the deficit was largely due to slowdown in economic activities in the domestic economy during 2009 as manifested by declines in both imports and exports, arising from the global economic crisis⁴¹.

As part of the strategy to encourage industrial enterprises for increased economic benefit, MOCI initiated the preparation of an Industrial Directory to develop a database of all industries and promote “Made in Liberia” products thereby improving foreign exchange earnings.

5.6 State-Owned Enterprises and Public Corporations

During the 1960s and 1970s, the Government of Liberia like many other developing countries, relied on the creation of state-owned enterprises and public corporations to deliver basic social services and conduct many public functions. These agencies received enormous amounts of subsidies from national governments even as they became more and more inefficient and wasteful. In many of those countries, SOEs have been used for political patronage and have become burden on the meager public resources. In the case of Liberia, the situation with SOEs is more derailed principally due to the devastation of the civil crisis: most of the SOEs lost not only their relevance and capability but also their assets and infrastructure. In an era of new public management when private entities are increasingly prepared and interested in undertaking profitable public services, it is critical to determine an appropriate role for SOEs. Given the resource constraints faced by the Liberian Government, the President articulated her vision for SOEs and commissioned a study to determine the appropriate course of action for each SOE.

To address this existential challenge facing Liberia’s 22 SOEs, a team from the Ministry of State and the United Nations Development Programme (UNDP) was mandated to conduct a study with terms of reference that had the following two main objectives: 1) to dissolve or privatize SOEs, parastatals and regulatory agencies that are moribund, unnecessary, or more appropriate for private ownership; and, 2) to continue to improve efficiency and economic governance within remaining SOEs, parastatals, and regulatory agencies.

In accordance with the team’s mandate, the study was undertaken and the findings and recommendations contained in 47 page report submitted to the Minister of State. Visible reforms are beginning to take shape in some of the SOEs review: The Liberia Telecommunication Corporation was transformed into the Libtelco and positioned to compete with private cell phone companies for market share. The National Port Authority (NPA) and the Liberia Electricity Corporation (LEC) have begun to execute management contracts in order to meet the service needs of the population. In some cases, moribund SOEs like the Agricultural Cooperative Development Bank (ACDB) and the National Housing & Savings Bank (NHSB) may not remain functional, while others like Liberia Produce Marketing Corporation (LPMC) are finding it difficult to enter the market.

The report recognized the difficulty in dissolving most of the SOEs since they were created by Acts of Legislations and would require these same legislative instruments to affect their dissolution. In other cases, like insurance, decisions were deferred to other studies because of their promising nature along with the lack of intelligible and reliable basis to make a decision.

5.7 Land, Mining and Forestry

Land, Mining and Forestry play a significant role in the poverty reduction strategy as they have the potential to be major contributors to economic growth in Liberia. Access to land and its resources and security of tenure are essential for economic revitalization, growth, and poverty reduction because the rural poor of Liberia depend almost entirely upon land and other natural resources for their livelihoods, including their food, fuel, shelter, water and medicines. Unequal access to and ownership of land and other resources have contributed significantly to economic and political inequities throughout Liberia's history, and have exacerbated tensions and conflict.

Land

In Liberia, the main engines of growth for the next several years will be natural resource-based activities – principally mining, timber production, and rubber and other plantations. Expanding these activities will affect the resources upon which the rural poor depend and new investment in almost any area depends crucially on clear property rights.

The Government's primary goal with respect to land is to develop comprehensive national land tenure and land use system that will provide equitable access to land and security of tenure so as to facilitate inclusive and sustainable growth and development, and ensure peace and security.

Because of the critical nature of land in Liberia, the Government moved to address the issue in a comprehensive manner by establishing a Land Commission. The reform process in the Land sector got off to a productive start and is ongoing. In 2009, several land disputes were resolved and land parcels demarcated for markets and other public uses. The Land Commission established by the President has begun full operations throughout the country facilitating reforms in land policy, law, and programs, and promoting equitable and productive access to the nation's land, both public and private, especially for the poor, women, and other marginalized groups.

Mining

The Government's central goal for the mining sector is to rapidly expand mining as an engine of economic growth and social development, with mining expected to grow to nearly 12 percent of GDP in 2011⁴², and to ensure that the benefits from mining activities are widely shared. The GoL aims to diversify the mining sector into new and downstream activities, and to improve its support to local miners.

To achieve this goal, the Government has made some revisions and adjustments to improve the environment for mining sector development. A new National Mineral Policy was adopted to address issues regarding the granting of exploration licenses and mining leases. The revised Revenue Code passed by the National Legislature harmonized the New Minerals and Mining Law and the Forestry Law with respect to mining concession rights and protected zones. Significant progress was made in developing a model Mineral Development Agreement (MDA) and Mining Cadastre Information Management System (MCIMS).

A national mining sector framework with input from communities and stakeholders' groups which includes a protocol for regular reporting of all payments made to, and revenues from, mining companies, per the provisions of EITI has been developed and shared with industry actors.

In order to promote growth that is not just rapid, but also inclusive and sustainable, while at the same time minimizing the negative social and environmental impacts of mining activities, the GoL ensures that new mining concession contracts differ from those of the past by better balancing competitive investor returns with the need for robust revenues, and ensuring that local communities share in the benefits through direct and indirect employment, access to new infrastructure, and programs targeted at diversification of activities and local economic development beyond the life of the mine. The model MDA requires an Environmental Impact and Social Analysis (EISA) on every mining project to ensure that the social and environmental benefits are more than the cost.

The GoL continued to make steady progress in the restoration of the mining sector to its pre-war status. Most of the mineral exploration companies are reporting interesting results which could lead to the establishment of productive mines. The global economic crisis resulted in a decrease in investment dollars for mineral exploration programs in the country. Many exploration companies had to scale down their exploration activities thus resulting in a decrease in expenditure for geological exertion. However, investor confidence in the mineral sector appears to be on the rebound as evident by an increase in new applications for mineral exploration licenses and extensions on existing properties. The alluvial gold and diamond mining sectors are also showing signs of re-emergence. In 2009, thirty (30) companies applied for forty-five (45) mineral exploration licenses over several parts of Liberia resulting in the issuance of twenty (20) mineral exploration licenses in Liberia to fifteen (15) companies⁴³.

The GoL successfully concluded Mineral Development Agreements with various private mining companies including: Elenito (Western Cluster Iron Ore Deposit), BHP Billiton (Kitoma and Goe Fantro), PIOM (Putu Iron Ore Deposits) and China Union (old Bong Mines Company in Bong County). Also, an agreement was reached with Amlib United Minerals for gold and diamond mining in KleKle, Cestos and Zwedru. However, because of low external demand, production of diamond fell from 60,536 carats in 2008 to 36,828 carats in 2009 – a fall of 39.2 percent.⁴⁴

Nevertheless, the recent recovery of notably larger stones confirmed the indication that Liberia has a fairly good potential in this category of rough diamonds. For the period under review, the Government Diamond Office (GDO) processed 51 Kimberly Process (KP) certificates with cumulative weight and dollar value at 19,092.64 carats and US\$ 7 million respectively representing US\$222,608.11 in revenue⁴⁵. Our records indicate a drop in export volume of over fifty percent (50%) while our export diamond value and the corresponding revenue registered only a decline of eight percent (8%). This is due to high value stones recoveries in the second quarter of the calendar year indicating that Liberia has a comfortable internal control system in place to capture high value diamonds that once escaped the local market.

Gold export for 2009 remained stable. Up to date, the gold export records show a total of fifty nine (59) shipments with corresponding weight and export value of 13,593.74 ounces of unrefined gold and US\$ 9,551,962.18 respectively⁴⁶. Accrued revenue to GoL from the export of gold for the reporting period is US\$ 91,314.22, representing 2% of the sales. The total revenue realized from the precious mineral export market is currently over US\$400,000 and will exceed US\$500,000 for 2009. The resurgence of activity in the mining and forestry sectors has provided employment

opportunities for many Liberians. Of the total formal sector employment in 2009, the Agriculture & Forestry sector accounted for 28.0 percent while Mining represented 1.5 percent.⁴⁷

Mineral Cadastre Information Management System: A Mining Cadastre Office, which hosts The Mineral Cadastre Information Management System (MCIMS), has been completed and commissioned. The MCIMS has been successfully tested and is fully operational with staff from within the MLME having completed training as system operators, application registrars, Geographic Information Systems (GIS) specialists, and system administrators to lead the MCIMS office.

MCIMS will enhance transparency, boost investor confidence, and increase mining revenue. The automated system makes license granting and management processes more efficient and transparent by streamlining licensing processes, avoids ownership conflicts by clarifying boundaries, and increases mining revenue by tracking payments and enabling effective monitoring of exploration and mining contracts.

The state-of-the-art MCIMS facility enables Liberia to join a select number of countries in Africa and beyond which are using this first class computerized facility for processing mineral license applications and for administering mineral rights. The MCIMS will augment GOL's efforts to manage the exploitation of the country's vast and diverse natural resources endowment to bring lasting economic benefits to Liberians.

Forestry

The central goal for forestry over the PRS implementation period is for the sector to become a source of higher incomes for the rural population, ensuring that the benefits are shared equitably, and that adequate environmental and other regulatory safeguards are in place to ensure sustainability.

To achieve this goal, GoL undertook community-based natural resource management reforms that focused on boosting economic activity through the sustainable utilization of timber products, non-timber forest resources, and agro-forestry products, while also improving environmental management and conservation.

Some of the major achievements in the forestry sector are:

- In the year under review, approximately 2.5 million hectares of forest was allocated and six (6) Timber Sales Contracts (TSCs) as well as four (4) Forest Management contracts (FMC) were concluded. Also two (2) Forest Resource Licenses for private use were awarded.
- A total of 2,024 permits for non timber forest products were issued and two plantation contracts were concluded.
- A Community Rights Law has been passed and Community Forestry Development Committees (CFDC) established to empower local communities to become directly involved in forest management and to participate in the equitable sharing of benefits stemming from commercial logging.

The Forestry Development Authority (FDA) generated US\$ 500,444 from sawn timbers and L\$ 1,280,230 from Non-Timber Forest Products (NTFPs).⁴⁸ An additional Annual Land Rental, Administrative and Bid Premium of US\$ 5,006,214 was collected through Liber/SGS⁴⁹.

Furthermore, one 1,917 pieces of logs taken from the Southern Rivercess County of Liberia has been shipped to France⁵⁰. This represents the first major consignment of logs since the lifting of the UN sanctions on Liberian forest products and demonstrates Liberia's compliance with the reforms in the forestry sector.

6. STRENGTHENING GOVERNANCE AND RULE OF LAW

The overall goal of the Government under the Governance and Rule of Law pillar is to make public institutions and governing systems efficient, responsive, and accountable while ensuring that everyone has equal protection under the law irrespective of class, status, or affiliation.

With regard to the Governance and Rule of Law pillar, progress has been made in improving access to justice although enormous challenges remain. The judiciary remains a particular challenge for the pillar, especially in the area of coordination. Nonetheless, significant gains have been made in many other areas including the establishment of a public defender system, setting up of county-level case management mechanism, reduction in pre-trial detention, and the rehabilitation of prisons.

Overall, these reforms are beginning to pay dividends for Liberia's recovery as well as positively impacting the lives of ordinary Liberians. The impact indicators are demonstrated by the fact that there are no political prisoners, massive press freedom, increased civil liberties and freedoms among many others. In recognition of these improvements, the Millennium Challenge Corporation (MCC) has accepted Liberia into its Threshold program and has approved a US\$15 million grant for other reform initiatives.

6.1 Governance

The goal is to build and operate efficient and effective institutions and systems in partnership with the citizens that will promote and uphold democratic governance, accountability, justice for all and that will strengthen peace by: (i) increasing and enhancing citizen participation in and ownership of government policy formulation and implementation; and (ii) strengthening and enhancing the effectiveness and efficiency of public institutions and functionaries.

Some key interventions completed under the Governance sub-pillar include:

Establishment of a Land Commission: In 2009 the Land Commission was established to tackle and address the issues of land tenure and property rights over the next 5 years. Subsequently, members of the Commission were appointed by the President and confirmed by the Legislature and a technical team was recruited. This will ensure better coordination of Land and inheritance issues, more directed policies on Land issues and better access to solution on land conflict. The three-year MCC Threshold program for Liberia is designed to improve performance in various policy areas including Land rights and access.

Finalize the structure and mandate of, and establish by legislation, the Anti-Corruption Commission: In order to address corruption in the public sector, the Liberian Anti-Corruption Commission (LACC) was established. This special commission whose focus is exclusively on preventing, documenting and prosecuting corruption is a step further in the fight against corruption. The LACC is adequately resourced with capacities to monitor and ensure greater transparency and accountability in the prudent use of national assets and resources and address corruption effectively.

The graph below shows the progress Liberia has made on the Corruption Perception Index over the years. With the quality of governance improving, Liberia can look forward to a better score in 2011.

<i>Year</i>	<i>CPI</i>	<i>Rank</i>	<i>Number of Countries</i>
2009	3.1	97	180
2008	2.5	138	180
2005	2.2	143	159
2000	NA	NA	90

Corruption Perception Index for Liberia (Source: Transparency International)

Develop and endorse a National Decentralization Policy for Executive review: The National Decentralization Policy is a complex political instrument that requires several levels of approval. The Executive, through the Cabinet, has reviewed and endorsed the National Decentralization Policy. Approval by the National Legislature, a necessary next step, is pending. A National survey has been conducted in all 15 counties and the implementation of the boundary harmonization will establish Liberia's new geographic boundaries for districts and counties. A new map has been developed and the report on the findings has been submitted to the President. This policy will open up the country to a lot of development, both political and fiscal. Execution of the policy will commence immediately after Legislative approval is received.

Complete a comprehensive Civil Service Reform Strategy (CSRS): The Liberian Civil Service Reform Strategy, considered one of the best in Africa, is intended to strengthen professionalism in service and organization to the Liberian Civil Service. Part of the strategy is reducing the size of government to an efficient level and that is properly incentivized to provide improved service delivery. This comprehensive Civil Service Reform Strategy was approved by the Cabinet and implementation of the Strategy has started with some priority components such as the Pay Grade Reform, Right-sizing/Restructuring and the biometric identification of workers.

Assets Management System: A computerized system for tracking, coding and recording GoL assets through the General Service Agency (GSA) has been installed. This system, once fully operational, will enhance efficiency in assets management, save fiscal resources, and protect against theft of government property. To further enhance the management of government assets, various policies are being put in place: the Real Property Policy (draft submitted to Cabinet); Personal Property Policy (draft submitted to Cabinet); and a Fleet Management Policy (draft submitted to Cabinet).

Design and begin implementation of a comprehensive capacity development strategy for local government and officials at county, district, chiefdom and clan levels in a gender sensitive manner: Building capacity at the sub-national level is also an important tool in the

Decentralization process. The National Plan for Capacity Building for local government and officials at county, district, chiefdom and clan levels in a gender sensitive manner is the first step in addressing the huge capacity gap at the local level. The Ministry of Internal Affairs (MIA) has completed the National Plan for Capacity Building for local government. MIA instituted a capacity training coordination team to conduct training of trainers for team members and integrated the Plan into Liberia's 10-year National Capacity Development Strategy.

6.2 Rule of Law

The goal of Government under the Rule of Law sub-pillar is to ensure that every Liberian has equal access to justice and is treated similarly under the rule of law by: (i) strengthening and enhancing the effectiveness and integrity of legal and judicial institutions; and (ii) expanding Access to Justice, and enhancing the protection and promotion of human rights under the Laws of Liberia.

Identify critical staffing and skills gaps within all legal and judicial institutions: A skills gap assessment was performed to determine the levels of skills needed to strengthen the legal and judicial systems. The Ministry of Justice compiled a list of the critical staffing and skill gaps for legal institutions. The next stage is to begin recruiting staff to fill these positions. The Ministry of Justice recommended the appointment of three (3) new assistant ministers (Litigation, Taxation, and Codification) and twelve (12) County Attorneys (qualified law school graduates, an improvement upon previous standards). The Assistant Ministers of Taxation and Litigation have been appointed and Codification still to be appointed. Twelve (12) County Attorneys and three (3) Assistant County Attorneys, all qualified lawyers, have been appointed. Public defenders have been hired by the Judiciary and deployed to all 15 counties.

Establish a Judicial Training Institute to address on-going training needs through judicially led assessment of existing magistrates and judges, and other judicial personnel: The James A.A. Pierre Judicial Training Institute was established to facilitate the assessment and training of existing magistrates and judges. The institute has started vetting other judicial personnel and carrying on the initial training for newly appointed judges.

Develop a national and county-level case management system: The Ministry of Justice has established a National and County-level Case Management System which will improve the prosecution of cases. A survey was developed to document record keeping and Case-flow in each Ministry of Justice agency. There were also discussions with each agency to identify weaknesses and cross cutting issues within various agencies. Some aspects of this system include quarterly paper reports of statistics by the county attorneys to the Solicitor General, coordination between the Solicitor-General's office, the department for Rehabilitation and UNMIL, and the magisterial court sitting at The Monrovia Central Prison to deal with backlog of cases. A program to track and profile criminals was started at the Monrovia Central Prison (MCP) and National Palace of Corrections (NPC). Photos and bio-data were compiled on all detainees, full dossiers on all prisoners in the Monrovia Central Prison are completed and the MoJ is trying to replicate this in other prisons.

Reduction in the length of pre-trial detention: Pre-trial detention is a nationwide problem in Liberia. Several people charged with crimes of various natures spend considerable amount of time in

prison, years in some instances, without trial or due process of the law. This presents a major challenge for the government, which has to decide whether to release criminals or keep innocent people in jail. The Ministry of Justice is working with the Judiciary to address this situation and collaborating with civil society to define an approach. The MoJ has initiated and designed a public education campaign on the release of pre-trial detainees. A major step in the process has been to position a Magisterial Court at the Monrovia Central Prison (MCP) to fast track pre-trial hearings thereby reducing the length of pre-trial detention. The Judiciary appointed Public Defenders (PD) in all 15 counties with the intent to ensure all accused indigents are provided access to legal representation.

Development and implementation of a national enabling framework for the provision of legal aid to the poorest and most vulnerable members of society: The Public Defender system set up by the Judiciary is primarily intended to provide support for the provision of legal aid to vulnerable members of society. Magistrates were trained to support the implementation of a national enabling framework for the provision of legal aid particularly for the poorest and most vulnerable members of society.

Identify a prioritized list of outstanding infrastructure and operational equipment requirements for all legal and judicial institutions: In its FY09/10 budget, the Judiciary provided for the construction of Circuit Courts in River-Gee and Grand Kru Counties respectively and Magisterial Courts in West Point, Paynesville, Gardnersville, Brewerville, and New Kru Town. Construction is expected to begin immediately after the national government remits funds to the Judiciary's account. The MoJ produced a consolidated list of outstanding infrastructure and operational equipment required for all legal and judicial institutions, have received the costing from all agencies, and the lists have been consolidated.

Ensuring Gender justice and equality are core values with the legal and judicial system: Sexual and Gender Based Violence (SGBV) deserves a lot of attention as Liberia moves beyond the effects of the protracted war. The establishment of the SGBV Unit at the Ministry of Justice was the necessary first step in addressing this critical issue. The development of Standard Operating Procedures (SOP) for police and prosecutors in SGBV cases is completed. The drafting of SOPs for legal and security sectors under the GBV taskforce is also completed. A special court to hear SGBV cases was also established at the Temple of Justice to expedite these cases. These measures have created the necessary awareness around sex crimes and gender based violence thus helping to reduce incidences of SGBV.

7.0 REBUILDING INFRASTRUCTURE AND DELIVERING BASIC SERVICES

The overall goal of the Government of Liberia under the Infrastructure and Basic Services (IBS) pillar is to rebuild critical infrastructure like roads, bridges, ports, public buildings, power plants, telecommunication, etc that will enhance growth and development while at the same time provide basic services like quality education, affordable healthcare, social protection for vulnerable groups, etc

As outlined below, significant progress has been made under this pillar and Liberians are beginning to appreciate the progress and feel the impact. A few years ago, several of Monrovia streets and Liberia's highways were nearly impassable or unbearable to drive on; many areas lacked proper educational facilities or no facility at all; healthcare services were inaccessible in many places; telecommunication was too expensive and unaffordable; safe drinking water was in short supply or inaccessible; and central electric power was nonexistent. However, the past few years have shown marked improvement in all of these areas even though much more needs to be done.

7.1 Health and Social Services

The goal for the Health sector is to expand access to basic health care of acceptable quality and establish the building blocks of equitable, effective, efficient, responsive and sustainable health care delivery systems by: (i) building human resources in the health sector; (ii) expanding access to the Basic Package of Health Services (BPHS); (iii) rehabilitating health infrastructure; (iv) strengthening social welfare programs; (v) developing support systems; and (vi) strengthening health financial system.

One of the sources of poverty in Liberia is poor health. Liberians' major concerns about the health sector center around their lack of financial and physical access to healthcare, as well as the quality of healthcare delivery. In general, healthcare is more accessible and of better quality in urban areas than rural areas. Out of 325 health facilities available before the civil war, about 95 percent were partially or wholly destroyed. A survey undertaken in 2006 (Liberia Demographic and Health Survey-LISGIS) indicated that only 10 percent of communities reported had health facilities. Life expectancy at birth in 2006 was just 45 years. There were only 51 Liberian Physicians and 297 nurse midwives (excluding trained traditional midwives) to cover public health needs.

Two years of intensive reform under the *Lift Liberia* Poverty Reduction Strategy have achieved admirable results in the health sector. Though maternal mortality, malaria and HIV/AIDS remain areas of concern for the health sector, ordinary Liberians can see the progress and feel the impact of work in the health sector: access to quality and affordable healthcare has increased significantly with both rural and urban dwellers having increased access; the number of trained health workers have increased from 3,966 in 2006 to around 5,813 in 2009; more than 83 health facilities have either been renovated or constructed throughout the country; Basic Package of Health Services (BPHS) is now been implemented in 53 percent of existing health facilities; all counties now have ambulance services equipped with communication devices; the success rate of child immunization has increased; use of mosquito net has also increased; HIV/AIDS awareness is on the rise and incidence rate decreasing; and general health conditions are improving⁵¹.

Several health indicators have begun to improve at the end of the second year of PRS implementation as shown above. Out of 12 targeted deliverables in year two, the Ministry of Health and Social Welfare completed nine (9) deliverables with three (3) deliverables "off track".

Specific interventions that have been completed under the health sector include:

Establishment of Monthly Hygiene Promotion Program in the fifteen counties: The monthly hygiene promotion being carried out in every county has enhanced the capacity of communities in dealing with hygiene related issues which has led to the implementation of preventive activities

such as proper management of drinking water and sources of drinking water. This has led to a reduction in hygiene related diseases such as cholera, skin diseases, running stomach, etc.

Establishment of pre-service nursing and midwifery program in Zwedru, Grand Gedeh County: In 2006, only 297 nurse midwives were available to cover the health sector. The establishment of the pre-service nursing program will lead to the training of more midwives in the Southeastern region thereby leading to a significant reduction in maternal and infant mortality as a result of the discussion of safe, reliable and preventive methods being discussed at these training programs. The Ministry of Health and Social Welfare is about to commence the construction of a midwifery school with assistance from the McCall McBain Foundation in Zwedru, Grand Gedeh County. The Foundation has contracted BRE to commence the construction of the midwifery school which will ensure the constant supply of train midwives in the sub-eastern region which will reduce the current midwife to patient ration thereby increasing access to safe delivery.

Construction of Health Centers and Clinics: The Liberian Government with assistance from the Government of the Peoples Republic of China began the construction of a modern referral hospital in Tappita, Lower Nimba County. When completed, the hospital will serve as a major referral hospital for Nimba County and the rest of the southeastern region. This will boost the government's health sector reform agenda, which include the decentralization of affordable, accessible and modern health facilities such as CB Dunbar Hospital in Bong County; CH Renee Hospital, other health facilities being constructed around the country.

Completion and Endorsement of the National Welfare Policy: The Ministry of Health and Social Welfare has over the years been focused on the health aspect of its function. In order to give equal attention to the welfare aspect of its function, a National Welfare Policy was drafted and endorsed by the cabinet to form the basis of adequately monitoring welfare homes, setting rules and guidelines, and putting in place adequate programs to address the welfare of the Liberian people (aged, disable, etc).

Establishment of a Health Management Information System Unit: The health management information unit has been established and operational. The establishment of this unit has enabled the ministry to move away from the manual system that existed over the years to a computerized system. The unit provides timely information (data, etc) for planning and decision making.

Establishment of a Human Resource Unit: Human resource units have been established in the fifteen counties to enhance the effectiveness and efficiency of health facilities in those areas. This is part of the ministry's decentralization strategy.

Establishment of a funding mechanism with donors and setting up an external aid coordination unit: The Ministry of Health and Social Welfare's External Aid Coordination Unit was established with two key objectives:

1. To strengthen MHSW ability to lead aid coordination in the health sector and
2. To improve MHSW capacity to develop and manage grants agreements in the Liberian health sector

Develop a National Mental Health Policy: The National Mental Health Policy represents the Government of Liberia's first major attempt to address the country's range of mental health

problems in a comprehensive and integrative way. This policy reflects the commitment of the government develop system that incorporates all areas of health and health delivery. The policy mandates that mental health is integrated into primary health system, and that consistent with Basic Health Package, services be confidential and free of cost. The policy calls for a decentralized approach in which mental health treatment is available at the local health centers, county hospitals and tertiary facilities.

Training of Health Workers: There has been a tremendous improvement in the number of trained health workers form 2006-2009, there were 5,318 trained health workers throughout the length and breadth of the country compared with 3,966 in 2006. The increase in the number of trained health workers is a result of revamping health training institutions in Liberia. TNIMA is now tuition free and students of the A.M. Dologthi Medical College are now been provided stipend and provision for books.

Training of Social Workers: The National Social Welfare Policy has been completed. The policy set new rules (criteria) for the establishment of welfare/ orphanage homes. The new rules have drastically reduced the number of orphanage/ welfare homes in the country. A total of 104 social workers have been trained.

7.2 Education

The goal of Government under the Educational sector is to provide access to quality and relevant educational opportunities at all levels and to all, in support of the social and economic development of the nation by: (i) strengthening the curriculum; (ii) expanding access to quality, safe and hygienic schools; (iii) recruiting and training qualified teachers; (iv) improving learning achievement and school completion rates; (v) strengthening the quality and accessibility of vocational training; (vi) improving the quality and standard of tertiary education and to implement a phased expansion of the higher education system; and (vii) strengthening the overall governance, management and financial wellbeing of education.

Education was one of three items on the priority list of Liberians during broad-based consultations on the development of the PRS. Several agencies and development partners play key roles in the educational sector of Liberia under the leadership of the Ministry of Education together with the National Commission on Higher Education.

In reviewing educational indicators, there appears to be substantial rural-urban differentials in education. However, there is little differential by gender in net primary enrollment. School attendance was considerably lower on average for girls than boys, especially in the rural areas and overall attendance naturally declined drastically during the war.

Intense collaboration and cooperation between various institutions in the sector has paid dividends over the last two years. Admittedly, much more needs to be done given the severity of the damage sustained by the education sector during the civil crisis. Having identified capacity as the binding constraint to Liberia's recovery, the performance of the education sector requires a lot of attention.

The impact of key policy interventions for education can be summarized as follows:

Key Impact Areas	2000	2005	2008	2009
Total Primary School Enrollment		488,436		605,236
Total Secondary School Enrollment		33,776		65,367
Total Girls Enrollment		245,128		308,586
Adult Literacy Rate	38.3%			51.4%
Women Literacy Rate				41%
# of Schools Buildings constructed			175	95
# of Colleges Outside Monrovia				3
Trained Teachers				17,528

Source: Ministry of Education Catalytic Fund Proposal

Payroll Verification: The Ministry of Education has been faced with the issue of “ghost teachers” being on the ministry’s payroll while legitimate teachers did not receive salaries at all, or appropriate salaries. The General Auditing Commission (GAC) initiated an audit of the ministry’s payroll to establish the authenticity of the payroll. As a result of the audit, a team from the ministry was constituted to work along with the GAC to harmonize the payroll, resulting in the replacement of “ghost teachers” with newly recruited teachers. The government has begun to recover some of the payments made to underserved teachers (ghost teachers) as a result of removing the ghost names from the payroll.

Free Compulsory Primary Education Policy: The government, understanding the need to invest in Liberia’s future and recognizing that more and more children of school going age were wandering around aimlessly or serving as breadwinners for their families rather than being in school, adopted a free compulsory primary education policy to ensure that children of school going age attend primary schools free of charge. Parents without the financial means can rest assure that their children will receive basic education. Government has since fully funded the implementation of this policy by budgetary allocation under the Ministry of Education.

Education Sector Plan: The lack of well synchronized data owned and managed by the Ministry of Education, hampered the holistic planning and proper coordination of interventions in the education sector. The completed 10 year Education Sector Plan embodies educational development in Liberia. It is the framework through which support to the educational sector can be directed. As a result of completing this deliverable, the government and people of Liberia have received **US\$40 million** from the EFA-FII Catalytic Fund for planned interventions as spelled out in the ESP. Funds under this program are intended to develop new curriculum for Liberian schools; provide instructional materials; renovate educational facilities; and bring technology to Liberia’s classrooms.

Renovation of Teachers’ Training Institutes: Liberia’s three (3) teachers’ training institutions Kakata Rural Teacher Training Institute (KRTTI), Zorzor Rural Teacher Training Institute (ZRTTI) and Webbo Rural Teacher Training Institute (WRTTI) were severely destroyed during the course of the civil war. These three institutions have the responsibility of providing trained teachers for the educational sector. Therefore, many of the teachers recruited had little or no

training. KRTTI and ZRTTI have been fully rehabilitated and now operational with on-going teachers training activities. WRTTI is about 45% completed. The rehabilitation and resumption of normal activities at these institutions have brought some relief to the educational sector.

Review and Revise Salaries of Teachers: The educational sector has been faced with lack of interest in the teaching profession, and had to deal with trained teachers leaving the classrooms for better salaries. Teacher commitment has been poor as demonstrated by poor attendance all due to low salaries. To address this situation, the Government of Liberia reviewed teachers' salaries as one of its deliverables under the Lift Liberia Poverty Reduction Strategy. A new salary scale based on qualification, experience, performance, position/responsibility, area of expertise, and place of assignment (rural vs. urban) has been completed. Although there is still a need to do more, the completion of this deliverable is an indication of the government's quest to address the issue of teachers' moral, attendance and turnover.

School Feeding: The school feeding program was established nationwide to encourage and maintain enrollment in primary and secondary schools. The Government of Liberia, as a matter of policy intervention, targeted the provision of feeding for at least 200,000 students and take home rations for 10,000 adolescent girls. The policy on take home rations for adolescent girls is intended to bridge the gap between male and female enrollment, since it has been established that school enrollment has been considerably lower on average for girls than boys. In total 565,361 students are currently being fed nation-wide and 22,010 adolescent girls are currently receiving take home rations. The school feeding program has positively impacted the rise in enrollment coupled with other policy interventions.

School Construction: Over the last two years, government and development partners have undertaken the construction and/or rehabilitation of more than 50 primary, secondary and tertiary school buildings all around the country. At the end of March 2010, the Liberia Agency for Community Empowerment (LACE) turned over 16 primary schools in rural areas to the Ministry of Education. An additional 24 schools for which contracts have been awarded are expected by August 2010 from United Nations Office Project Services (UNOPS). On July 26, 2010, a community college in Nimba County is expected to be inaugurated while the community college in Sinjee will be open to the public by September 2010. The Tubman University in Harper, Maryland County has been fully renovated and opened for normal educational activities.

7.3 Roads, Bridges, and Public Buildings

Roads, Bridges, and Public Buildings are no exception to the excesses of the fifteen years of civil crisis. During the civil crisis, most roads, bridges and public buildings were severely damaged or destroyed. Roads, bridges and public buildings were neglected and as a result, potholes and poor surfaces are common posing major risks to motorists. Effective management of roads, bridges, and public buildings required constant maintenance activities for accessibility, safety, etc.

Some of the roads, bridges, and public buildings have become inaccessible and extremely dangerous to the safety of vehicles, pedestrians, and users due to a lack of maintenance. Monrovia, the political and commercial capital of the country has suffered its share of deplorable infrastructure (roads, public buildings, and bridges) as a result of the civil crisis. Most of the main streets in Monrovia were inaccessible thereby making it extremely difficult for the free movement of goods and services.

The old bridge connecting Central Monrovia to Bushrod Island finally collapsed as well as several other bridges nation-wide.

The Ministry of Public Works was established with the statutory mandate to plan, design, construct and maintain all infrastructure works including roads, bridges and public buildings. As a matter of policy intervention, the ministry has been rehabilitating and reconstructing damaged infrastructure and carrying out institutional reforms geared towards improving works and services to the nation. The Poverty Reduction Strategy as a means of revamping the Liberian economy presents the government's policy interventions needed to jump start the infrastructure sector.

Major PRS Year Two Deliverables Completed

Primary Roads- Paved

1. **ELWA Junction to RIA (28 miles):** The pavement of the RIA highway beginning from ELWA junction has improved the movement of citizens, goods and services, as well as visitors from the nation's international airport to Monrovia. The rehabilitation of this highway has been one of the major policy interventions of the government in the infrastructure sector because of its strategic importance.
2. **Cotton Tree-Bokay Town Road (10 miles):** Of the 10 miles of road linking Cotton-Tree to Bokay Town on the Buchanan Highway, 7 miles have been completed. The completion of this road will enhance safe travel, and easy and affordable movement of goods and services for pedestrians and communities along the Cotton Tree-Bokay Town.

Neighborhood Roads – paved

Rehabilitation of Specified Monrovia City Streets: The rehabilitation of specified Monrovia streets to address their deplorable nature and inaccessibility for some has started. As of the end of PRS Year 2, the first phase of pavement is completed. The pavement of these streets is a relief to residents of Monrovia who has been finding it extremely difficult to commute from part of town to the next.

Primary Roads-Laterite: The total of 1,187 miles of primary laterite roads are targeted for rehabilitation covering the PRS period. Nine hundred ninety one (991) miles of the total have been completed. The rehabilitation of primary laterite roads makes the movement of pedestrians, and goods/services safe and affordable. Some of the primary laterite roads completed and ongoing are:

- | | |
|---|------------|
| ➤ Zwedru-Greenville | 113 miles |
| ➤ Robertspot-Madina | 27 miles |
| ➤ Ganta-Saclepea-Tappita-Zwedru-Fish Town | 219miles |
| ➤ Brewerville-Bopolu | 59 miles |
| ➤ Bopolu-Belle Yallah | 28 miles |
| ➤ Saclapea-Loquatuo | 51.3 miles |
| ➤ Gbarnga-Voinjama | 120 miles |

Secondary Roads-Laterite: The totals of 300 miles of Secondary Roads are targeted during the PRS period out of which 219 miles have been completed. The rehabilitation of 219 miles of secondary roads has enhanced the safe and affordable movement of people, and goods/services. Some of the secondary roads completed/ongoing are:

- Royesville Road 15 miles
- Borlola Road 24 miles
- Gnatala-Kokoma 20.8 miles
- DcClarke-Zordee Clay Town 15.5 miles

Feeder Roads: Feeder roads are mostly farm to market roads. The PRS targets 400 miles of Feeder Roads out of which 130 miles have been completed. The rehabilitation of Feeder Roads provides alternative source of income because of improved access to safe and affordable movement of goods and services. Some of the Feeder Roads completed are:

- Daniel Town-Talla Cape Mount
- RIA Snafu Dock Margibi
- Dolo Town-Peter Town Margibi
- Gbern Gio-Little Kola Bassa
- Sasstown-Gabon Bomi
- Little Liberia-Timbo Beach Rivercess

BRIDGES

The World Bank donated twenty-seven (27) prefabricated steel bridges to the Republic of Liberia. The bridges were received in two installments - September & October 2008. Of the twenty-seven bridges, eight (8) have been installed, the remaining 19 (nineteen) are ongoing or on tendering. The eight (8) bridges installed are:

Road	Location	Length
1. Freeport of Monrovia	Marginal Wharf	90'
2. Royesville-Sass Town	Guinea River	80'
3. Fish Town- Harper Highway	River Gee	180'
4. D.C. Clacke-Jlijuah	Jlijuah	130'
5. Ganta-Saclepea	Gunu River	60'
6. Careysburg City-Bensonville	Bensonville	40'
7. Kakata-Gbarnga	Nyanforla River	90'
8. Polytechnic Road	Bo Highway	80'

Public Buildings

Rehabilitation/construction of public buildings has been a major priority as expressed in the Poverty Reduction Strategy. Realizing the large amount of money being spent as rental fees for ministries/agencies hosted by private properties, the government has embarked upon a relocation policy. The policy aimed at relocating ministries/agencies in rehabilitated/constructed public buildings and improving the condition of existing public buildings. By the end of PRS Year Two,

administrative buildings in all fifteen counties have been rehabilitated except for Maryland County that is currently using the rehabilitated City Hall as administrative building. Fifteen (15) peace huts have been constructed.

The following ministries/agencies have been relocated in public buildings: Ministry of Labor, Ministry of Planning & Economic Affairs, Ministry of Internal Affairs, Ministry of Youth & Sports, Ministry of Defense, and the National Elections Commission.

7.4 Water and Sanitation

The goal under WATSAN is to reduce the water and sanitation-related disease burden in Liberia by: (i) increasing access to safe drinking water from 25 percent to 50 percent by 2012, including 45 percent of the rural population; (ii) increasing access to human waste collection and disposal facilities from 15 percent to 40 percent, including 35 percent of the rural population; and (iii) ensuring the sustainability of 90% of water and sanitation facilities in the country.

A 2004 survey by USAID found that water production rate in Monrovia was only 10% of the production rate of 1990. During the survey, it was disclosed that Liberia Water and Sewer Corporation (LWSC) and private pumpers were relying more on groundwater wells, however very few of the wells were believed to be free of contamination. This same situation was equally true of sanitary condition in Liberia.

After two years of implementing the *Lift Liberia* agenda, both government and development partners can boast that the water and sanitation conditions have significantly improved and access has increased for urban and rural dwellers. Access to safe drinking water has increased from 25 percent in 2008 to 40 percent in March 2010 while human waste collection and disposal facilities have increased from 15 percent to 25 percent. Efforts are still being made on ensuring the sustainability of water and sanitation facilities by establishing more WATSAN committees in more than 150 communities.

Specific interventions completed thus far include:

Provision of pipe-borne water: In order to reduce dependency on groundwater wells, the LWSC with assistance from partners, has increased water treatment capacity from 0.7 million gallons per day in 2006, to 5 million gallons per day as at the end of PRS Year 2. Water transmission capacity has also increased from 0.6 million gallons per day in 2006 to 3.5 million gallons per day at the end of Year 2 and is now providing pipe-borne water in the following communities in Monrovia: Bushrod Island, Central Monrovia, Sinkor, and Paynesville. One (1) groundwater fed system has been constructed at Monrovia Transit Authority (MTA) community in Gardnersville. The provision of pipe-borne water in these communities has increased access to safe drinking water thereby reducing the possibilities of water borne diseases. Additionally, a total of 142 groundwater wells have been either repaired or rehabilitated and 122 bio-sand filters constructed around the country.

Rehabilitation of water points in rural communities: Lack of access to safe drinking water in rural communities, schools and health centers prompted the government to embark on the rehabilitation of existing water points in these communities. As at the end of the second year of the

PRS implementation, the total of 1, 367 wells have been rehabilitated in communities, schools and health centers.

Construction of Rural Water Supply Systems: In order to increase access to safe drinking water, the government has completed the construction of water systems in Kakata and Zwedru respectively. Inhabitants of these cities are benefiting from government provided pipe-borne, safe drinking water.

Construction of hand pumps in rural communities: Rural dwellers have over the years been using water from stagnant swamps thereby exposing themselves to water-borne diseases such as dysentery, cholera, infectious hepatitis, etc. In order to remedy this situation, the government embarked on the construction hand pumps in rural communities and have constructed up to 788 hand dug wells and 57 boreholes fitted with hand pumps to reduce exposure to water related diseases.

Construction of Household Latrines: The availability of latrines to alleviate the acute sanitation problems faced by households nation-wide is one of the major deliverables of government as spelled out in the PRS. Household sanitation problem in Liberia is a result of residential buildings being constructed without latrines resulting to health hazards in communities. The GoL has constructed 2,339 family latrines nation-wide.

Waste Disposal Facilities: The Monrovia City Corporation has finally succeeded in shutting down one of Monrovia's largest dump sites and averted any health issues that might have developed due to the continuous dumping of wastes in a community that is densely populated. The dumpsite which was located in the heart of the Fiamah community is closed and is now relocated to the Wehn Town waste facility outside Monrovia. Efforts are still being made to secure the Mount Barclay landfill facility to assist with waste disposal. A National Solid Waste policy is underway to provide strategic direction in collection and disposal of waste.

7.5 Telecommunication, Postal Services and ICT4D

The goal under Post and Telecommunication is to progress towards the provision of universal services as defined by the Universal Postal Union (UPU) and the International Telecommunication Union (ITU) by: (i) building postal and telecom infrastructure, equipment and systems; (ii) developing national postal and telecom policies and improve institutions; and (iii) developing human resources in post and telecommunications.

Telecommunication is very important to the economic and social development of developing countries, especially those emerging from civil conflicts. The Government of Liberia is interested in promoting a robust and independent post and telecommunication sector to ensure that its primary objectives of rebuilding infrastructures, improving institutions and developing human resource are met.

Over the years, the Telecommunication sector has benefited from complete market liberalization which has attracted a number of cell phone companies and internet service providers (ISP). Some of the major players in this market include Lone Star Communication with 56% market share followed by Cellcom with about 33%, Comuim with 6%, LiberCell with 3%, and the government-owned

Libtelco 1.5%. This liberalization and market competition has significantly reduced the price of telecommunication services to the extent that it is now cheaper to make a telephone call from Liberia to other parts of world including the US. Cellcom and Comium charges only US\$0.10 per minute and US\$0.05 per minute respectively for calls to the US.

The Liberia Telecommunication Authority (LTA), under the auspices of the Ministry of Post and Telecommunication (MPT) was established to protect the Liberian consumers and regulate the industry: issuing licenses and fees to private cell phone companies operating in the country. The LTA is in the final stage of formulating telecommunication and ICT policies which are going to serve as the basis for implementation of the Universal Access Program.

After two (2) years of undertaking various reforms within the telecommunication sector, the results are clear to all stakeholders and citizens as well:

Indicators	1995	2000	2008	2009
Internet users (per 100 people)	0.0	0.0	15.0	21
Mobile cellular subscription (per 100 people)	0.0	0.0	19.0	34

Source: Liberia Telecommunication Authority

Specific interventions completed thus far include:

Conduct seminar for Universal Access Program for LTA & MPT staff: A 4-day Universal Access training seminar was conducted in October 2009. In attendance were employees from the Ministry of Post & Telecom, Commissioners of the LTA, and various cell phone operators including Libtelco, LoneStar Communications, Cellcom, etc.

Publish Interconnection regulation: The interconnection regulation has been published.

Develop National Numbering Plan: National numbering plan has been developed. One cellular phone company, Cellcom has started using the plan which is the 076 code.

Formulate, develop and release comprehensive Telecom & ICT Policy: The ICT policy has been vetted and endorsed by stakeholders and submitted to Cabinet for final approval. The national ICT Policy is to ensure that services and systems are people-centered, universally accessible and cost-effective. The government's role is to establish a legal regulatory framework and institutional mechanisms to guide the activities of all stakeholders. The goal is to integrate telecommunications and ICT services into overall developmental objectives, priorities and programs. Our school systems, health programs, commercial, national security and government programs including procurement activities shall be transformed using ICT as the effective platform to ensure transparency, efficiency and productivity. ICT shall facilitate the outcomes of the National PRS objectives to accelerate economic growth for sustainable national development.

Complete the standardization of licensing and fee regimes and the setting of procedures for the implementation of Universal Access based on the telecommunication and ICT policies: Licensing and fee regimes have been standardized. Telecommunication and ICT policies are being finalized; these will serve as the basis for implementation of the Universal Access program.

Expand the mandate of LTC to offer other ICT services apart from traditional telephone services: LTC has provided high speed data products (Internet/Cell phones) on the market outside of the traditional telephone services. With the re-introduction of LTC into the telecommunication arena, government reaffirms its commitment to providing quality telecommunication and services to its citizenry at affordable rates.

Obtain infrastructure, equipment and technical support to ensure the sustainable operational efficiency of the LTC in greater Monrovia and deploy fiber backbone for Greater Monrovia: The Liberia Telecommunications Corporation (LIBTELCO), Liberia's national operator, is now operationally efficient in Monrovia and has succeeded in providing high speed data products (internet/cell phones). Libtelco is also in the first phase of implementing a fiber optic network project to connect six government ministries and agencies. Those expected to benefit from phase 1 include: LISGIS, GSA, CSA, MOF, CBL and UL.

Conduct a national promotional campaign to raise awareness of postal and telecom services: MPT designed a strategy to raise awareness of various postal services in Liberia by airing jingles and promos in English and various vernacular on urban and rural radio stations. Additionally, resources are being sought to produce the Ministry's quarterly newsletters, conduct a regular 30-minute radio talk show on issues relevant to postal and telecommunications delivery services, carry out outreach programs, print promotional stickers as well as continue preparing billboards to be planted at all strategic locations nationwide.

Complete a feasibility study on a nationwide block/house numbering system: LISGIS has completed study on house numbering system and the concentration is now being placed on project implementation. A Concept paper has been drafted following several stakeholders' consultative and technical meetings.

Obtain vehicles to deliver mail to and from regional centers and land borders: Three (3) mail vans were purchased using PPCC bidding procurement method.

Progress on ICT4D: Approaching mid 2010, Liberia embraces itself in anticipation of more development in Information & Communication Technologies (ICT4D). Liberia is expected to be linked to a submarine fiber optic cable through the Africa Course to Europe (ACE) initiative. By providing direct access to broad band connectivity, the smooth running of Government and businesses will surely improve the general socio-economic conditions for all Liberians. Services such as e-learning, e-health and e-banking are expected to have positive impacts on every sector of Liberia's economy.

By June 5, 2010, a consortium of cell phone companies in Liberia (Lone Star, Cellcom, LiberCell & Libtelco) will sign for cable landing rights in Paris, France to jump start Liberia's commitment in obtaining broad band connections using fiber optic cables. The cost of getting Liberia connected to the fiber optics is **US\$25 million**. The World Bank has approved a **US\$9.5 million** grant to underwrite the first phase of the program. In early June 2010, **US\$5 million** will be paid on Liberia's behalf by the World Bank in Paris. The cell phone companies are expected to pay a combined total of **US\$20.5 million** in various phases of the project:

- Lone Star – US\$ 8m
- Cellcom – US\$ 5m
- Libtelco – US\$ 5m
- Libercell – US\$ 2.5m

7.6 Energy and Ports

The goal for the energy sector under the PRS is to provide reliable, sustainable and affordable energy services to all Liberians in an environmentally sound manner. To achieve this goal, the GoL focused on: extending grid electricity throughout Monrovia and its environs; developing hydro capacity and other renewable energy sources; expanding grid electricity to other urban areas and some rural areas; improving the legal, institutional and regulatory frameworks in the energy sector and developing the upstream and downstream petroleum sectors.

Against this backdrop, a substantial proportion of the nation’s population still depend on unreliable and inferior sources of energy such as firewood, charcoal, candles, kerosene and palm oil. The lack of reliable energy sources has put serious strain on Liberia’s forest resources and restricted growth of enterprise. Access to electricity, produced mainly from private generators at prohibitive costs, remains inadequate despite continuous efforts by government, including: provision of approximately 2.65 MW of power to some parts of Monrovia under the Emergency Power Program 1 (EPP1); installation of additional generators and network rehabilitation under EPP 2 to provide another 7 MW; requesting and receiving Expressions of Interest for the Monrovia Power Concession; awarding the contract for the feasibility studies for the rehabilitation of the Mt. Coffee Hydroelectric Facility; and entering an MOU with the West African Power Pool for the connection of 18 Liberian communities with electricity from Cote d’Ivoire.

Major achievements in PRS Year Two

- GoL transitions from Emergency Power Production (EPPII) to Independent Power Production (IPP) in year two of PRS implementation. The National Energy Policy was passed and The Rural and Renewal Energy Agency (RREA) was established to facilitate and accelerate the economic transformation of rural Liberia by promoting the commercial development and supply of modern energy services to rural areas with an emphasis on locally available renewable energy resources.
- Biomass potential assessment completed, and agreement successfully concluded with Buchanan Renewable Energy (BRE) to produce energy from rubber wood.
- Completed assessment of solar potential: Solar panels and accessories have been transported to Grand Cess, Grand Kru County awaiting installation by Solar Tech Inc.
- Electricity distribution network extended to Bushrod Island, Monrovia, and Congo Town the RFP has been drafted to be released and specification of the materials (poles, wires, etc) completed.
- Consummation of the donor funded management contract: Liberia’s development partners (Royal Government of Norway-GON, USAID, WB, OPBA (WB) will over a five year period provide US\$63 million to build the capacity of the Liberia Electricity Corporation thru a management contract by creating an Electrical master Plan thereby reducing system losses and theft, increase revenue intake, expanding the distribution network connections from the present approximately 2500 to 35,000 customers, setting up an IT system to

accommodate the expanded grid and subsequently training LEC technicians, engineers and managers.

- Funds secured for additional 3MW high speed diesel generator: The Government of Norway has provided funds to install an additional 3MW high speed diesel generator on Bushrod Island and expand the distribution network on Somalia Drive, Bushrod Island, Old and New Matadi, Larkpazee, Duport Road, Rehab areas towards Kendaja.
- Provision of Street Lights: Street lights have been installed on major streets in Monrovia and five suburbs including: Bushrod Island, City Hall Community, Sinkor, Duport Road, Paynesville City

Under the port infrastructure, significant progress has been made even though some critical challenges remain. In the last year, the new management of the National Port Authority has been able to exert some real leadership in ensuring that Liberia's ports are operating up to international standards and ranks above several other countries in West Africa. This is great success given that Liberia is a postwar country which suffered severe damage to its infrastructure over the years.

The new management of the NPA has been able to undertake several projects including the fencing of the Freeport, clearing of the wharf, removal of several sunken vessels from the dock area, and installation of a security system that meets international standard. The port management is the final stages of awarding a management contract to a Canadian company for the operations of the port. This management contract will enable massive capital investment in the Freeport of Monrovia thereby restoring it to prewar status.

8.0 CROSS-CUTTING ISSUES

Critical cross-cutting issues such as Gender, HIV/AIDS, Peacebuilding and Environment lend themselves to more than one sector and were treated in a specialized manner under the Lift Liberia agenda. These issues were prioritized and intersected with several deliverables under all four pillars for the overall growth and development of Liberia. Progress has been made with regard to those issues under each pillar. At pillar and technical meetings, representatives from lead institutions present ensuring that cross-cutting issues are effectively considered when other institutions are implementing their deliverables under the PRS.

8.1 GENDER

Every Liberian warrants full inclusion and participation in the development process. Inequalities and gender disparity undermines growth and poverty reduction through marginalization Gender equality has remained a cardinal issue in the PRS. Collaborative efforts from government, non-governmental organizations, community and faith-based organizations, the private sector, donors and international development partners have been taken in order to achieve this goal of gender equity.

During the 2nd Year PRS period, the government through the Ministry of Gender and Development completed a number of interventions highlighting training, participation and micro financing. Additionally under UN Security Resolution 1325, implementation success was archived including women's enhanced participation in security sector to realize 20% women participation in the security sector.

Over 1,500 women received microloans in Grand Bassa, Bong Nimba, Lofa and River Gee Counties under the New Partnership for Africa's Development (NEPAD) Initiatives aimed at creating small loan facilities that will enable rural women to do business and realize returns that will lift themselves and their communities out of poverty.

A series of job and business trainings for girls and young women were conducted benefitting nearly 1,250 women in rural Montserrado and Margibi Counties. Subsequent trainings are expected to take place to increase the figures to the target goal of approximately 2,500. Village Loan Association Methodology training workshops to strengthen loan management for over 175 rural women.

In line with UN Security Resolution 1325, the Liberian National Action plan was developed to foster women's protection, prevention and participation, and employment, the three main pillars under this plan. The plan seeks to advance women, promote gender mainstreaming, and deliver sustainable peace and security to women and girls within a timeframe of four years.

8.2 HIV/AIDS

HIV/AIDS remains a health threat to reducing poverty throughout the world, in Sub-Saharan Africa and most certainly Liberia. As a cross-cutting issue under the PRS, the government has sought to remedy the rapid spread of HIV/AIDS; creating awareness, catering to HIV/AIDS persons, providing health care and Anti-retro viral (ARV) drugs primarily through the efforts of the National Aids Control Program (NACP) under the Ministry of Health and Social Welfare.

Over the reporting period, the NACP has included in its nationwide implementation of HIV prevention programs (Information, Education, and Communication, HIV Counseling and Testing, Prevention of Mother-to-Child Transmission, Blood Safety, and Sexually Transmitted Infection) and HIV care, treatment and support programs (Antiretroviral therapy, home based and palliative care, and support to orphanage and vulnerable children) to mitigate the impact on the infected.

The government of Liberia, with support from the Global Fund to fight AIDS, Tuberculosis, and Malaria (GFATM), has made available free antiretroviral (ARVs) and STI drugs for the general population. Other international and local partners are contributing immensely to the provision of health and non-health items.

The average cost for a patient seeking regular antiretroviral therapy a year is estimated at **US\$1,200**. Therefore, providing free treatment nationwide alleviates the high expenditure on drugs and other medical and laboratory related services for those HIV-patients enrolled in treatment.

Some gains made in preventing the spread of HIV/ADS in Liberia has been the 32 per cent of the estimated treatment need in the country are enrolled onto treatment (antiretroviral therapy); 25% of identified HIV positive pregnant women are undergoing a complete course of ARV prophylaxis to reduce the risk of mother to child transmission of HIV infection⁵².

In 2008 a total distribution of 5 million condoms were distributed to men and women throughout the country. With continued support from implementing partners, the number of condoms distributed in 2009 reached nearly 6 million⁵³.

Massive public awareness has continued with the airing of 9,556 HIV prevention radio spot messages nationwide targeting the general population with emphasis on specific target population groups such as the youth and mobile populations.

Rapid service expansion

Due to available funding, HIV and AIDS facility and community based services are expanding at a rapid scale since the re-constitution of the scale up plan (road map to service expansion). During the last six months, the following were achieved in terms of service expansion⁵⁴:

- 47% increment of facilities providing HIV care and treatment services.
- 49% increment of facilities providing Prevention of Mother to Child Transmission of HIV infection services.
- 62% increment of facilities providing HIV counseling and testing services with a nationwide coverage per county.
- A nationwide coverage of HIV prevention, care, and support awareness activities.

Infrastructure and repair

Infrastructure repair is a vital component of health system strengthening, and quality of service delivery. Thirteen (13) health facilities in 8 counties are undergoing renovations and expansion to implement additional health care service as it relates to HIV/AIDS/AID prevention and treatment.

Human resource development

Human resource development is paramount to ensuring quality service at facility level. The NACP trained 1,000 professionals from diverse backgrounds in health facility based HIV/AIDS programs (HCT, STI, ART, PMTCT, Surveillance, Lab...) in all 15 counties. Sixty-three percent (63%) of all health facilities nationwide benefited from these trainings during the period under review.

To expand prevention and impact mitigation programs, 476 individuals were trained at the sub-national level to target specific population groups. County government leadership, community leaders, chiefs, zoes, drivers union, religious leaders, elders, marketing association, school health clubs, community drama group, adolescents in and out of school, community members amongst others were trained from all 15 counties.

8.3 Peace building

Maintaining Liberia's peace and stability depends on a comprehensive understanding of the social and economic indicators that led to instability over the years and creating practical means to resolve root causes of conflict from lessons learned through national consultative peacebuilding processes.

The PRS acknowledges that the underlying drivers of conflict persist in Liberia's social, economic and political environments, and identifies five priority issues that pose the greatest threat long-term stability:

- Land Conflict
- Ignoring the plights, concerns, and interest of youth
- Mismanagement of natural resources
- The relationship between the state and its citizens
- Weak and dysfunctional justice systems

8.4 Environment

Deforestation, environmental pollution, and misuse of wetlands are amongst a few environmental threats in Liberia that need immediate attention given the potential health and economic effects they pose. Legal actions have been taken under the enactment of the Community Rights Law and National Conservation and Wildlife Management Law to empower local communities to establish their rights and responsibilities with respect to forests and create a framework for community forest management that allows communities to maximize their benefits from all potential uses.

Over 2nd Year PRS implementation period, the government, through the Environmental Protection Agency, developed environmental sensitive modules for inclusion in the training curricula of security institutions; this will make security personnel cognizant of and responsive to environmental issues in their line of work.

Policies and regulations on bush-meat, wood energy and other non-wood forest products have been developed and currently being implemented. Halt orders have been placed on building and other structures that are being or have been erected in violation of environmental laws.

Amongst other achievements:

- Administrative actions that curtail illegal trans-border trade involving round logs to Sierra Leone were taken; including staffing FDA check points with about 19 trained individuals.
- Over 1,346 permits have been issued to various transporters of non-timber forest products such as charcoal, round poles, rafters, cam wood, generating a little over US\$17,646;
- Community Forestry Development Committees (CFDCs) were formed and Social Agreements between Forest Resource License Holders were signed (three TSCs and two FMCs) and affected rural communities;
- An action plan to evict illegal miners, settlers, hunters and farmers from the Sapo National Park was developed in collaboration with development partners such as Liberia Forest Initiative, UNMIL, FFI, and Conservation International.
- A grant of US\$25,000 from the United Nations Development Programme (UNDP) was secured for a Cane Rat multiplication project, as an alternative to bush meat, around the East Nimba Nature Reserve.
- Environmental Impact Assessment requirements were applied to 21 companies for compliance with environmental laws.
- Created a database on forest inventory, social economic survey and forest carbon biomass
- Developed and submitted an action plan to mitigate human-elephant conflict.

9. LOOKING FORWARD: STRATEGIC CHALLENGES AND IMPERATIVES

Liberia's progress toward peace and sustainable economic development has been mostly impressive by all measures. However, the path ahead is far longer and more challenging than the grounds already covered. Since 2003, when conflict ended and UNMIL peacekeepers arrived, Liberians have begun to see an upward movement in their standard of living however slow that progress.

The biggest recorded attempt to address the rising expectations of Liberians was the adoption of the Lift Liberia PRS aimed to lay the foundation for "*rapid, sustainable and inclusive*" growth and development. Against this ambitious, three-year, MDG-based plans, a number of success have been scored but very obvious challenges and imperatives remain if Liberia is to fully transition from relief to sustainable economic growth and development.

Some pressing challenges that Liberia must grapple with include preparing for another round of general and presidential elections; the eminent transition of UNMIL after the 2011 elections; instituting strategies and policies to develop the private sector into the engine of economic growth; investing in institutional and human capacities to address the lingering capacity deficit that is adversely affecting Liberia's recovery; developing a National Vision that focuses on growth and poverty alleviation in a reconciled and unified Liberia; scaling up the M&E framework to encapsulate all national development projects and programs; adopting a National Aid Policy that articulates the quality of aid that Liberia is prepared to accept based on the Paris Declaration and the Accra Agenda for Action; Instituting effective mechanisms that address the issue of corruption (fraud, waste and abuse); and developing a pragmatic Public Sector Investment Plan that addresses the growth needs of Liberia in a post-HIPC environment.

9.1 UNMIL Transition

United Nation's Resolution 1696 mandated the UN Peacekeeping Mission in Liberia (UNMIL) to operate one of largest peacekeeping forces in the world. This mandate was to help restore peace, maintain security, and strengthen governance and the rule of rule. Since 2003, UNMIL has been visibly present in every facet of Liberia statebuilding efforts and has made enormous contribution in the areas of security, civil administration as well as logistical support. As Liberia moves closer to sustainable peace and recovery, the withdrawal of UNMIL is eminent. While the withdrawal date of UNMIL is not yet decided and depends on the security situation, there is a shared understanding that a peaceful national election in 2011 will serve as the core determinant for setting UNMIL's transition timetable.

GoL will ensure that coordinated planning support is provided to systematically address the challenge of such a large change process and will focus on the following key issues:

- **Institutional Capacity Development** – The need to rapidly scale-up institutional capacity in the functional areas where UNMIL most compensates for institutions with insufficient capacity to perform core functions such as **security and county support**.
- **Capitalizing on UNMIL human capacity** – As UNMIL transitions, the close to 1,000 national Liberian staff that work for the mission, represent key capacity assets that should be tapped. Training national staff, as well as leveraging the institutional resources of UNMIL's

Integrated Mission Training Centre (IMTC) represent two major priorities for human capacity development in the context of the UNMIL withdrawal.

- **Redefining roles/responsibilities and decision-making authority** – As UNMIL’s functions and operational activities / authorities are handed over to other institutions (possibly other UN Agencies, GoL entities, NGOs, etc.), new institutional arrangements and associated responsibilities must be articulated and communicated across institutional players.
- **Maximizing the utilization of assets that may remain in Liberia** –GoL will discuss with UNMIL the potential for leveraging UNMIL’s assets (equipments) as an opportunity to sustain the capacity gains that UNMIL introduced to Liberia upon departure of the mission.
- **Managing public perceptions** – Given UNMIL’s visibility in Liberia, the need to manage UNMIL’s major public recognition and public perception must be addressed carefully as part of the overall transition.

9.2 Private Sector Development/Involvement

Despite Liberia’s rich natural resource endowment, GoL is cognizant of the need to diversify the economy by encouraging private sector investment in manufacturing, trade, and services to realize sustained and inclusive economic growth and development. The private sector has the potential to create jobs and employment through market opportunities. Given the importance attached to private sector development, the GoL aims to create the enabling environment to stimulate the sector by providing infrastructure, secure property rights, workforce education and healthcare, and other subsidies.

GoL continues to make efforts to lay the foundation for the diversification of the economy by tackling key challenges to stimulating private sector trade and investment. GoL's efforts to improve infrastructure (roads, power, and telecom) will go a long way in providing a favorable environment for private sector development by providing the necessary ingredients for industry and facilitating the movement of goods and services.

Moreover, GoL has made impressive progress in addressing several administrative and regulatory barriers that severely limit the ability of businesses to operate effectively, including: business-related bureaucratic procedures and excessive inspections by public officials, cumbersome business start-up, , unclear investment procedures and cumbersome customs procedures and charges which present particular burden to small and medium-sized enterprises, as well as to female entrepreneurs.

Aggressive administrative reforms have resulted in the reduction of the business registration process from twenty-one (21) steps to six (6) steps. It has led to the development of a streamlined business registration process, which is synchronized with One-Stop-Shop procedures of line ministries (MOCI, MOF, and MOFA) that affect business registration. One-stop-shop for customs clearing has been completed and is operational at the Monrovia Port. Additional administrative reforms include the recently passed Revised National Investment Code developed to streamline the investment procedures. A proposed revision to the Revenue Code is presently before the national legislature and a commercial court is being developed to handle commercial disputes.

In order to address the issue of a large informal sector, several training programs were created for marginalized groups such as women, young adult workers, and persons with disabilities to better enable them to take advantage of potential income-earning opportunities. In turn, this will ensure an

increased access to viable economic activities to all Liberians and bring some organization to the informal sector. The development of the Micro-finance policy will help to improve access to finance by micro, small and medium-sized enterprises.

GoL also recognizes the importance of country led human capital development to provide the requisite skills set for the private sector. Hence GoL has developed a domestically driven capacity development agenda and will continue to engage the private sector as partners in the economic growth of Liberia, recognizing its potential as the prime generator of wealth and its role in building the macro-environment necessary for sustained and inclusive growth.

9.3 Capacity Development

Since the launch of the PRS in April 2008 as a medium term strategy for advancing reconstruction and development, effective implementation has been hindered due to significant human and institutional capacity challenges. Capacity has been identified as the “binding constraint” in the implementation of PRS across ministries and agencies. As Liberia moves from relief and recovery towards a “rapid, equitable and inclusive growth and development”, the GoL has begun planning the capacity needs required to kick-start and sustain the country’s growth and development.

Recognizing that this transition requires building strong institutions that can deliver quality services across the country in an inclusive and highly participatory manner, the GoL has established a National Capacity Development Unit (NCDU) and drafted a National Capacity Development Strategy (NCDS) to develop a stronger, more highly educated and skilled Liberian labor force in the future. This strategy is intended to augment several emergency capacity building initiatives initially launched to provide traction for the recovery of Liberia’s governance and management capabilities. Three of such emergency capacity building initiatives, namely the Liberia Emergency Capacity Building Support (LECBS) Project, the Transfer of Knowledge through Expatriate Nationals (TOKTEN) and the Senior Executive Service (SES) were established as a means to help identify and deploy skilled Liberians into the civil service.

Moving forward, the Government has committed itself to ensure that the existing capacity development initiatives are effectively coordinated within the framework of a long-term national capacity development strategy and action plan in order to ensure appropriate prioritization as well as gain synergy among the various programs.

The National Capacity Development Strategy (NCDS), a long-term strategy (10-year), aims to integrate effective approaches to assessing current capacities, identifying required capacities and investing in collaborative initiatives to capitalize upon and further develop capacities in a sustainable manner across the core work of all sectors in Liberia.

9.4 National Vision Planning

The Government of Liberia is completing its first medium term development plan under the Lift Liberia Poverty Reduction Strategy (PRS). The implementation of this plan has demonstrated that the only reliable tool for achieving sustainable socio-economic development is through long term development planning. From 2008 to 2011 a three year PRS was implemented to address immediate needs of post war Liberia. However, it excluded a longer-term vision towards which each plan

should be linked. It is for this purpose that the Government of Liberia, through the Ministry of Planning and Economic Affairs (MPEA) and the Governance Commission (GC), is embarking on the development of a long term development plan, the Liberia Economic Growth and Development Strategy, to provide a unifying framework that clearly defines the current and future direction of economic growth and development.

The existing Lift Liberia three-year development plan will guide Liberia's development efforts until 2011 when a new 18 year economic growth and development strategy is expected to take off. Liberia RISING 2030 will transition from disjointed sectoral planning toward more integrated planning within and between different sectors. In order to live up to this expectation, an integrated planning system is being advocated, starting with the formulation of National Visioning Task Force. This requires clear methods on ensuring the national development priorities reach all tiers of the central government and regional levels while also strengthening intra and inter-sectoral collaborations to meet the identified national objectives.

The (MPEA), being the lead agency in directing and coordinating the course of national development, is therefore rethinking its national planning strategies and intends to adopt an Integrated Results Based Management (RBM) planning to ensure a results oriented planning system. In Liberia, some aspects of this approach such as Rapid Results Approach (RRA) are already being utilized in the implementation of the PRS. The results have been outstanding as implementation rate has increased from 20% to 88% over a short period of time. However, this initiative should now be linked to Liberia RISING 2030 through integrated sectoral planning.

The major challenge in completing this national visioning exercise will be financial resources. The estimated cost of developing the national vision is **US\$3.1 million**. To demonstrate commitment to and ownership of this project, the Government has allocated **US\$500,000.00** in the FY10/11 national budget under the Ministry of Planning and Economic Affairs (**US\$300,000**) and Governance Commission (**US\$200,000**) to the national vision exercise.

9.5 Scaling up M&E

The PRS M&E framework has proved very useful in tracking and reporting on PRS priority interventions. The next step is to ensure that all development programs and projects in Liberia are equally monitored for effective implementation. Without proper monitoring and evaluation, it would be detrimental for effective development implementation by the Government, to know who is funding what project; allocated expenditures by development partners on various projects; intended program and project objectives and its benefits the Liberian people.

To effectively address all of these concerns, the MPEA has begun major investment in the design and implementation of a National M&E Framework that will address these issues. The design of this framework will take into consideration and consolidate the various M&E efforts across government agencies and partners' institutions. The National M&E tool will be all encompassing and comprehensive in nature and scope, addressing the varied needs of all parties (government, private sector, development partners, civil society, and ordinary citizens).

9.6 National Aid Policy

Similar to other developing countries, the management and coordination of development aid has been a major challenge for post-war Liberia. In the period immediately after the war, the choice was easy to make Liberia needed any and all kinds of aid to help address the humanitarian crisis.

Today, the situation is changed and requires a different approach. This has given rise to the development of a National Aid Policy that will bring order to Liberia's aid ecosystem, an effective aid policy that clearly articulates strategic guidance for effective harmonization, alignment, use of country systems and managing for results. Existing international instruments such as the Paris Declaration of Effectiveness and the Accra Agenda for Action provide reasonable starting points for engagement. International development assistance to Liberia ranked high for several years preceding 2010 but that aid is declining and unless managed effectively, there will be trivial development results to show for the millions of dollars in aid.

9.7 Tackling Corruption

It remains no secret that corruption plagues every facet of Liberian society but progress has been made to tackle the problem head on. The creation of the Liberia Anti-Corruption Commission (LACC) and the General Auditing Commission (GAC) are positive steps in the fight against corruption. The involvement of civil society groups, such as CENTAL, to create public awareness is an important display of civil society efforts to combat corruption. Despite these achievements, further attention is needed to bring in all players from every spectrum of society to address this corruption issue. Due to known weaknesses in the legal system, the prosecution of those charged with corruption has been slow. Reform and capacity in the legal system needs to be built very swiftly to address the corruption as well as many legal issues.

While these reforms are taking place and capacity being built, the fight against corruption must be intensified particularly in the public sector. If practical steps are not taken quickly to address corruption in the public sector, confidence and trust in the government to manage public resources will be eroded thereby hampering growth and development. Presently, a National Integrity Forum is being organized by various stakeholders including GAC, GC, CENTAL and other civil society groups.

9.8 Public Sector Investment Programs & Projects

As Liberia transitions from recovery to development, significant public sector investments are necessary to ensure sustainable, inclusive growth and development. Even though the private sector will be the major engine of growth, GoL recognizes the need to stimulate the public sector by making targeted investments in key sectors. The GoL has initiated a Public Sector Investment Program (PSIP) to deliver a strategic and coherent approach for medium and long term investment planning and financing which will cater to the infrastructure needs that best meet sectoral and national objectives.

In order to facilitate the translation of the national economic vision and sectoral policies into clearly articulated and distinct investment projects, the PSIP is structured into a Medium Term Investment

Program and a Long Term Investment Program. The PSIP is made up of infrastructure, economic, and social services and capacity.

For the purpose of the LPSIP, a project is defined as any investment activity related to the following: (i) construction of new buildings and structures; (ii) upgrading, renovation and extension of existing building and structures; (iii) acquisition of transport equipment, other equipment and machinery; (iv) the upgrading of machinery and equipment.

In order to ensure that the overall investment plan can be delivered, the GoL will explore all available options for project financing in a systematically integrated manner including projects financed by government revenues, borrowing and project-specific grants. Given the limited government revenue currently available to fund public expenditure, the Government will aim to focus its public investment budget on projects that are less suitable for project-specific grant or concessional loan finance. As the Government continues to build on the public financial management reforms currently underway, it is envisaged that an increasing share of grant finance will come on budget, increasing the revenue available for government-funded investment projects.

The LPSIP provides relevant information on a set of prioritized on-going and pipeline investment projects for the medium term in a clearly defined format. Presently, projects are classified into four broad areas which reflect the current national development medium term priorities and the long-term priorities. The GoL has initiated a process for project proposal screening and appraisal before final inclusion in the LPSIP with priority consideration given to the inclusion of on-going PRSP and CDA projects for which a contractual obligation is already in place. These projects will remain in the LPSIP until completion and commissioning.

10. CONCLUSIONS

Year Two report of Liberia's MDG-based PRS, the vehicle of the country's development agenda, rebounded with encouraging statistics: 80 per cent implementation rate in year two versus a mere 20 per cent in year one shows that maximum utilization of communication and coordination tactics have yielded positive results. . In order to achieve an even better yield in year three, the success story of year two would have to be replicated with more efficiency.

The accomplishment in year two can be put into perspective by measuring the improved living conditions of Liberians in every village, town and city in the country. The construction and rehabilitation of more farm-to-market roads, the building and rehabilitation of more schools, clinics and health centers is certainly having a tangible trickle-down effect on Liberians. There were also a number of soft initiatives (policies and legislation) which, while not publicly visible, have been important stabilizing factors in maintaining peace and driving sustainable development. For instance, the Land Reform Commission, the Anti Corruption Commission and the Public Financial Management Law are all major accomplishments to poverty reduction.

As Liberia transitioned from a humanitarian phase to a more development-oriented phase, the label "post-conflict country" is becoming less relevant. There has been relative peace and quiet for the last six years; time enough to define broad parameters and set the country on an irreversible path to development. As we delve into the final year of the PRS, the focus will be on the sector approach: identifying sectors that are either geared toward economic growth or poverty alleviation is

paramount in keeping Liberia on a trajectory of rapid development post-PRS. This is critical if the goal to transform Liberia into a middle income country by sub-Saharan African standards by 2030 is to be realized.

11. END NOTES

¹ Ministry of Finance (MoF) and International Monetary Fund (IMF) Staff estimates

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¹⁴ Liberia National Police, 90 day Progress Report

¹⁵ Government of Liberia National Budget, Ministry of Finance

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