



**USAID**  
FROM THE AMERICAN PEOPLE

## **Country Development Cooperation Strategy**

**Liberia**

**2013-2017**

*“...for Liberia to be successful, it cannot simply recreate the economic and political structures of the past, which produced widespread income disparities, economic and political marginalization, and deep social cleavages, and ultimately fueled the conflict. Liberia must create much greater opportunities for all its citizens and ensure that growth and development are widely shared, with the benefits spread much more equitably throughout the population.”*

*-Liberia's Poverty Reduction Strategy 2008-2011*



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## Chief of Mission Statement

This is a critical period in the history of Liberia, a country of unique cultural and political importance to the United States. The immediate future of the country rests with the ability of the new administration to address the precarious balance of formidable challenges and real opportunities facing the country. The 2011 elections were conducted successfully, but powerful interests continue to challenge the results. Liberia faces the prospect of the drawdown of the UN Mission in Liberia (UNMIL), which will end the first phase of post-war recovery and leave Liberia responsible, but not fully prepared, for providing its own security. Given the catastrophic consequences of renewed conflict for Liberians, and for the region, it is a critical transition.

President Ellen Johnson-Sirleaf has made tremendous accomplishments since her first inauguration in 2006. Inheriting a severely damaged economy, a nearly dysfunctional state and a war-weary, fragmented society, her Administration maintained peace and stability, began the process of reconciliation, and made measurable progress towards economic growth, government transparency and function, improved infrastructure and enhanced quality of life for Liberian citizens.

Since 2006, development in Liberia has been country-led: the Government of Liberia sets its own development agenda. Its vision is to be independent of external donor resources within a decade and to reach the status of a mid-income country by 2030. These goals may be overly optimistic but they are intended to build national pride and communicate the vision of a rehabilitated Liberia that can and will become a self-reliant and respected member of the international community.

Despite clear progress, positive leadership, and optimism for the future, Liberia continues to face daunting challenges, and real risks of backsliding remain. The low starting point for national development in itself creates the risk of instability, as frustrations with current conditions continue and rising expectations outpace tangible progress.

The **Country Development Cooperation Strategy (CDCS) 2013-2017** outlines how the United States will support Liberian priorities to build sustainable local capacity, make a difference in people's lives, and move towards a shared vision of self-sufficiency and prosperity. While the CDCS sets forth achievable objectives in a five-year timeframe, our vision must transcend that period. Successful development in Liberia will require generational change. The United States – as the largest donor and closest ally -- is in a unique position to provide support and partnership.

Continued progress cannot rely on one leader or one administration. The United States must stay the course, supporting Liberia's commitment to democratic transition and equitable growth through 2015 and beyond. Though the recent election was critical to sustaining momentum, the subsequent national election in 2017 will be even more important as a measure of whether improvements in governance have taken root to ensure continued stability and progress. One key measure of success of this new CDCS will be whether, by the end of the five years, we have helped to build systems strong enough to ensure a free and fair election and peaceful political transition in 2017.

With its two-track approach of simultaneously strengthening these critical systems and delivering measurable, concrete benefits to Liberia and its people in the short term, the CDCS is a powerful resource to help Liberians make their vision a reality.

Ambassador Deborah R. Malac

# Executive Summary

## Development Context, Challenge and Opportunities

Liberia's development challenges are deeply rooted. Even before its 14 year civil war, the country's exclusionary social, political, and economic systems produced "growth without development" – the benefits of which were captured only by a small, privileged elite – and, later, no growth at all. Average income already had been steadily declining before the onset of civil war.

After prolonged stagnation and decline, Liberia descended into chaos. The horrific toll of the 1989-2003 civil war on human life and welfare was compounded by the wholesale destruction of resources required for recovery and growth. Liberia's physical infrastructure, productive capacity, and public service delivery systems were demolished. Between the mid-1980s and the end of the civil war, GDP fell by 90 percent. Nine years after the war, Liberia placed 182 out of 187 countries on the United Nations' 2011 Human Development Index, and its absolute score was still below the level it had achieved in 1980.

Since the end of the war, Liberia has begun a long climb back. Under President Ellen Johnson Sirleaf's leadership, it has made progress in restoring peace and security, establishing the legitimacy of democratic institutions, stabilizing macroeconomic conditions, and improving many indicators of basic human needs. USAID, the United Nations Mission in Liberia (UNMIL), and other donors have played a critical supporting role – maintaining a strong security presence, re-building infrastructure, providing basic public services, and filling key management, decision-making and other human resources gaps.

Building on these foundations, Liberia is poised to shift its primary focus from short-term, post-conflict stabilization and recovery to dynamic and sustained long-term development. The successful political transition in 2011 opens an historic window of opportunity to accelerate development progress.

However, the obstacles to launching and sustaining a long-term development process remain formidable. They can be classified into two broad categories:

*Institutions:* Many of the extractive, non-inclusive social, political, and economic systems of the past remain fundamentally unchanged today. Old conflicts, such as those relating to the ownership and use of land, are unresolved. Politics continue to be based on "winner takes all" mentality and focus on personalities and patronage rather than substantive issues. Rent-seeking behavior and corruption are pervasive at all levels of government and society. Critical checks, balances, and accountability systems either do not exist, or are seriously compromised. While President Sirleaf's government is seeking to instill and model an inclusive and transformative national vision, old habits are hard to break.

*Capacity:* Many of Liberia's educated elite either fled or were killed during the civil war. The educational system was demolished, and the country lost a generation in which to educate and train its citizens to make productive contributions to development progress. Government, the private sector, civil society and international partners still are desperately short of qualified local talent. The existing, small cadre of highly qualified and motivated leaders struggles to have policies and decisions carried out by a low-paid workforce that often lacks basic literacy, numeracy and other critical work skills.

The Sirleaf Administration has adopted a range of policies that, if fully implemented, have the potential to fundamentally transform dysfunctional political and economic institutions. As the President herself has noted, however, promulgating good policies and plans is not the same as effectively implementing them. The success of the Government's medium term development strategy, the "Agenda for Transformation through Action" (Aft), will depend on Liberia's ability to overcome both the institutional and the capacity constraints described above. This will

require both strong and persistent domestic political commitment – a key assumption of this strategy – and robust, sustained international assistance.

Currently, Liberia remains highly dependent on external support to accomplish both its short-term and its long-term development goals. A central challenge for this CDCS will be to help Liberia build its capacity to lead, manage, and finance its own development process, with the aim of gradually reducing dependence on external support over time.

### **USAID/Liberia Strategic Framework**

In line with the national development vision and strategy laid out in Liberia's AFT, this CDCS shifts USAID's primary strategic focus from post-conflict stabilization and recovery toward transformational and sustainable long-term development. Its overall strategic goal by the end of the CDCS period is:

*Strengthened Liberian Institutions Positioned to Drive Inclusive Economic Growth and Poverty Reduction.*

To help Liberia build these foundations, human and institutional capacity development (HICD) will be a core, cross-cutting strategic priority for the Mission's entire portfolio. This requires long-term focus. The Mission's experience over the past nine years confirms that successful capacity development requires strategic patience and persistent commitment over extended timeframes.

This increased focus on long-term capacity building does not mean that short-term needs and challenges can be neglected. In order to build sustainable foundations for long-term development, Liberia must ensure that the incremental gains it has made to date are consolidated, reinforced, and locked in.

Therefore, the strategically important question is not whether to prioritize long-term investments in Liberia's future development over short-term responses to its immediate challenges, but how to achieve the right balance between the short- and long-term perspectives. This calls for a coordinated, two-track approach, in which the Mission will help Liberia simultaneously to:

1. Strengthen its capacity to sustain development progress over the longer term; and
2. Improve access to critical goods and services needed to meet basic human needs in the short-term.

Most projects under this CDCS will work on both these tracks, seeking to take full advantage of opportunities for mutual reinforcement between short- and long-term activities and outcomes. Some projects, particularly those related to public governance, will focus primarily or exclusively on the first track (i.e., HICD).

The core institutional foundations required for sustainable growth and poverty reduction include: inclusive political institutions that ensure the accountability, responsiveness and legitimacy of the state; inclusive economic institutions that encourage creative individual initiative, efficiently mobilize labor and other public and private resources, and allocate those resources to their most productive uses; and inclusive education and health services institutions that expand all Liberians' abilities and opportunities to contribute to and benefit from development progress.

Therefore, the Results Framework for this CDCS is built around four Development Objectives (DOs):

- DO-1: More effective, accountable, and inclusive governance
- DO-2: Sustained, market-driven economic growth to reduce poverty
- DO-3: Improved health status of Liberians

#### DO-4: Better educated Liberians

The accomplishment of each of these objectives is necessary, but not individually sufficient, to achieve the strategic goal of this CDCS. A central development hypothesis of this CDCS is that, taken together, the successful accomplishment of these four, mutually-reinforcing objectives will achieve those goals. A key assumption is that Liberia will be able to maintain and continue to improve civil peace and security throughout its territory, an objective that is not included in the results framework of this CDCS.

*Presidential Policy Directives:* This CDCS is deeply grounded in the U.S. Government's global and regional development policies, principles and strategies, including the Presidential Policy Directive on Global Development (PPD-6), the Quadrennial Diplomacy and Development Review (QDDR), and the Presidential Policy Directive on the U.S. Strategy Toward Sub-Saharan Africa (PPD-16). In particular, it recognizes the United States' strategic interest in helping Liberia build "sustainable systems for achieving high impact development that helps people meet their basic needs," as articulated in PPD-6.

*Implementation and Procurement Reform:* The USAID Forward agenda is an important tool for promoting sustainability. In the initial years of this CDCS, the Mission will focus on helping Liberian partners improve the reliability of financial management and other administrative functions that are needed to ensure the success of USAID's Implementation and Procurement Reform (IPR) objectives. As these systems improve, USAID/Liberia will actively seek opportunities to build on its pioneering Fixed Amount Reimbursement Agreement (FARA) with the Liberian Ministry of Health and Social Welfare by using reliable host country systems to implement assistance activities in other components of the Mission's portfolio. All such activities will be in full compliance with U.S. and Liberian fiduciary requirements and responsibilities.

*Geographic Concentration:* To maximize opportunities for mutual reinforcement across the Mission's portfolio and ensure that USAID's collective efforts are sufficient to achieve the results described in this CDCS, USAID assistance in Liberia will be geographically focused in six highly-populated counties that surround the country's key development corridors. These counties are: Bong, Grand Bassa, Lofa, Margibi, Montserrado, and Nimba. A key development hypothesis is that this geographic concentration of effort will accelerate development results in the targeted counties, and that other parts of the country will subsequently benefit from that progress. It is also expected to reduce USAID's unit operational costs, allowing the Mission to leverage greater results within available resource envelopes.

*Collaborating, Learning and Adapting:* The transition from short-term stabilization to long-term development requires increased focus on monitoring and evaluation (M&E) of assistance results. HICD and other long-term activities typically involve more numerous and complex intermediate results between the initial assistance inputs and the final development impacts. Tracking these complex processes requires sustained attention and expanded M&E resources. In response to these challenges, the Mission has employed a "Collaborating, Learning, and Adapting" (CLA) Coordinator as well as a Monitoring and Evaluation Advisor, who will be jointly responsible for overseeing the robust CLA agenda described in Section VIII of this CDCS.

# Part I: The Development Setting of Post-Conflict Liberia

## Introduction

Founded in 1847, Liberia is the oldest republic in Africa. The 2008 census reported a total population of 3.5 million, in a country the size of Tennessee, with an average life expectancy at birth of 59 years. A little less than one-third of the population lives in the capital of Monrovia and surrounding Montserrado County. Many years of minority rule and inequitable distribution of resources resulted in a civil conflict that lasted from 1989 to 2003. After a largely successful initial period of recovery and reconstruction, the country has so far defied the high odds of sliding back into conflict, and recently concluded a second round of national elections which returned President Ellen Johnson Sirleaf to office for another six years.

By any measure, Liberia is one of the poorest and least developed countries in the world. An analysis comparing indicators of poverty and dimensions of human development puts Liberia at or near the bottom of sub-Saharan African countries. Its 2011 Human Development Index score places it 182 out of 187 countries. According to government figures, nearly 64% of Liberians, or 2.5 million people, live below the poverty line, and 48% live in extreme poverty.<sup>1</sup> Liberia's 2010 nutritional survey estimates that 41% of the population has an "unacceptable" food consumption pattern, i.e. one that cannot sustain an active and healthy life.<sup>2</sup>

However, poverty and underdevelopment are not the only challenges. Liberia emerged from its protracted civil war as a deeply divided country, its social fabric torn by ethnicity, religion, geography, and history. There are 16 ethnic groups, and Christianity, Islam, and indigenous religions are practiced. The division between urban and rural is substantial, with those who live in Monrovia commanding much greater access to basic services than do those who live in the rural areas.

**A Short History:** Poverty, underdevelopment, and social fragmentation are the legacies of Liberia's past. Its colonial history created privileged elite of Americo-Liberian "settlers" who monopolized political and economic power for over 130 years, while excluding indigenous Liberians from voting or owning property. Exclusionary politics and extractive economic systems were continued under the Doe government, along with widespread cronyism, economic mismanagement, and an extensive record of human rights abuses. With the attack in December 1989 on the Doe government by insurgent forces led by Charles Taylor, the country began its descent into a devastating civil war. Fourteen years later, the war was finally brought to an end with the intervention of US and UN peacekeeping forces, and the Accra Comprehensive Peace Agreement was signed in 2003.

The period of civil war was one of widespread destruction and great hardship. Over 200,000 Liberians died and a million more were displaced to refugee camps in neighboring countries.<sup>3</sup> Families were shattered and entire communities were uprooted. Commercial and productive activities were disrupted as warlords looted and vandalized the country. People fled their farms, mining and rubber plantations closed, manufacturing shut down, and services ground to a halt. Basic infrastructure, including roads, water and electricity supply, schools, health clinics, was destroyed. Social, political, and economic governance systems at all levels dissolved as government functions were disrupted and skilled individuals left the country. GDP fell by 90 percent between 1987 and 1995, the most massive economic collapse recorded anywhere since WWII. By the time of the elections for a new government in 2005, average income in Liberia was just one-quarter what it had been in 1987, and one-sixth of what it was in 1979.

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<sup>1</sup> Poverty Reduction Strategy 2007, p. 16. The percentage of the population living in poverty cited can be as low as 64% and as high as 84%, depending on the data source and the definition of poverty that is used. Liberia Institute for Statistics and GeoInformation Services (LISGIS). (2007). *Core welfare indicators questionnaire survey 2007*. Monrovia: LISGIS. World Bank, *Liberia - poverty headcount ratio*.

<sup>2</sup> The State of Food and Nutrition Security in Liberia, Comprehensive Food Security and Nutrition Survey, 2010, p. 2.

<sup>3</sup> US State Department Background Note on Liberia; other sources give estimates of the total number of lives lost in the civil war ranging from 220,000 to 350,000.

**Post-Conflict Stabilization and Recovery:** This was the legacy inherited by Liberia's transitional government in 2003. Significant achievements have been made since then. With a UN peacekeeping force of 15,000 troops maintaining security, the transitional government launched efforts to recover and rebuild. Elections for a national government were successfully conducted in 2005, and the new government under President Johnson Sirleaf embarked on an ambitious program of policy reforms to spur reconstruction and recovery.

Under the newly elected government, ex-combatants were demobilized and reintegrated into society, and tens of thousands returned to their communities. To create much needed employment, the government launched programs in community development, food for work, road building, and urban cleanup, and provided tools and seed rice to jump-start the recovery of the agricultural sector.

The Government of Liberia (GOL) moved quickly to stabilize the economy and put the country's finances on a firmer footing. Under sponsorship of a multi-donor initiative, the Governance and Economic Management Assistance Program (GEMAP), effective controls were instituted on government finances and procurement, allowing the lifting of UN sanctions on timber in 2006 and restoring crucial foreign exchange revenues.

The GOL successfully negotiated a debt relief package that cleared arrears from the country's debt default in the mid-1980s and substantially reduced its external debt. To accomplish this, the government met a challenging set of financial and policy conditions imposed by the Paris Club and creditor countries, including implementation of a National Investment Act, and completion of the first Annual Progress Report on its national Poverty Reduction Strategy (PRS), to document its commitment to poverty reduction, sound macroeconomic policy, strong public financial and resource management, and governance reform.

Major policy initiatives were undertaken, demonstrating high-level commitment to strengthening governance and the rule of law. These measures helped Liberia to show significant improvement in the 2006 Control of Corruption index, albeit it was starting from a very low base and there was little if any additional progress between 2006 and 2010. The government also launched a number of civil service reforms, and announced plans to give the Legislature more budgetary authority and build a framework for future decentralization of political and administrative authorities to the districts and counties. Again, the initial momentum appeared to lose steam toward the end of the first Sirleaf Administration.

The Government signaled early on that it intended to put governance of the country's natural resources wealth on a new footing. It passed a Forest Reform Act in 2006 to strengthen oversight and regulation of the forestry sector and renegotiated all forestry contracts. It revised concession agreements in iron ore mining, rubber, and oil palm plantations. In 2008, it joined the Extractive Industries Transparency Initiative (EITI) to strengthen its systems ensuring transparency and accountability in managing revenues generated from natural resource-based activities.

Finally, the GOL began rehabilitating the badly damaged road network, electricity connections, and water supply, and rebuilt and reopened schools and health clinics all over the country.

Peace, improved security and responsible macroeconomic management combined to reverse the downward slide. The economy rebounded from a very low base, with economic growth averaging over 6% annually from 2006 to 2010, and a strong initial rebound in rice and cassava production. Planned foreign direct investment in approved mining projects started flowing, along with royalty payments expected to reach \$30 million annually by 2015.

Notwithstanding these accomplishments, the gains that have been made are fragile and much more remains to be done to consolidate and sustain them. Progress in security sector reform has left important gaps: the police and army are subject to high rates of attrition and remain short of trained personnel, equipment, and supplies, and the continued presence of UNMIL-

currently down to 8,000 troops at the time of drafting – is seen as imperative in view of the high rates of crime, simmering tensions between political factions, occasional outbursts of violence over religion and land, and the continuing danger posed by instability in neighboring Cote d'Ivoire.

While the GOL's policy commitments have sent important signals of responsible intent, actual implementation has been uneven and slow. Some reforms appear to have stalled: the Government has failed to take action on reports of the General Auditing Commission, the Anti-Corruption Commission is starved for government funding, and a Code of Conduct for public officials is still pending in the Legislature. Judicial reform is moving slowly. Corruption persists and there is a low prosecution to conviction ratio. Lack of progress on key civil service reforms impedes efforts to build and sustain a range of management capabilities in the public sector, and hampers the GOL's ability to deliver critical public services and implement key investments. Reforms and delivery of public services are seriously hampered by severe staff shortages in government and low capacity across all sectors.

### **The Road Ahead: Development Opportunities and Challenges**

National elections were held in the fall of 2011 to determine the succession to President Sirleaf's first six-year term. The elections were a mixed success. Amidst rumors of sporadic violence and threats of instability, the elections went forward with minimal disruption, and were confirmed by Liberian and international observers to have been free and fair. However, the process was marred by a boycott of the run-off election by the main opposition party and a consequently low turnout. While the government of President Johnson Sirleaf was returned to office, the opposition's efforts to de-legitimize the election process was a reminder of the instability that lies below the surface as Liberia struggles to reform its political processes.

As the new Sirleaf administration took office in January 2012, the country entered a critical period. Liberia's future hangs in the balance of the progress that can be made in the next several years. During this critical period, Liberia presents both opportunities and challenges.

### **Opportunities**

***Momentum of positive change:*** In spite of these daunting challenges, there is considerable momentum for positive change that has built up over eight years of stability in the country. An increased level of productive activity is confirmed by the strong rates of economic growth Liberia has experienced and which are likely to continue: the African Economic Outlook forecasts 7.3% growth in 2011 and 8.9% in 2012. Much of the success in jump-starting the recovery is due to President Sirleaf's program of strong macroeconomic management that has signaled her commitment to reversing the mismanagement of the past. The ultimate outcome of the fall 2011 elections reinforces this positive momentum, and the pre-election peace vigils held throughout the country provide evidence of the deep commitment of many ordinary Liberians to putting the conflicts of the past behind them.

***Emergent policy framework for inclusive and sustainable growth:*** More important, the GOL during President Sirleaf's first term made great progress in developing a policy framework for reversing the decades-long "politics of exclusion" paradigm that was largely responsible for the country's currently high levels of poverty and underdevelopment and, indirectly, the war itself. The PRS gave much attention to the issue of social exclusion and this concern was given tangible meaning in the extensive consultations that were held with ordinary Liberians all over the country as part of the PRS process.

These concerns are also reflected in the policy priorities that, from the earliest days of her administration, reflected a clear commitment to promote market-led economic growth while also redressing the imbalances in access to basic services that resulted in the patterns of inequality highlighted above. While placing a high priority on promoting a vibrant role for the private sector as the engine of growth, government policy seeks to ensure that benefits are distributed widely through such arrangements as out-grower schemes and community-based

forestry management. Foreign concessions have been re-written to insure a greater share of the benefits are captured by Liberian communities and businesses through concessionaire investments in roads, energy supply, schools, and health facilities.

With the benefit of another six years to implement the policies laid out during the past six years and anchor them more firmly in government services and programs, there is reason to hope that the country can make headway in meeting its ambitious development goals.

***Strong and coordinated international support:*** Closely related to the positive policy framework established by the GOL is the extraordinary degree of international support that has been mobilized to assist Liberia's recovery. The international community has made substantial contributions from across the full array of its agencies, from peacekeeping forces and humanitarian relief efforts, to debt relief and the substantial and sustained support from major donors, notably the USG, the World Bank, the EU, and the African Development Bank.

Important support has also come from the Liberian diaspora, many of them in the United States. These exiles have contributed remittances<sup>4</sup>, business start-ups, and skills and expertise which have proven valuable in filling capacity gaps in both public and private sectors.

In addition to the material support from the international community, there has been a high degree of consistency and constancy in the priorities of Liberia's international partners, which has been valuable in maintaining the government's focus on key concerns. The degree of international engagement on the policy of sanctions against diamond and timber exports, for example, has provided focus on the critical importance of reforming and regulating management of the country's lucrative natural resources, and the government is being held to demanding standards so as to reduce risks of future conflict.

The magnitude and scope of the international community's engagement shows it is heavily invested in Liberia's success, and this in turn has created a genuine partnership with the country where all parties are held to account in doing their part. In January 2013, President Sirleaf and Secretary Clinton established the U.S.-Liberia Partnership Dialogue, with the intent to promote diplomatic and economic cooperation between our two countries, and to ensure sustained, high-level bilateral engagement on issues of mutual interest.

***Rich base of natural resource wealth:*** Liberia has substantial renewable and non-renewable natural resources, including iron ore, gold, diamonds, timber, rubber, palm oil and cocoa. In addition, the country recently granted several offshore oil exploration licenses. Iron ore reserves estimated at over 3.4 billion metric tons are hugely valuable given rising prices and resurgent steel production. Forest resources, which brought in over 80% of Liberia's foreign exchange earnings before the war, represent not only direct income but also indirect benefits in the form of biodiversity and ecosystem services. Rising commodity prices have made these resources ever more valuable assets, providing they are sustainably managed, which in turn affords the government the opportunity to negotiate concessions on more favorable terms and offers the prospect of a reliable stream of foreign exchange earnings in the future.

While natural resource wealth provides important economic opportunities for Liberia, it is associated with major environmental challenges. The 2008 Environmental Threats and Opportunities Assessment (ETOA) noted that, for the foreseeable future, most Liberians will continue to prioritize economic development, job creation and poverty reduction, including through mining and agro-industrial concessions, over sustainable conservation of natural resources.

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<sup>4</sup> The Central Bank of Liberia reported that foreign remittances were the third highest source of foreign inflows in 2009-2010. Cited in ICG Report, op. cit.

**USG and USAID access and experience:** The U.S. Government has been a steadfast ally and a major contributor to Liberia’s recovery, and has gained the confidence of a wide array of top leaders throughout the country. Its outspoken support for good governance and open political processes has earned the trust -- and strengthened the hand -- of those in leadership positions in both public and private sectors who share those views. And the prominence and responsiveness of the USAID program to the evolving needs of the Liberian people from the earliest stages of relief and recovery have successfully conveyed the degree of US commitment to the country. Through the U.S. Government’s close collaboration with the GOL, in combination with the insights and understanding gained from USAID’s on-the-ground experience managing projects in key development sectors in the immediate post-conflict years, the USG can count on a constructive partnership with the GOL as it enters its second term and takes on the crucial development work that it has begun with such resolve and promise, but which is far from finished.

## Challenges

**Low “starting point” for post-conflict recovery:** Despite recent progress, Liberia is still near the bottom of the rankings on almost all comparative measures of development. Its score on the UN’s Human Development Index (HDI) is 0.329 for 2011, putting Liberia considerably below the averages both for countries in Sub-Saharan Africa (0.463), and for countries in the low human development group (0.456). Its Gross National Income (GNI) per capita was estimated at \$265 in 2011; in 2010, only two countries in the world were estimated to have a lower per capita GNI.<sup>5</sup>

**Table 1. Illustrative Development Indicators for Liberia and Comparator Countries<sup>6</sup>**

Indicator	Liberia	Sierra Leone	Guinea	Ghana	Uganda
Poverty headcount ratio (percent of population @ \$1.25/day, PPP)	<b>84</b> (2007)	--	43 (2007)	11 (2006)	38 (2009)
Under 5 mortality rate (per thousand) (2010)	103	<b>174</b>	130	74	99
Maternal mortality ratio (modeled estimate, per hundred thousand)	890 (2010)	<b>970</b> (2008)	680 (2008)	350 (2008)	430 (2008)
Malnutrition by weight, percent of children under 5)	20 (2007)	<b>21</b> (2008)	21 (2008)	14 (2008)	16 (2006)
Adult Literacy rate (percent, ages 15 and above) (2009)	59	41	<b>39</b>	67	73
CPIA: Policies for Social Inclusion/Equity, 1=low, 6=high (2009)	<b>2.5</b>	3.1	3.0	3.9	3.8

Measures of nutrition and health status, and access to basic services all show how far Liberia has to go to meet its development goals of lifting the majority of Liberians out of poverty. Comparing Liberia to four other African countries, two of them post-conflict countries, Liberia scores well below the strong performers in most measures of development, and even below the other post-conflict countries in some (see Table 1, above).

<sup>5</sup> The GNI estimate for Liberia in 2010 was \$200. The two countries below Liberia in 2010 were Burundi and the DRC.

<sup>6</sup> World Bank, World Development Indicators, online at: <http://data.worldbank.org/indicator> (accessed February 28, 2012). It is important to note that Liberia is in the process of re-building many critical data collection systems, and there are often significant variations in reported results.

Decades of economic mismanagement and war took an enormous toll on the country. Graphing the trends in Liberia’s HDI score against two African countries which started at roughly equivalent levels in 1980 vividly captures the cost of those lost years in Liberia’s development trajectory.

**Figure 1. Trends in Liberia’s Human Development Index, 1980-2011<sup>7</sup>**

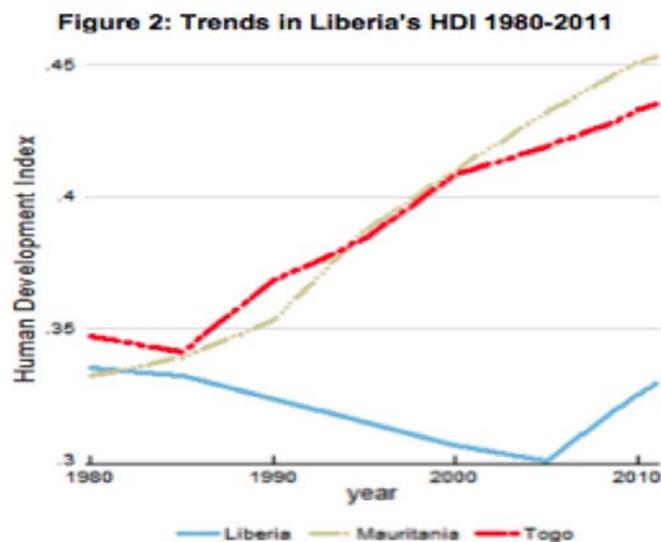


Figure 1 underscores how critical it is for Liberia to build its capacity to sustain development progress over long time periods. As of 2011, the rapid progress it has achieved since the end of the civil war has only returned it to approximately the same human development levels it had reached in the 1980s. This means the task is not simply to re-build the limited networks of facilities and services that existed before the war, but to help Liberia establish the foundations for sustained development progress over many decades to come.

Starting at such a low point poses a development challenge of huge proportions, especially in combination with the other challenges Liberia is facing. These include:

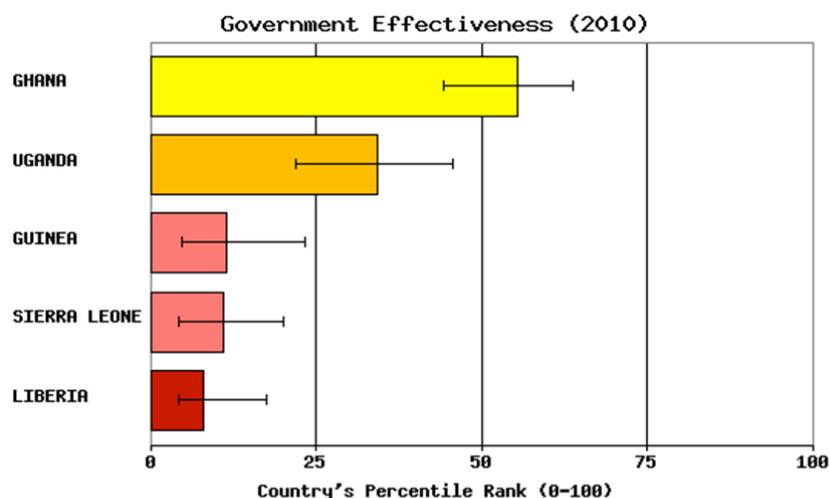
1. The low level of government capacity
2. Social divisions and mistrust
3. Weak legitimacy of the state
4. The destabilizing potential of Liberia’s youth cohort;
5. High population growth rates; and
6. A narrow window for showing results.

The following section describes each of these challenges in more depth.

**Low level of government capacity:** To achieve its ambitious development goals, Liberia requires a public sector that not only establishes good policy directions, but that is also staffed at all levels with skilled managers, administrators and technicians who are capable of planning and effectively implementing the complex and often contentious reforms and investment programs needed to transform those policies into tangible realities for the Liberian people. However, Liberia scores very poorly on measures of government effectiveness, as illustrated in the comparisons shown below of Worldwide Governance Indicator (WGI) scores.

<sup>7</sup> Graph is from the HDI Report 2011, Explanatory Note on Indicators: Liberia.

Figure 2. World Development Indicator of Government Effectiveness<sup>8</sup>



Source: Kaufmann D., A. Kraay, and M. Mastruzzi (2010), *The Worldwide Governance Indicators: Methodology and Analytical Issues*

Due to the war, many senior government officials fled the country. While some have returned, many more have not. Donor funding to support the placement of key personnel, primarily designed to attract highly skilled professionals and administrators from the Liberian diaspora, succeeded in temporarily filling critical staffing gaps outside the regular Liberian civil service. However, recent evaluations were unable to establish whether these programs have achieved significant knowledge-transfer and sustained improvements in the Government's management capabilities.

At the same time, the country lost a full generation in which to educate and train new cadres to qualify for government positions at the entry-level, leaving a government "hollowed out" in the middle ranks, and desperately short of qualified personnel in all sectors. For example, the Ministry of Agriculture has only a single statistician on its staff. The Ministry of Education (MoE) has three staff members responsible for monitoring and evaluation of the country's multi-million dollar annual investments in its education system; in a 2009 workshop supported by the Mission, MoE managers concluded that the Ministry's data collection and data analysis capability was "effectively zero."<sup>9</sup>

As a consequence of comparable shortages across all professional and technical cadres, the government's ability to implement the necessarily ambitious agenda for reconstruction and development is seriously constrained. This, in turn, constrains progress on key USAID policy priorities, including USAID Forward Objective 1.

**Social divisions and distrust:** These challenges of governance are exacerbated by the deep fault lines that fracture the country along ethnic and religious lines and between "settlers" and indigenous Liberians. Some of these cleavages also have a regional dimension, as ethnic allegiances spill across borders and often transcend national identities. When these allegiances introduce competition between armed groups, as happened during Liberia's civil war, they can result in protracted civil unrest, a thriving regional arms trade, and large movements of refugees and displaced persons.

<sup>8</sup> The Worldwide Governance Indicators are compiled and produced by experts from the Brookings Institution, World Bank Development Research Group, and the World Bank Institute. They report on six broad dimensions of governance for over 200 countries, based on survey data and secondary data from commercial, NGO, and public sector information providers. The Government Effectiveness measure captures perceptions of the quality of public services, civil service, and policy formulation, and the credibility of the government's commitment to its policies. See <http://info.worldbank.org/governance/wgi>.

<sup>9</sup> Liberia FORECAST Project, HICD Assessment and Performance Gap Analysis for Education and Economic Growth, January 2009, p. 17.

Adding to these divisions is the economic divide between the “haves” and the “have-nots”. The country’s Gini coefficient, which measures the degree of income inequality<sup>10</sup>, is among the highest in Africa (.526). There is a wide disparity between urban and rural inhabitants’ access to basic services, such as energy, telecommunications, and health services.<sup>11</sup>

While these divisions – ethnic, religious, social, economic -- have been part of the country’s make-up throughout most of its history, they were exacerbated by the war, which added layers of distrust and suspicion. While a recent Interagency Conflict Assessment identified emerging sources of internal resilience, outbreaks of violence during and in the aftermath of the 2011 election process are a reminder that the threat of renewed instability persists.<sup>12</sup>

This division and distrust makes it both more crucial and more difficult to restore long-term stability in the country. It requires constant vigilance from traditional security institutions such as the army and police, while addressing at the same time the factors that fuel the divisions and distrust. Most crucially in Liberia, this means that the government must convince those Liberians who have been most marginalized that the “exclusionary politics” of the past are over and create entirely new standards of inclusion, participation, and fairness in access to services and opportunities. Even with the political will to do so, there are financial and capacity limits to contend with in accomplishing this.

**Weak legitimacy of the state:** The government must also confront the legacies of Liberia’s past, including a dismal record of government performance and a history in which the country’s revenues and natural wealth were plundered for the benefit of the powerful few. It is not surprising that ordinary Liberians harbor a profound degree of distrust of government and those in government. The Afrobarometer study of 2008 showed that Liberians put a great deal of faith and trust in the person of the President, but very little trust and faith in the Government as a whole. In short, the Government’s legitimacy with its people remains precarious and weak.

One pressing concern in this context is corruption. While Liberia appears to have made some progress in reducing official corruption<sup>13</sup>, it is still widely viewed as worryingly corrupt, and GOL actions in this regard have fallen well behind its stated intentions. For example, it has not provided sufficient funding for the Anti-Corruption Commission to operate effectively and many of the anti-corruption legislative initiatives that were announced (e.g., the Whistleblower Act and the Code of Conduct) have yet to be enacted. The problem is pervasive in all levels of government, from the patronage networks of senior officials in all branches of government to the “tips” and other petty favors demanded by police officers, regulators, inspectors and others in the lower ranks of the civil service. These customs and practices continually undermine Liberian citizens’ confidence that the Government is interested in, responsive and accountable to their individual and collective needs and aspirations.

Unconstructive political parties contribute to the Liberian state’s weak legitimacy. They focus primarily on leaders’ personalities, rather than substantive policy issues. They tend to lack developed platforms, are institutionally weak, and lack a basic understanding of their rights and responsibilities under the law. The most recent elections highlighted the inability of most parties to garner nation-wide support. Those few parties that have the potential of winning national elections remain dominated by established political elites who do not promote the inclusion and mentoring of the next generation.

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<sup>10</sup> The Gini coefficient is the most commonly used measure of income inequality. The coefficient varies between 0, which reflects complete equality and 1, which indicates complete inequality (one person has all the income or consumption, all others have none).

<sup>11</sup> For example, the PRS-I reports only 2% of rural inhabitants have access to power, vs. 10% in urban areas.

<sup>12</sup> See, for example, the reporting in International Crisis Group’s August 2011 report on “Liberia: How Sustainable is the Recovery?”

<sup>13</sup> The two most widely accepted indexes for measuring corruption, the World Bank Control of Corruption Index and Transparency International’s Corruption Perceptions Index, both clearly show a trend of decreasing corruption.

**Destabilizing potential of youth cohort:** Liberia is no different than many developing countries in having a large youth cohort. Fifty-two percent of the country's population is 19 years old or younger. What distinguishes Liberian youth is the impact of the civil war on them and their future: their years of exposure to the horrors of war, missed educational opportunities, and erosion of their trust in social values, institutions, and their communities.

While the demobilization program in Liberia is generally regarded as having been moderately successful<sup>14</sup>, it did not provide adequate education, skills training, or alternative livelihoods to the participants, and many thousands chose not to participate at all. In an economy still dominated by capital-intensive resource extraction industries, job creation has been slow and unemployment remains high. Lacking other opportunities, some youth were recruited as mercenaries to fight in the post-electoral conflict in Cote d'Ivoire, bringing back weapons that continue to pose a threat to internal security. Most youth, including ex-combatants, are still unemployed, live in poverty, and lack marketable skills. They represent a latent but easily mobilized destabilizing force.

**Population growth rate:** Over the medium- to long-term, a game-changer for development prospects in Liberia is the very high population growth rate. The population growth rate in Liberia is currently 3.1%, and there has been little progress in reducing fertility in the last thirty years. The risk is that this fertility rate, in combination with the very large share of population under 15 years of age, will result in a population explosion within the next ten years that could easily outstrip the economy's ability to finance the needed volume of basic services, or to create enough employment to offer viable livelihoods for job-seekers.<sup>15</sup> While this scenario will not play out within the time frame of this strategy, if actions are not taken in the next few years to address this concern, it will be too late.

**Narrow window for showing results:** As the elections in the fall of 2011 demonstrated, there continues to be considerable support for President Sirleaf. However, the window of time for her government to show real results is narrowing. A recent assessment of the Poverty Reduction Strategy implementation shows many rural residents credit the government with improvements in education, health, water and sanitation, and food security, while perceptions of government programs in business, infrastructure, and governance were decidedly mixed or negative.

President Sirleaf's re-election gives her government a chance to build on the momentum of her first term, and move ahead to implement the broad array of reforms it has begun work on, but it will need to focus its efforts strategically so that ordinary Liberians can begin to see real benefits from them before the next election. This challenge is made even more daunting in the face of the limitations above, in particular the limited capacity of the still-young post-war government.

### **Game-Changers**

There are two potential game-changers that could substantially alter the odds that Liberia will succeed in putting itself on a path of sustainable growth during this strategy period.

**Renewed conflict:** One of these game-changers is the risk of renewed conflict, whether triggered by internal forces or external ones. Potential sources of internally generated conflict include: the large cohort of ex-combatants with no jobs and few prospects; disgruntled politicians, government employees, and other privileged groups who may be threatened by political, economic, and governance reforms; disputes over contested parcels of land, and the presence of drug-trafficking. Each of these sources of tension could trigger outbreaks of violence which could escalate into generalized conflict between ethnic or religious groups or political factions, fueled by the stockpile of small arms still present within the country. An alternative scenario is a renewal of conflict triggered by instability elsewhere in the region, which could then spill over

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<sup>14</sup> See Solomon, Disarmament, Demobilization and Reintegration in West Africa, 2008.

<sup>15</sup> According to the 2008 Liberia National Population and Housing Census, Liberia's population will double by 2041 if an annual growth rate of 2.1% or more is sustained over that period.

Liberia's borders as ex-combatants are recruited to take sides, or as refugees stream across the border exacerbating existing tensions over access to land in the border counties.

While the March 2010 Interagency Conflict Assessment identified community level mechanisms and core resiliencies that can reduce the risk of escalation, it is still the case that the UNMIL forces are critical to the maintenance of security in Liberia. UNMIL has been widely regarded as instrumental in damping down incipient conflict flash points before they got out of control on several occasions in the recent past. However, current plans are that it will be drawn down in 2012 and 2013, even though Liberian security forces are still several years away from being fully ready to take over this responsibility. After UNMIL is disbanded, Liberia's capacity to react to and control potential civil conflict will be substantially reduced for some time.

If civil conflict is re-ignited, much or all the progress made in the past six years could quickly unravel, as confidence of foreign investors and private businesspeople would dissolve, precipitating a flight of capital and skilled personnel. At best, the need to rebuild confidence once again would put a hold on moving forward with programs and policies to deliver tangible services, and the country would continue to slip behind. At worst, it could lead into a spiraling descent ending with Liberia becoming a failed state.

***Loss of confidence in President Sirleaf's administration:*** Much is riding on the assumption that the second Sirleaf administration will maintain the same strong leadership and good policies as the first, and that it will make greater progress in implementing those policies. This assumption is crucial to continued international support, which is also a sine qua non of continued progress.

If the majority of citizens do not believe that the Government has delivered significant improvements in the quality of their lives, popular support for President Sirleaf will ebb and the government will be less able to leverage political support for difficult reform measures.

## **Conclusion**

The current development setting in Liberia remains one of high-risk. For every opportunity, there are more challenges and risks. But the peaceful transition to a second Sirleaf Administration, and the President's apparent determination to push harder to effectively implement critical reforms and investments, open a critical window of opportunity for accelerated development progress. Much work lies ahead, and Liberia will need continued strong and sustained support from USAID to fully exploit this historic opportunity. With that support, the potential rewards are great.

## Part II: GOL Development Program and Donor Community Support

### GOL Development Strategy

The GOL undertook a comprehensive program of recovery and reconstruction in the immediate post-war period, a program that quickly took on ambitious objectives of development and poverty reduction. Its interim Poverty Reduction Strategy (2007) and “Lift Liberia” Poverty Reduction Strategy (PRS), covering the period from 2008-2011, identified four “pillars” of the GOL’s development program, namely:

1. to expand peace and security by rebuilding its security institutions;
2. to revitalize the economy by investing in infrastructure, especially roads, reviving production in natural resource sectors, and diversifying into downstream value-added sectors and services by keeping production costs low;
3. to strengthen governance and the rule of law, with a particular focus on decentralizing political and administrative authorities to the county, district, and local levels; and
4. to rehabilitate infrastructure and the delivery of basic services.

In 2011, the GOL commissioned an independent assessment of the implementation of the PRS, and formed a number of working groups to begin conceptualizing a follow-on national development strategy. The assessment concluded that Liberia had made important progress between 2007 and 2011, including:

- significantly expanding domestic resource mobilization, including a 70% increase in the national budget;
- decreasing external debt by \$4.9 billion (through the Highly Indebted Poor Country process) and reportedly attracting over \$15 billion in new foreign direct investment;
- reducing crime and improving public perceptions regarding civil peace and security; and
- increasing school enrollment and access to basic health services and safe water supplies.

At the same time, the assessment concluded that the GOL had missed important opportunities, and that progress had been disappointing in a number of key areas, including:

- rationalization of overlapping mandates and functions of Government ministries and agencies;
- accelerating budget execution to take full advantage of new fiscal space, particularly completing public investments in critical transportation and energy infrastructure; and
- creation of new job and income opportunities in the private sector.

One of the assessment’s central conclusions was that, while the PRS was conceptually sound, the GOL experienced major difficulties in implementing it. In a final PRS review meeting in January 2012, President Sirleaf acknowledged: “we under-estimated our capacity constraints.”

Building on the lessons learned from the PRS assessment and working group discussions, the GOL has prepared a follow-on, medium-term development strategy. Titled “Agenda for Transformation Through Action” (Aft) a key precept of this new strategy is that Liberia must change its focus from short-term relief and stabilization to sustainable development over the longer-term.<sup>16</sup> Responding to President Sirleaf’s observation about the difficulties faced under the PRS, the Aft recognizes capacity building as a “critical driver for transformational change” and makes it a cross-cutting strategic priority. The GOL has adopted a number of policies and strategies that pave the way for accelerated progress on its capacity building objectives,

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<sup>16</sup> The “two-track” approach of this CDCS, described in Parts III-VII below, is closely aligned with the GOL’s decision to focus increasing attention on long-term development, while continuing to address national reconciliation, youth empowerment, and other urgent, short-term priorities.

including the 2009 Civil Service Reform Strategy and 2010 National Capacity Development Strategy.

Within this strategic overlay, focused on building Liberia’s capacity to sustain development progress, the AFT identifies four “sector” pillars that are similar to those of the PRS, namely:

1. Peace, Justice, Security and Rule of Law;
2. Economic Transformation;
3. Human Development; and
4. Governance and Public Institutions.

### Donor Support

The response from the donor community has been consistently strong. The USG has been the lead donor country, mobilizing relief and recovery efforts during the immediate post-conflict period, initially dominated by emergency feeding operations and Transition Initiative activities during FYs 2003-04. In FY 2005, the USG assistance program doubled in size, and then more than doubled again in FY2006, with particularly large increases in Democracy and Governance and Education programs. From FY 2007 on, USAID has implemented major assistance programs in Democracy and Governance, Health, Education and Economic Growth (see Table 2).

**Table 2. USAID-Implemented Bilateral Assistance, FY 2003-2011 (thousands)**

<b>Development Objectives</b>	<b>FY03</b>	<b>FY04</b>	<b>FY05</b>	<b>FY06</b>	<b>FY07</b>	<b>FY08</b>	<b>FY09</b>	<b>FY10</b>	<b>FY11</b>	<b>FY12</b>
Democracy and Governance	3,800	3,070	4,621	61,897	26,247	22,700	28,440	44,618	37,800	38,000
Health and Social Protection	20,311	24,351	27,571	35,538	13,048	34,497	47,680	53,426	48,290	50,650
Education	-	-	3,000	7,724	10,042	20,300	28,550	33,618	34,000	33,500
Economic Growth	4,378	-	26,609	40,718	28,365	27,965	66,768	79,489	54,232	48,276
<b>Total</b>	<b>28,489</b>	<b>27,421</b>	<b>61,801</b>	<b>145,877</b>	<b>77,702</b>	<b>105,462</b>	<b>171,439</b>	<b>211,151</b>	<b>174,322</b>	<b>170,426</b>

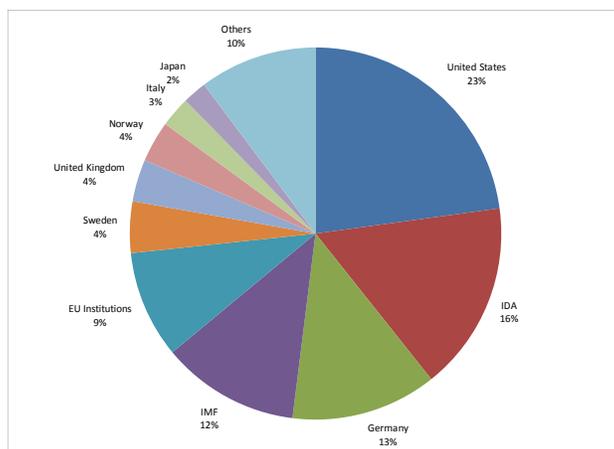
Other USG agencies also are making important contributions:

- In the security sector, the State Department is providing training in the rule of law for the Liberian National Police, while the Department of Defense (DOD) is helping to rebuild the Armed Forces of Liberia and Coast Guard. DOD Section 1207 funds are also being used to support land tenure reform, and other DOD funds have helped Liberia acquire lab equipment and other supplies for the diagnosis and treatment of HIV/AIDS.
- With respect to economic growth, Treasury is providing technical support to the Ministry of Finance in revenue and budget planning. The Overseas Private Investment Corporation is providing loan guarantees focused on renewable energy, finance, telecoms, hotels, and insurance.

- In food security and agriculture, USDA programs support the Feed the Future initiative, while the US Forest Service is supporting community forestry. In addition, the African Development Foundation provides grants for agriculture and food security to underserved and marginalized groups and enterprises.
- In the education sector, the Peace Corps reestablished in Liberia in 2008 and is providing teachers in secondary schools throughout the county.
- In 2010, the Millennium Challenge Corporation (MCC) approved a three-year, \$15 million Threshold Country Program in Liberia. These funds are being used to promote trade policy reforms, improve land rights and access, and increase girls' primary education enrollment and retention. In December 2012, the MCC board selected Liberia as an eligible country to develop a new Compact.

Liberia also enjoys robust support from non-USG donors. According to OECD data, net Official Development Assistance (ODA) per capita in 2009 was \$134, the fourth highest level in Sub-Saharan Africa.<sup>17</sup> Between 2004 and 2009, total ODA disbursements to Liberia averaged \$580 million per year, with the United States accounting for almost one quarter of this total. The most important of the other international donors (in terms of project assistance) are the World Bank, Germany, the European Union, and Sweden, as shown in Figure 3, below.

**Figure 3. Sources of Official Development Assistance to Liberia: Five Year Average 2004-2009<sup>18</sup>**



Disaggregated by sector, other donors' existing project assistance funding commitments are heavily concentrated in infrastructure, with commitments for 2009 through 2011 reaching almost \$200 million. As shown in Table 3, other donors also have made significant commitments to support improved governance and education. At the time this CDCS is being drafted, however, a number of other major donors, including the World Bank, African Development Bank, and European Commission are also developing new country strategies, and their priorities and commitments may evolve during that process. USAID/Liberia will consult regularly with them to communicate USAID commitments and ensure efficient coordination and division of labor.

<sup>17</sup> World Development Indicators, "Net ODA received per capita (current US\$)," accessed online, February 3, 2012, <http://data.worldbank.org/indicator/DT.ODA.ODAT.PC.ZS>. These figures include debt relief provided under the Highly Indebted Poor Countries (HIPC) initiative.

<sup>18</sup> OECD/DAC "Aidflows" Database, <http://www.aidflows.org/>, accessed February 9, 2012. Note that Official Development Assistance includes debt relief grants, which were significant for Liberia during this time period.

**Table 3. Indicative Donor Funding Commitments and Timeframes<sup>19</sup>**

	Governance	Agriculture	Infrastructure	Health	Education
Cumulative Total (All Donors, All Years)	\$120 m.	\$38 m.	\$198 m.	\$47 m.	\$120 m.
World Bank	\$26 m. 2009-11	\$2 m. 2010	\$158 m. 2009-11*	\$2.4 m. 2010-11	\$23 m. 2009-12
WB/IFAD		\$6.4 m. 2010			
WB/Japan		\$4 m. 2010			
EU	\$10.4 m. 2011-16	\$13.1 m. 2010			\$18.8 m. 2010-12
UNICEF				\$11.7 m. 2010-11	\$8.4 m. 2010-12
Global Fund				\$18.2 m. 2010-11	
UNFPA				\$2.6 m. 2010-11	
JICA	\$7 m. 2011-15	\$2 m. 2010			
AfDB	\$48 m. 2011-13	\$4.4 m. 2010	\$40 m. 2011		
SIDA	\$25.5 m. 2011-15	\$4 m. 2011			
China		\$ 2 m. 2011			
OSIWA					\$.75 m. 2010
GIZ	\$2.7 m. 2011-15				
FTI					\$40 m. 2010-14
GAVI				\$1.5 m. 2010-11	
WFP (non-USG)					\$26.5 m. 2010-11
UNESCO					\$2 m. 2010-12
Pool Fund**				\$10.9 m. 2010-11	

\* In late FY 2011 the World Bank also signed a \$294 million, 11-year agreement for the Liberia Road Asset Management Program.

\*\* A consortium of donors including DFID, IrishAID and UNICEF.

At the beginning of this CDCS, Liberia remains highly dependent on external support to accomplish both its short-term and its long-term development goals. For example:

- The gradual withdrawal of United Nations peacekeeping forces, beginning in 2012, will severely test the capabilities of the Liberian military and police forces.
- The presence, oversight and support of credible international partners will continue to play an important role in restoring public trust and establishing the legitimacy of the Liberian state.
- Technical, managerial, and logistical advice and assistance will continue to be needed to overcome critical and persistent weaknesses in Liberia’s human and institutional capacity.
- Liberia remains highly dependent on external financial support – total Official Development Assistance was equivalent to 177 percent of Gross National Income for the period 2007-2011.<sup>20</sup>
- Although Liberia is poised to mobilize increasingly large domestic revenues, the internal checks and balances needed to control corruption, avoid macroeconomic “Dutch disease,” and invest in equitable, broad-based economic growth will continue to require strong external buttressing.

USAID and other international partners’ assistance, therefore, will continue to be critical to achieving development results for the duration of this strategy.

The Government of Liberia assigns line ministries the responsibility for ensuring that donor programs operating in their sectors support the Government’s strategies and priorities and do

<sup>19</sup> This table includes indicative data provided to the Mission by other donor missions in Liberia. These data do not cover all current donors, nor are they necessarily comprehensive for all donors shown.

<sup>20</sup> World Bank, World Development Indicators (WDI), accessed online on April 27, 2012 at: <http://data.worldbank.org/indicator/DY.OA.OAAT.GN.ZS>.

not duplicate other activities. Donors, particularly the World Bank, are working with the GOL to strengthen its ability to coordinate and monitor donor assistance across all sectors, and the Ministry of Finance is seeking to build the capacity of its Aid Management Unit and Project Financial Management Unit for this purpose. The GOL is developing an Aid Policy, with which USAID Forward and this CDCS will be closely aligned.

Donor coordination takes place largely at the sector and sub-sector levels, organized around issues such as land, energy, forestry, agriculture, education, and maternal and child health. These coordination fora vary widely and change over time. In some cases, they are limited to information-sharing. In others, notably health and education, they have been proactive in defining appropriate division of labor among donors and solving common problems. In others, such as various aspects of civil service reform, the Mission hopes that they will be effective in encouraging and supporting critical policy reforms. Further details on donor coordination at the sector and sub-sector levels are provided in sections IV-VII of this CDCS.

### **Part III: Overview of USAID Strategy for Liberia 2013-2017**

The remainder of this document lays out USAID's Country Development Cooperation Strategy (CDCS) for supporting Liberia's development over the period from 2013 to 2017. In designing this strategy, USAID/Liberia engaged Mission staff, other United States Government (USG) agencies in Liberia, senior representatives of the Government of Liberia, international development partners and donors, the private sector and other stakeholders in Liberia, the region, and Washington.

This CDCS is grounded in the principles of country-led development articulated in the Paris Declaration on Aid Effectiveness, Accra Agenda for Action, and Busan Partnership for Effective Development Cooperation. It implements the U.S. Government's commitment to multi-year strategic development planning, articulated in the Presidential Policy Directive for Global Development (PPD-6) and the Quadrennial Diplomacy and Development Review. It directly addresses the four pillars of the U.S. Strategy Toward Sub-Saharan Africa (PPD-16).<sup>21</sup> Finally, the CDCS draws on and implements USAID's re-invigorated policy environment, including USAID Forward, the new Policy Framework, Program Cycle Guidance, and Gender Policy, as well as the new USAID strategies for Education and the Feed the Future and Global Health initiatives.

Consistent with the principle of country-led development, this CDCS is aligned with the priorities established in: Liberia's Poverty Reduction Strategy, which covered the period from 2008-2011; the Government's new medium term development strategy, the Agenda for Transformation through Action (AfT); Liberia's National Vision 2030 statement (the "Gbarnga Declaration") and draft summary report;<sup>22</sup> Liberia's "Strategic Roadmap for National Healing, Peace-building, and Reconciliation; and a range of other country-led sector policies, plans, and strategies. The GOL has committed to developing a compact under the international New Deal for Engagement in Fragile States, which is likely to be completed in 2013. The Results Framework for this CDCS is closely aligned with the New Deal's peace-building and state-building goals.

Previous USAID strategies in Liberia were driven by needs of post-war humanitarian relief and recovery. Consistent with the new AfT, this CDCS marks the transition to a longer-term development strategy aimed at achieving broad-based, sustainable, Liberian-led development. It is informed by, and tailored to the challenges and opportunities described in the previous sections. In particular, it seeks to achieve an appropriate and effective balance between addressing the ongoing potential for renewed conflict, which requires short-term focus on inequities in access to basic services and economic opportunities, and addressing Liberia's currently weak capacity to overcome development challenges on its own, which requires a persistent, sustained, long-term focus on building human and institutional capacity at all levels. The CDCS refers to this dual strategic agenda as a "two-track approach."

This strategy has strong empirical foundations, drawing on the Mission's on-the-ground experience over the last nine years, evaluations of previous and ongoing assistance activities, and other detailed evidence and analysis. Some of the principal studies, assessments, and evaluations that inform this strategy are listed in Annex D.

This CDCS is strategically focused. Liberia's short- and long-term needs are diverse and complex, and USAID cannot effectively address them all. In establishing strategic priorities, this CDCS takes into account USAID's comparative advantage as a donor in the Liberian context, as well as various Liberian partners' own level of interest, commitment and effort. It also anticipates both program budget constraints and the realities of the mission's own capacity limitations, including

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<sup>21</sup> The four pillars of the U.S. Strategy Toward Sub-Saharan Africa are: 1) Strengthen Democratic Institutions, 2) Spur Economic Growth, Trade, and Investment, 3) Advance Peace and Security, and 4) Promote Opportunity and Development. All four Development Objectives (DOs) of this CDCS address pillar 3. DO1 and DO2 directly correspond to pillars 1 and 2 of the regional strategy, respectively. DOs 3 and 4 make direct and critical contributions to pillar 4 of the regional strategy.

<sup>22</sup> Liberia National Vision 2030, Draft Summary Report, December 5, 2012.

anticipated staffing levels and skills, constrained office and accommodation space, and the recent history of long-term vacancies in key, hard-to-fill positions.

The Results Framework described in the following sections concentrates on the most binding constraints to Liberia's stabilization and long-term development. Other development challenges, such as the strengthening of the legislature, deepening of the financial sector, expansion of primary road networks and telecommunications services, improvement of secondary schooling, and development of social protection systems, will need to be addressed by other donors and by the Liberians themselves during the period of this strategy. In addition, this CDGS is geographically focused, ensuring that USAID's comprehensive efforts in the targeted counties and districts will be closely linked, mutually reinforced, and sufficiently deep to achieve sustainable impacts.

Each country has primary responsibility for its own development. This strategy recognizes that, without forceful and responsible leadership by the Government of Liberia and other influential Liberian partners, foreign assistance provided by the United States and other donors will not be able to fully achieve its strategic goals. Assistance under this CDGS will be associated with clear counterpart commitments and contributions made by the Liberians.

In this context, a key premise of the CDGS is that the re-election of President Sirleaf opens an important window of opportunity for rapid progress on a range of critical reforms and capacity development goals. This strategy seeks to take full advantage of that opportunity by aligning U.S. assistance with the new Sirleaf Administration's highest level policy priorities, with the aim of leveraging transformational results through our bilateral partnership. As described in the CLA plan (section VII, below), the Mission will closely monitor the GOL's policy commitments and other key country-level developments, and adapt accordingly, as it implements this strategy.

### **Strategic Framework**

Liberia's long-term vision is to become a middle-income country by 2030. The Aft stresses that this vision requires more than an increase in average national income:

“Beyond income growth, this strategy also supports initiatives that allow a greater proportion of the population to share in the growth and experience better quality of life. Liberia's history and political economy of development demonstrates that economic growth alone is insufficient to bring about the transformation needed. Therefore, in addition to *wealth creation*, the second key objective is to increase *inclusiveness* for a more equal and just society.”<sup>23</sup>

To help Liberia achieve this vision of inclusive development, USAID's strategic goal for the next five years is:

*Strengthened Liberian Institutions Positioned to Drive Inclusive Economic Growth and Poverty Reduction.*

The development hypothesis underlying this goal is that, in order to achieve and sustain long-term development progress, Liberia must establish and strengthen inclusive, indigenous institutions that enable it to effectively mobilize its own resources and efficiently manage those resources for development purposes. The inclusiveness of Liberia's institutions will be critical -- both to develop and take full advantage of the country's human resource potential, and to maintain the legitimacy and stability of the State during a prolonged transition process in which people's aspirations and expectations are likely to exceed realistically achievable milestones.<sup>24</sup>

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<sup>23</sup> Draft Aft, p. 36.

<sup>24</sup> This development hypothesis is closely aligned with the theory, advanced in Daron Acemoglu's and James Robinson's recent book, "Why Nations Fail" among others, that inclusive institutions are critical to sustainable, long-term development. It also draws on the insights of Amartya Sen and other "human development" theorists, who recognize that institutional transformation entails difficult and complex changes in social behaviors and values. See the Conceptual Note in Annex F for additional background on the theoretical underpinnings of this CDGS.

Public, private sector, and civil society institutions all have a critical role in this process, including by operating as checks and balances on each other to ensure inclusiveness and accountability for development results. Rapid human and institutional capacity development will be critical to Liberia's ability to effectively manage the difficult transitions to increasingly complex and more effective political, economic and social systems.

In this context, human and institutional capacity development (HICD) will be a core, cross-cutting strategic priority for the Mission's entire portfolio. The Mission's experience during the last nine years demonstrates that HICD must include more than technical training and the improvement of individual human capital. The ability of individuals to effectively implement development policies and plans is heavily influenced by their institutional surroundings, including the behavior of colleagues and stakeholders. If their surrounding institutions are not aligned with the same goals, even the most highly trained individuals will be unable to succeed on their own. This expands and complicates the capacity building task.

With this in mind, the success of this CDCS requires strategic patience and persistence. Because institutional transformation often will be contrary to the interests and incentives of some key stakeholders, the success of this CDCS will depend on strong and sustained Liberian leadership and commitment to fostering collective and individual behavioral changes. The programmatic risks are significant, and there are likely to be delays and setbacks. Success will require that USAID maintain consistent strategic focus and persistent long-term effort.

President Sirleaf has stated that one of the highest priorities for her second Administration is to ensure that the incremental gains Liberia has made to date become irreversible. This CDCS recognizes that, in order to create the time and space required to build sustainable foundations for long-term development, it is critical in the short-term to identify and address existing sources of potential conflict and instability. Development progress cannot be launched and sustained in an atmosphere of extreme social, political and economic uncertainty and stress. A core strategic challenge in a transitioning post-conflict environment is to help mitigate the immediate stress while simultaneously working to build the foundations for future success. These short- and long-term tasks are equally urgent, although their benefits are realized in different time frames.

The core institutional foundations required for sustainable growth and poverty reduction include: inclusive political institutions that ensure the accountability, responsiveness and legitimacy of the state; inclusive economic institutions that encourage creative individual initiative, mobilize and coordinate the use of labor and other public and private resources, and allocate those resources to their most productive uses; and inclusive education and health services institutions that expand all Liberians' abilities and opportunities to contribute to and benefit from development progress.

Therefore, the Results Framework for this CDCS is built around four development objectives:

- DO-1 More effective, accountable, and inclusive governance;***
- DO-2 Sustained, market-driven economic growth to reduce poverty;***
- DO-3 Improved health status of Liberians; and***
- DO-4 Better educated Liberians.***

The accomplishment of each of these objectives is necessary but not individually sufficient to achieve the goal of this CDCS. A key development hypothesis is that there are critical feedback loops among these objectives, and that progress toward one can be significantly inhibited by the failure to achieve progress in one or more of the others. In order to achieve more effective, accountable, and inclusive governance, for example, Liberia needs better educated citizens who are capable both of implementing complex reforms and development plans, and are motivated and capable of holding government accountable for results. In order to sustain market-driven growth to reduce poverty, Liberia needs citizens whose health status makes it possible for them to take advantage of employment and income opportunities created by a growing economy. Other mutually reinforcing dimensions of the four Development Objectives of this CDCS are

described in the narratives on “Links to Other USAID Development Objectives” within sections IV-VII, below.

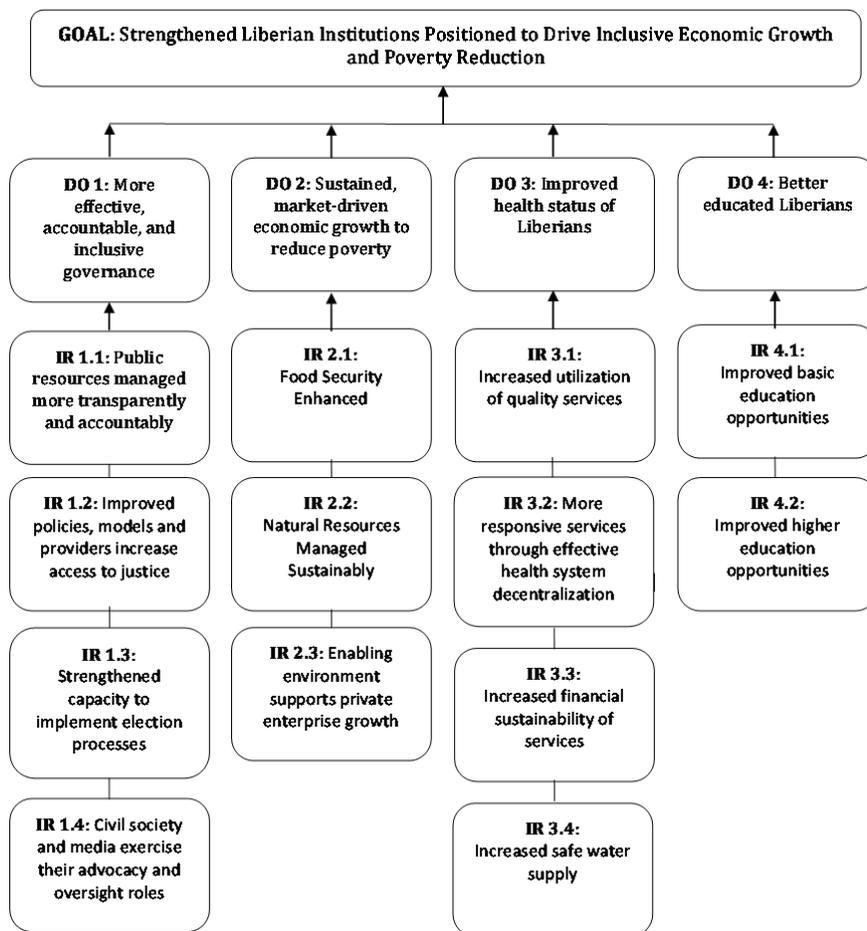
A key assumption of this CDCS is that Liberia will continue to consolidate and extend civil peace and security throughout its territory, an objective that is not included in this CDCS Results Framework. The effective management of the drawdown of the UN Mission in Liberia (UNMIL), and the capacity of Liberian security services to assume its responsibilities, will be critical. USAID expects the Department of State’s Bureau of International Narcotics and Law Enforcement to continue its capacity building assistance to the Liberian National Police and other relevant GOL security agencies for the duration of this strategy period.

The Results Framework for this strategy is presented in Figure 4, below.

**Strategic Choices and Approach.** The mission made six core strategic choices in developing the Results Framework for this CDCS.

**1. Two track approach.** As noted above, a fundamental strategic decision for this CDCS is that USAID should simultaneously help Liberia to: (i) build and strengthen the capacity to sustain development progress over the longer term; and (ii) improve access to critical goods and services needed to maintain social and political stability in the short-term.

**Figure 4. Results Framework for USAID Assistance to Liberia, 2013-2017**



The magnitude of Liberians' currently unmet needs, including access to basic health, nutrition, education, and infrastructure services, might appear to argue for dedicating all USAID resources exclusively to the delivery of services that directly address those immediate needs. The growing pressure on the GOL to show tangible development results in the short-term would support that approach.

This CDCS recognizes that rapid improvement in access to carefully targeted, high impact basic goods and services is critical both to Liberia's short-term stability and to its long-term development. Under Development Objectives 2, 3 and 4, USAID's response to short-term imperatives will include: workforce training, public-private partnerships, and other efforts to expand and improve short-term job opportunities for under-employed youth; continued expansion and improvement of Liberians' access to basic health services, focusing particularly on mothers, children and the problem of teenage pregnancy; and re-construction of water infrastructure and management systems in three secondary cities outside Monrovia.

An exclusively short-term approach, however, would not establish the foundations for sustainable development, and would prolong Liberia's heavy dependence on external assistance. While direct delivery of donor-managed services may produce more predictable and easily measured development results in the short-term, those results will not be sustainable if Liberia does not build and strengthen the local human and institutional capacity to ensure that services can be continually and consistently delivered in the future. As noted in Liberia's National Capacity Development Strategy:

"Capacity development is an inherent component of most, if not all, development investments in Liberia, and it is a fundamental requirement for achieving and sustaining gains in national recovery and reconstruction."<sup>25</sup>

Further, even if all USAID resources were directed to the immediate delivery of basic services (without regard to long-term sustainability), they would not be sufficient to achieve the needed results on a national scale. In order to meet the needs of all its citizens, Liberia must develop its own capacity to progressively deepen, broaden, and qualitatively improve the delivery of basic services throughout the entire country.

Successful capacity development is self-sustaining, and generates multiplier effects both within and across organizations and sectors that can produce far more development impact over time than any direct intervention, however effective and efficient. It is also an important vehicle for supporting GOL intentions to build a governance structure that does not simply echo the exclusionary economic and political structures of the past, but establishes increasingly inclusive norms, processes, and behaviors that provide services and opportunities not just to a privileged majority, but also to the most marginalized segments of Liberia's population.

The Mission recognizes that there are significant risks associated with long-term HICD activities. Because local leadership and commitment are critical to institutional change, capacity development is a more uncertain undertaking than direct delivery of donor-funded services. There are no guaranteed solutions, donors have less control over implementation techniques, timetables and results, and there is a longer gestation period before high level development results can be achieved and reported.

In this context, a key premise for this CDCS is that Liberia's short- and long-term development needs are equally urgent, recognizing that the time frames in which final development results of capacity development activities can be achieved are longer. In most activities under Development Objectives 2, 3 and 4, the short-term service delivery and long-term capacity development goals will be tightly integrated and mutually reinforcing. DO1 will focus predominantly on HICD.

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<sup>25</sup> Liberia National Capacity Development Strategy, Ministry of Planning and Economic Affairs, February 2011, p. 5.

While the short-term results of this two-track approach may be marginally lower than would be the case if all resources were committed to immediate, USAID-managed service delivery, the long-term impact of successful capacity development – sustainable, local capacity to deliver services, eventually without external assistance– will be many times greater.

**2. Support for decentralization of services.** Inequities between urban “haves” in and around Monrovia and rural “have nots” in the “leeward” counties have been a key destabilizing element in the country, and fuel perceptions that government is ineffective at best, or corrupt and self-dealing, at worst. To foster more equitable growth, and to create a new set of expectations concerning government’s role and responsibilities, a key strategic decision is to support incremental decentralization of services to the county and district levels.

While the GOL develops legislation specifying the legal, administrative, and fiscal dimensions of its decentralization policy, USAID will work closely with it and other development partners to identify and implement foundational steps that can be taken to help set the stage for successful implementation. These steps will likely include support for county- and lower-level elections, training for county level administrators on basic administrative processes and job functions, in depth analyses focused on implications of and implementation steps for both political decentralization and de-concentration of service delivery, and study tours for both national and county officials. At the same time, we will work with the Health and Education ministries to shift administration of their service delivery programs to the county level to test approaches and begin to develop capacity at the local level for program management. Support for decentralization will be an integrated element of most assistance activities under this CDCS.

**3. Geographic focus in development corridors.** In line with GOL strategy, USAID assistance under this CDCS will focus in the six highly-populated counties that contain Liberia’s key economic development corridors. Strong empirical analysis confirms that these corridors offer the highest potential for rapid development progress and impact in Liberia. The targeted counties – Lofa, Bong, and Nimba, running along the country’s northeastern border with Guinea, and Grand Bassa, Margibi, and Montserrado, which connect these counties with the coast and the important economic centers of Monrovia and Buchanan – represent 75% of the country’s population, and an equal share of its poor.

Underpinning this strategic choice is the development hypothesis that co-locating investments in infrastructure, education, health, and agricultural value chains will help to jump-start inclusive, poverty-reducing growth and produce tangible development impacts in an accelerated time frame. It will also significantly reduce USAID’s operational costs involved in routine implementation and field monitoring, an important consideration given GOL and USAID staffing shortages and the difficulty and high cost of reaching more remote parts of the country during the annual rainy season.

Geographic concentration entails risk that historically marginalized areas of Liberia will derive fewer direct benefits from USAID assistance and that this could prolong the potential for instability and conflict in those areas and in the country as a whole. However, this risk is mitigated by the following factors:

- The majority of Liberia’s population lives in counties that will directly benefit from USAID assistance. If most Liberians perceive that they are benefitting from the development process, they will have a growing stake in sustaining progress, and will be more highly motivated and in a stronger position to resist potentially destabilizing activities and events.
- A significant proportion of USAID’s total assistance efforts, particularly its support for public sector HICD and decentralization of public administration and services, will benefit all areas of Liberia, and may disproportionately benefit the historically marginalized areas that have suffered the most from poor governance and management in Monrovia.

- The indirect benefits to marginalized parts of the country that will result from rapid development progress in USAID's six focus counties may be much greater than the potential direct benefits of assistance in those areas. In the absence of rapid economic development along Liberia's main transport corridors, the prospects for significant and sustainable poverty reduction in less populated and more remote areas are slim regardless of the level of external assistance.
- As explained in Parts IV-VII, below, the GOL and other donors are committed to serving areas outside of USAID's six focus counties and, in some cases, have reduced their efforts in the six central counties in order to increase their efforts elsewhere. For example, the African Development Bank and UNICEF are concentrating many of their efforts in southeast Liberia.

**4. Aim to lock in reforms.** Woven throughout the mission's program are choices of interventions and implementation approaches that are designed to lock in incremental achievements and make them irreversible. The mission believes that, by changing citizens' perceptions of government -- its roles and responsibilities, and what they can and should expect of it -- it is possible to create a broad-based demand for good governance that will be hard for future governments to dismiss. Enlarging the space for citizens to take advantage of opportunities for improving their lives -- through expanding livelihood options, increasing access to the courts or other forms of redress, mobilizing for community services, etc. -- will also help create a dynamic of change that can become self-sustaining.

Developing civil society organizations as accountability watchdogs, fostering community-based forestry management structures that empower local people with skills and income-earning possibilities, building education and health committees at the county and district level to help administer schools and clinics are all examples of approaches that will help ensure that the reforms undertaken to improve accountability of government and expand access to basic services cannot be easily reversed.

**5. Address gender and other inequities.** Another strategic focus will be to address gender inequities, provide access and opportunity for those with disabilities, and promote respect for the rights and dignity of all persons. Women and girls are particularly disadvantaged in access to education, health care, productive resources, professional employment opportunities, justice, and political participation. They are also especially vulnerable to the lack of security and legacies left behind by the civil war; an estimated 40 percent of Liberian women are survivors of gender-based violence. Despite much analysis and effort to address these inequities, progress in reducing gender inequalities in Liberian society has been limited.

Nevertheless, women have enormous potential to exercise power in Liberian society. During the war, the Women in Peacebuilding Network (WIPNET) mobilized women to protest against the violence and earned a reputation as an objective intermediary. WIPNET and other women's organizations had a key role in bringing warring factions to the negotiating table and then to oversee implementation of the peace agreement. Under this CDCS, projects will be specifically designed to bring more women into the country's development process, through access to opportunities for basic education and health services, training and skills development, sustainable employment, legal protection, and an expanded civil society. Specific details on how gender integration will be pursued can be found in the Development Objective narratives that follow in Parts IV-VII.

**6. Ensure environmentally sound approaches to development.** USAID/Liberia will focus its efforts in such a way as to reduce potentially harmful environmental impacts that can undermine sustainable development in the long run and harm people and ecosystems in the short run. While the existing Liberian legal framework for environmental protection is fairly comprehensive, it is not currently implemented consistently or appropriately. Therefore, while ensuring required compliance with U.S. environmental laws and regulations, USAID/Liberia will also work with GOL and other partners to promote environmentally-sound development across its portfolio of activities in such a way as to promote the adoption of best practices and processes. Initial Environmental Examinations for each development objective are currently

being drafted and reviewed. They will identify in detail the types (classes) of activities that will require closer environmental scrutiny and management under this CDCS.

In addition, USAID/Liberia will consider approaches to increase climate resilience and encourage lower emission development actions in all of its programming. In this way, the Mission's efforts can increase capacity in Liberia to adapt to climate change impacts while promoting better environmental management practices, increased economic opportunities, and greater food security. USAID/Liberia's forestry and renewable energy programs will contribute to lower emission development.

### **USAID Forward and Aid Effectiveness**

This CDCS and the USAID/Liberia portfolio embody the principles of the USAID Forward initiative. First and foremost, development planning in Liberia is genuinely country-led. USAID's strategy and program respond to the key priorities set forth in GOL documents and plans and are implemented in partnership with governmental as well as non-governmental representatives. Second, a major focus is capacity building – both as a key objective to be coordinated across the portfolio, as well as within each DO. As part of our CLA plan we will develop specific definitions of capacity and build metrics into implementation agreements to achieve capacity-building objectives.

More specifically, USAID/Liberia's strategy helps implement the USAID Forward reform agenda in the following ways:

***Implementation and Procurement Reform:*** Under this CDCS, USAID/Liberia will focus on efforts to strengthen the capacity and reliability of Liberian financial management, procurement, service delivery and other systems. Where those local systems are sufficiently strong and reliable, the Mission will entrust increasing responsibility and resources to our local partners for the delivery of USAID-funded assistance.

With assistance from USAID/Washington, the Mission has begun a risk-based assessment of public financial management (PFM) systems in key GOL ministries to establish their capacity to manage public resources. Under DO-1, USAID/Liberia will be helping targeted GOL ministries and agencies to strengthen their PFM and other program implementation capabilities. The Mission will provide similar HICD assistance to targeted private sector partners under DO-2, and to selected civil society partners under DO-1, DO-3 and DO-4. In addition, USAID/Liberia will contribute to a multi-donor trust fund (MDTF) that will promote and support broader PFM reforms and provide related assistance to a wide range of ministries, agencies, and state-owned enterprises. The MDTF will entirely rely on the use host country systems in all procurements placed under the fund as well as in sourcing technical assistance.

Based on the progress of public financial management and other capacity development and reform efforts, the Mission will continue to actively explore opportunities to expand its use of Liberian implementation systems. At the beginning of the CDCS time frame, the most significant progress has been in DO-4, where the Ministry of Health and Social Welfare (MOHSW) is managing clinical and preventive services, distribution of insecticide-treated bed nets, and procurement of essential medicines, through a Fixed Amount Reimbursement Agreement (FARA) funded by USAID. This transfer of implementation responsibilities to the MOHSW is paving the way for other donors to increasingly entrust the MOHSW with implementation of their assistance programs, strengthen the multilateral coordination of health sector assistance, and promote and support Liberia's leadership and ownership of its own development process.

The lessons and experiences USAID/Liberia gains from this pioneering work with MOHSW will be invaluable in advancing procurement reform through other Liberian public, private, and civil society partners. A key, early lesson has been that, because of Liberia's weak institutional and human capacity, progress on IPR requires much more extensive direct engagement between USAID staff and Liberian counterparts, particularly in the initial stages of the process. As noted,

below, this poses significant challenges for USAID/Liberia staffing and program management capabilities.

***Strengthening Liberia's Monitoring and Evaluation Systems:*** A major theme of the Mission's cross-cutting capacity building activities and of its CLA plan is to support the GOL's efforts to achieve its ambitious M&E goals. The Mission believes the introduction of an annual review of Liberia's development progress, an important element of the CLA plan described in section VIII, will be a practical focal point for both the Government and USAID. In particular, this review will provide an opportunity to re-assess critical development assumptions and hypotheses that might not normally be addressed in project-based analysis and evaluations.

In addition to these portfolio-wide efforts, the Mission is participating in an exciting project with the MOHSW to align USAID, other donor and Ministry M&E systems. The result will be a unified, Ministry-based system that collects and provides consolidated monitoring and evaluation information for all GHI-supported activities. Similarly in education, we will work with the Ministry of Education (MOE) to install a national education information management system (EMIS) to provide data from the central to the school level for informed decision-making and policy and planning development.

***Innovation:*** We will assist the GOL in the efficient and effective use of information and communication technology (ICT). Specifically in Education, ICT will enhance teacher training strategies and facilitate school and classroom reforms. Central to this will be the use of video feed forward techniques for helping teachers master early grade reading methods. Also in the education program, we will continue work with the World Bank and the Civil Service Agency (CSA) to institute a unified biometric employee identity card system that will collect invaluable information on teacher attendance, training and compensation. In our DG program, we will investigate the feasibility of mobile banking as part of our assistance to the Central Bank of Liberia. We are also looking into broader utilization of mobile phones by the media and to facilitate communications during the election process, as well as to facilitate quality assurance monitoring at the school level in our education program.

#### **Building Internal Mission Capacity:**

USAID's complex and ambitious goals in Liberia demand confident, dynamic and committed development professionals who are capable of working directly with decision-makers at the highest level of the Liberian government on critical short- and long-term development policies and strategies. Liberia remains a high-risk operational environment, characterized by severe local capacity constraints, weak accountability systems, and endemic corruption at all levels of society and government. Oversight by Mission staff must be both comprehensive and intensive to ensure the integrity of financial and technical operations, even when implementing assistance through well-known U.S. or third country partners' systems.

Until recently, recruiting direct hire American staff also was a significant challenge. With the continued peace and responsible policies and actions of the government on development issues, Liberia has become an increasingly attractive post. By the summer of 2012 all team leader positions will be filled by direct hire employees for the first time in two years, although other positions will remain unfilled.

## Part IV - Development Objective 1

### More Effective, Accountable and Inclusive Governance

#### Strategic Context

Governance is critical to bringing about sustained growth designed to reduce poverty. Its role cannot be exaggerated in countries like Liberia, which remains at such a low level of development that major investments in basic economic infrastructure and human capital are still required to lay the foundation for follow-on investments by private sector firms to create jobs and generate sustained growth.

Improvements in governance are also seen as the linchpin to maintaining peace and security in Liberia. Notwithstanding the many successes of the first Sirleaf administration, the government has yet to address the dangerous legacies of former governance structures which threaten the country's future stability: corruption, an unresponsive and costly formal justice system, and the growing insecurity of land tenure.

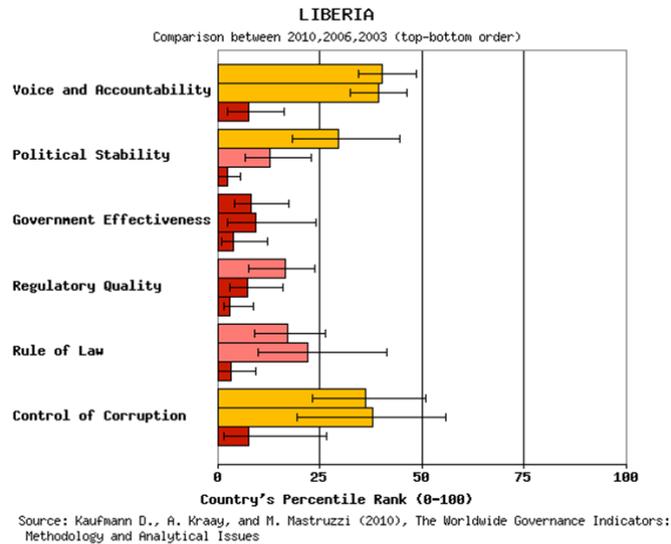
Thus, a major focus on governance is critical to achieving the goal of this country strategy. However, to achieve that goal, it will not be enough simply to rebuild government from the devastation of the civil war. The task must be to also reform structures and processes to change how government works -- to equip it with the trained personnel, processes, and systems to deliver services that will encourage growth and establish citizens' trust in government as their partner in the development process. Without growth, Liberia cannot lift the majority of its citizens out of poverty; without a partnership between the government and its citizens, growth cannot be sustainable or Liberian-led.

***GOL Policy Agenda:*** The first Sirleaf administration laid out a comprehensive framework of critical reforms in governance. A Governance Commission was established early on to review policies, laws, and government institutions and address structural problems contributing to poor governance. A series of measures aimed at strengthening accountability and addressing corruption were taken, including drafting a code of conduct for all public officials, whistleblower protection legislation, and a freedom of information act; joining the Liberian Extractive Industry Transparency Initiative; and establishing the General Auditing Commission. A Land Commission was established as an independent, statutory body to address issues surrounding land use and ownership. Within the Land Commission a Land Dispute Task Force was established to assist communities to resolve land conflicts peacefully.

Liberia has developed a comprehensive decentralization policy and has taken small, initial steps to devolve greater political and administrative authority to the counties, including the establishment of County Support Teams to assist County Superintendents. The Government has promulgated a Civil Service Reform Strategy and a National Capacity Building Development Strategy, although actual implementation to date has been limited.

All of these reflect an appropriately ambitious agenda of needed governance reforms, and establish an excellent foundation. Now the government must translate these reform policies into real improvements in how government and society function in Liberia. As the scores on the World Governance Indicators (WGI) illustrate, Liberia has made progress in some areas, but it is uneven and much more is needed. The poor performance and recent regression in the WGI indicators for "government effectiveness" and "rule of law" are of particular importance and concern for this Development Objective.

**Figure 5. Liberia’s World Governance Indicators Scores: 2003, 2006, 2010<sup>26</sup>**



**Accomplishments:** Public financial management was an early focus of the first Sirleaf administration, and some progress was made in providing clearer policy direction and establishing greater discipline and transparency, largely as a result of the Governance and Economic Management Assistance Program (GEMAP). A multi-donor effort, GEMAP set out to and made significant progress in the following areas: (1) securing Liberia’s revenue base, (2) ensuring improved budgeting and expenditure management, (3) improving procurement practices and granting of natural resource concession, (4) establishing proper processes to control corruption; and (5) supporting the central functions of government. While GEMAP did not eliminate corruption, it instituted processes that made some corrupt practices more difficult. It raised the visibility of the issue, improved accuracy of the national budget, provided a clearer picture of the natural resources available for exploitation, protected revenues, and exerted central control over governmental processes. Most notably, from 2007 to 2009, Liberia moved from 150 on Transparency International’s Corruption Index to 97, a sharp movement corresponding with the core of GEMAP’s implementation efforts.

Shortly after GEMAP’s conclusion, the Government enacted a new comprehensive Public Financial Management law to address weaknesses in budget preparation, budget execution and cash planning, GOL banking arrangements, and debt and guarantee management. An Integrated Financial Management Information System was made operational in several ministries in July 2011.

The free and fair conduct of elections also is also a notable accomplishment, although the results were challenged by influential members of the opposition. The National Elections Commission (NEC) has become increasingly effective and credible, though still dependent on substantial external financial support. While elections were widely supported and voter turnout was high, the idea that the political process is legitimate (i.e., transparent, free, and fair) is not fully accepted, particularly by those political actors and parties facing defeat in the polls. The fall 2011 elections were marred by violence and threats of boycotts perpetrated largely by the chief opposition party.

<sup>26</sup> Worldwide Governance Indicators, Daniel Kaufmann, Aart Kray, and Massimo Mastruzzi, 2011. Full definitions of “governance,” as defined by the WGI, and of each dimension of the WGI index are available on the internet, at <http://info.worldbank.org/governance/wgi/faq.htm> (accessed February 27, 2012). The line bars within Figure 5 express the statistically-likely range of values (margin of error) for each component of the index, based on the number of sources and the extent of agreement among those sources.

**Challenges:** Participation and civic engagement in other aspects of governance remains low. Civil society structures are nascent, and lack oversight and watchdog capabilities. Few of them have as yet developed their own constituencies and most are excessively dependent on external support from donors or international NGOs.

Likewise, the independent media sector in Liberia is generally weak overall. Media are overly concentrated in a few hands and their journalistic staff is inadequately prepared. However, the end of government interference has stimulated a large increase in the number of daily and weekly newspapers and opened up space for broadcast media. Moreover, community radio and cell phone technology are thriving, and have the potential to reach all citizens despite high illiteracy in the rural areas. However, the drawdown of UNMIL, expected to begin in 2012, could leave a serious gap as its radio service is said to be the main information source for many Liberians.

Corruption remains a serious and persistent problem. A recent report by the International Crisis Group documents numerous allegations of corruption at many levels and in a wide variety of agencies.<sup>27</sup> As noted earlier, while the government has taken several initiatives to establish powers to fight corruption, few measures have emanated from these sources. The Liberia Anti-Corruption Commission (LACC) has managed to bring only four cases of official corruption to trial, which did not result in convictions. Several cases have been referred by President Sirleaf herself to the LACC or the courts, but conviction rates remain low for these referrals as well.

While the General Audit Commission has issued 40 audits of public agencies in the last four years, garnering wide-spread attention in the process, there has been no established apparatus compelling ministries and other public agencies to put in place remedies to resolve the deficiencies identified in the audits. However, the Ministry of Finance recently approved and has begun to implement the Internal Audit Strategy of 2011, which will concentrate on the 8 highest revenue spending ministries, appointing directors and deputy directors of internal audit to strengthen internal controls as well as ensure that agencies appropriately respond to GAC audit findings.

Petty corruption is “normative” in Liberia, and pervades all aspects of society. The widespread perception that government officials and institutions are corrupt, and the GOL’s failure to seriously address the problem, has promoted a “culture of impunity” that undermines the public’s trust in their government. This jeopardizes Liberia’s development process in multiple ways. High-level official corruption denies resources to government operations, while kickbacks for contracts stifle competition and result in poor quality of the goods and services delivered by government. Lower-level administrative corruption undermines and distorts delivery of public services at the community level. All of this undermines political legitimacy and confidence in the basic institutions of society and the state. Notwithstanding improvements in Liberia’s scores in internationally accepted measures of corruption, most Liberians do not perceive that there has been progress on this issue; a stakeholder survey done for the PRS assessment in 2010 found that 33% believed that the government had addressed the issue of corruption, while 55% believed it had not.<sup>28</sup>

Problems in providing access to justice are also rife. In practice the formal sector is remote and inaccessible to the average Liberian, especially outside urban areas. As documented in a 2009 study by the U.S. Institute for Peace, it is seen as serving only the privileged few. By contrast, traditional authorities are immensely influential in communities and have a role in the administration of informal justice that communities hold binding. The USIP study found that 80 percent of Liberians polled preferred the informal system of justice to the formal. However, recent government policies are seen as restricting the jurisdiction of these and undermining the authority of local chiefs. The net result is that many Liberians feel that instead of gaining increased access to justice since the end of the war, the options open to them to seek redress are narrowing.

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<sup>27</sup> International Crisis Group, “Liberia: How Sustainable is the Recovery?” August 2011, op. cit.

<sup>28</sup> Liberia Poverty Reduction Strategy I (2008-11): A Results-Focused Assessment, Liberia Ministry of Planning and Economic Affairs, December 2011, p. 31.

Disputes over individual and community land tenure have become a growing issue. Many land tenure problems are historical in nature whereby the government seized land, often in connection with concessions negotiations, that had been communally managed by clans and communities. Others are a direct result of the civil war that displaced over half the population and led to land seizures by many Liberians without documentation or owners' consent. Oral histories of land tenure that often defined boundaries and community rights were lost or distorted as a result of the war. Unequal access to and ownership of land contribute to economic and political inequities as well as environmental degradation (ETOA 2008). Gender inequities in land and resource rights also affect Liberia's development.

The duality of the customary and statutory laws governing land ownership has blurred the understanding of what documentation is needed to protect land rights. In the rural areas a tribal certificate may be relied upon as proof of ownership rather than a deed and title. Many land records have been subject to tampering and fraud, while many others were destroyed as a result of the conflict. Consequently, statutory, customary, and informal rules operate in parallel, one often contradicting the other. Not surprisingly, the number of unresolved disputes over land is increasing and has been singled out in a recent Interagency Conflict Assessment Framework (ICAF) report as a serious driver of conflict. Moreover, tenure insecurity will be a stubborn constraint on future growth if farmers and entrepreneurs cannot get clear title to land.

Disputes over the control of land and revenue streams associated with natural resource concessions also create potential for renewed conflict, and have a critical bearing on long-term economic development. In the past, the granting of concessions to private operators for mining, timber, or palm oil operations was a tool of state predation. Negotiations were conducted in secret and more often associated with lucrative pay-offs for a few public officials than with economic benefits in the form of jobs, income, or public services for the citizens of Liberia. Negotiations are somewhat more transparent now, but concern is still warranted with respect to whether Liberia is maximizing its future revenue streams derived from these negotiations.

The absence of functioning governance structures at the local level is another critical governance concern. While there has been public interest in greater decentralization of government and the devolution of political power for many decades, it has only recently received serious attention. In a January 2012 address in Bong County, the President launched the National Policy on Decentralization and Local Governance, which Cabinet officially approved in 2009 and released in June 2011. The President described the first phase as involving the continued delivery of public services out of Monrovia to county centers in an efficient and coordinated manner, while the second phase would be based on the sharing of limited political authority with local governance institutions. This latter measure, the President contended, would involve the election of superintendents and local councils -- the first of whom would be elected in 2014 -- vested with authority in a manner that does not encourage fragmentation and retard development. Prior to this address, some line ministries -- Education, Health and Social Welfare, and Public Works -- already had begun to set up county-level structures out of necessity, as part of their efforts to improve and accelerate delivery of basic services.

Given the constitutional reforms required before the election of local officials can occur and the truncated timeline for putting such reforms into place, it remains unclear whether the GOL will meet political decentralization targets. Moreover, the almost two-year gap between the adoption of the Decentralization and Local Governance Policy and its official launch prompts questions as to whether its implementation will be fast-tracked (as it would need to be in order to meet the ambitious timeframe) as other key reforms and projects, like rehabilitation of ports and roads, are also being rolled out in the first three years of Sirleaf's second administration.

Running through all of these governance issues is the desperately low level of managerial and operational capacity. Low capacity will necessarily result in weak and incomplete policy implementation. The PRS identifies "limited leadership, including administrative and technical capacity" as one of three key risks to its success. Liberia's National Capacity Development Strategy describes limited capacity as a "binding constraint" in achieving PRS objectives.

If reforms are to take root and deliver real benefits in improving service and extending reach, the GOL needs to develop clear and consistent operational procedures and systems for all basic government functions -- planning, budget, procurement, management, execution, supervision, and M&E -- and it must be able to hire, train and retain qualified civil servants to apply them. It must also establish an enabling environment of incentives, resources, policies and institutions that encourages high performance, integrity and retention throughout the civil service. Finally, Liberia's tertiary education system needs to provide a steady supply of trained administrators, technical people to bring skills and norms which match the needs of the new governance structures.

With these considerations in mind, USAID/Liberia has defined its first development objective as:

***Development Objective 1: More Effective, Accountable, and Inclusive Governance.***

**Hypotheses:** The hypothesis for this Development Objective is that government institutions must become more effective, accountable, and participatory in order to reverse the destructive legacy of exclusionary, patronage-based politics. This will require sound systems of public administration, competent public sector decision-makers and managers, regular free, fair, and credible elections, peaceful processes for settling disputes, an engaged, active civil society and media, and structures and processes to hold public officials accountable for their actions. Liberia is starting from a very basic level in all these areas. If USAID assistance helps to transform dysfunctional political and economic institutions, fosters the commitment and capacity of the legal profession to provide all Liberians with reliable access to the rule of law, and increases the ability of civil society organizations to perform an effective advocacy and oversight role, then Liberia will have more effective, accountable, and inclusive governance.

**Approach:** Activities under DO-1 are predominantly focused on the first track of the Mission's two-track strategic approach – long-term human and institutional capacity development (as described in Part III, above). HICD work in this sector will support training, systems development, including information technology to improve management of public resources and service delivery, and organizational strengthening in the priority areas established by the GOL in its National Capacity Development Strategy. Through this integrated, cross-cutting program, capacity will be developed in targeted agencies critical to the USAID's and the GOL's overall development platform, including the Ministries of Health and Social Welfare, Education, and Finance, the General Service Administration, Civil Service Agency, Liberia Institute for Public Administration, the National Bureau of Concessions, and the Governance Commission.

USAID will support the GOL's efforts to mobilize and effectively manage public resources, combat corruption, facilitate the use of ADR in the resolution of disputes, foster constructive political intercourse, and continue to strengthen the electoral process. Based on a Democracy and Governance Strategic Assessment and a separate Decentralization and Local Government Assessment, both concluded in September 2012, USAID/Liberia will also examine the potential of additional HICD activities at the decentralized level, as well as increasing public outreach and access to information to enable more inclusive and participatory policy-making, planning and implementation.

USAID/Liberia will also continue to promote HICD in local NGOs, the media, and community-based organizations, with the goal of helping these institutions perform constructive and effective mobilization, advocacy, watchdog, and information-sharing roles in the political process. While prospects for achieving results here are uncertain given the serious shortcomings in the broader non-state sector, the strategic hypothesis is that it is critical to help "grow" this sector as a counterbalance to the historic concentration of power in the executive in Monrovia.

Programs under this DO will be carried out at both national and county levels. At the national level, programs will focus on providing an enabling environment for the DO to be achieved in the six target counties. These centralized reforms around national policy and GOL public administration will have a greater impact throughout the country and beyond USAID's targeted six counties. As the GOL moves forward with greater political decentralization and de-concentration of public services and, eventually, devolution of authority over resources, USAID

will increasingly focus on directly supporting county-level elections and governance of service delivery programs in the six priority counties. The Mission will work through both GOL ministries and agencies and civil society.

Given the very low starting point for governance in Liberia, achieving results in any of these areas will require focus and concentration in our assistance. Hence, USAID/Liberia has chosen to work only in a few selected sub-sectors in the larger governance arena. These are described in more detail in the following sections.

## **Intermediate Results and Illustrative Activities**

### ***Intermediate Result 1.1: Public Resources Managed More Transparently and Accountably***

***Sub IR 1.1.1 – Government of Liberia institutes and utilizes tools of prudent fiscal management.***

***Sub IR 1.1.2 – Increased public and civil society capacity to reduce corruption.***

***Sub IR 1.1.3 -- Local systems for governance capacity development strengthened.***

To achieve this IR, the Mission will build on previous efforts under the multi-donor GEMAP to help the GOL re-assert control of public financial resources and install the basic discipline necessary for government functioning. Though not framed as an HICD initiative, GEMAP was seen as successful in putting in place clear and robust procedures and systems which have strengthened economic governance and financial management processes.

USAID/Liberia's GEMAP successor program, the Governance and Economic Management Support (GEMS) program, has an explicit focus on HICD. Maintaining momentum in this area is critical if the GOL is to establish a sound institutional basis for public resource management that can support long-term development. Much still needs to be done to reform public administration so the government is able to manage revenues, budget accordingly, and control expenditures. USAID will support measures to increase transparency in management of government revenues and to build effective structures to ensure public resources are managed with integrity at both the national and sub-national level. This will require sound systems and policies, improved cooperation between Executive agencies and with the other branches of government, and capable, dedicated civil servants to staff ministerial and agency institutions.

An area of special focus will be to build GOL capacity in negotiating concession agreements that promise favorable returns to the Liberian economy, including the neighboring communities, and in establishing systems for enforcing concession agreements and tracking revenues to ensure transparency and integrity. This will link with work on land disputes, boundary harmonization, and mapping through other DG and MCC programs.

Key agencies, ministries, and state owned enterprises to be included in this HICD initiative will be selected in consultation with GOL counterparts and other international donors.

The AfT places particular emphasis on the strategic importance of decentralization. The GOL recognizes the enormity of the task and has begun a process of consultation with citizens that will lead to draft decentralization legislation by 2017. De-concentration, the devolution of budget execution and service delivery to local levels, is already underway in some ministries.

Management of public resources at the county level is also becoming a more vital issue as the government takes initial steps to decentralize the delivery of public services and to create elected positions at the local level. Management of public funds allocated to the County Development Funds established in each of Liberia's 15 counties has been subject to allegations of fraud and abuse by county executives. In addition, county-level structures and systems for financial management of public funds are virtually non-existent. More emphasis will need to be placed on instituting systems and building capacity in public financial management at the county level to

build a solid foundation for implementation of decentralization over time. As noted in Part III, capacity building in support of decentralization is a cross-cutting objective of this CDCS; relevant activities under this DO-1 will be coordinated with and will complement capacity building activities under the other development objectives.

To further strengthen GOL accountability structures, USAID intends to support the Liberia Anti-Corruption Commission (LACC). The LACC has an ambitious mandate of enforcing anti-corruption statutes, investigating reports of corrupt practices, prosecuting cases of corrupt acts in consultation with the Ministry of Justice, and raising public awareness about corruption. It is still a nascent institution with inadequate GOL budgetary support and in need of institutional and technical capacity building if it is to be a more powerful instrument in fighting corruption in Liberia. A key hypothesis for this DO is that the GOL will maintain a strong political commitment to making the LACC an effective institution. That commitment will be critical to the success of USAID's support.

USAID will also support efforts in the non-governmental sector to ensure broad civic awareness of what constitutes corruption and how society can play a role in deterring corrupt practices.

To achieve results under this IR, USAID will support selected activities illustrated in the list below:

***Illustrative activities***

- Increase capacity of the Liberian Institute for Public Administration as the top civil servant training institution.
- Harmonize government-wide procurement policies and train procurement officials.
- Assist targeted ministries and agencies to utilize IT more effectively.
- Install payment systems at the Central Bank to decrease the opportunity for fraud.
- Train key county level officials in key aspects of democratic governance, including financial and human resource management, procurement and community-based budgeting.
- Training for LACC personnel to conduct thorough investigations.

***Intermediate Result 1.2: Improved Policies, Models and Providers Increase Access to Justice***

***Sub-IR 1.2.1 – Increased capacity of judicial and legal training institutions.***

***Sub IR 1.2.2 – Formal and informal systems resolve land disputes in an accepted standardized process.***

Justice sector reform has been a painstaking process in post-war Liberia. While institutional and professional capacity remain a significant concern, lack of political will in the judiciary has been the most critical factor behind the disappointing results of assistance efforts to date. A 2009 evaluation concluded that the limited progress in the sector was a direct result of the “lack of political will for reform ... in all three branches (limited political buy-in, conditionality or accountability for most rule of law programming).”

Meanwhile, in the course of planning for the CDCS, an Inter-Agency Conflict Assessment Framework (ICAF) report identified land disputes as the most serious threat to peace and stability in Liberia. Based on these lessons and experience, USAID will shift its focus under this CDCS from efforts to build capacity in the formal justice sector, which have not produced the expected results, to support for informal or “customary” Alternative Dispute Resolution (ADR) procedures conducted by traditional local authorities, with a specific emphasis on peaceful resolution of land disputes.

USAID has in the past focused its efforts in Rule of Law on establishing a Judicial Institute, reforming administration and teaching at the University of Liberia School of Law, and creating the first online free access website Liberlii for the publication of Liberian laws, law reports and

codes. We will continue these efforts for the first two years of the strategy using prior year funding, by supporting law students in public service internships to the Land Commission, Courts and Ministry of Justice to build capacity in these institutions, and by providing expert advisors to the law school to improve its administration and to strengthen the curriculum. At the same time, we will prepare to transition the support of these institutions to the GOL and other donors. Our focus during this transition period will be on building in features that will help ensure the sustainability of these fledgling institutions.

Beyond this, USAID will launch a comprehensive program of engagement with the government, traditional authorities and civil society that will: (i) build upon and refine successful customary ADR processes to resolve potentially incendiary land disputes; (ii) implement programs to document and archive customary decisions on land disputes; and (iii) create statutory links between formal and customary land conflict resolution practices so that conflict resolution decisions emanating from the customary system will have the finality and the enforcement power of the courts.

Through an existing MCC Threshold Country Program contract, USAID is assisting the GOL to increase understanding of property rights, rebuild land administration capacity, and streamline the deed registration process. A Department of Defense Section 1207-funded program is implementing pilot activities in two large counties to test the ADR methodology for large, more contentious land disputes. This program will support an established Land Commission methodology for ADR.

For more localized issues, USAID will also develop a program to train community members to work directly with traditional authorities to manage community-level disputes. The role of the traditional authorities in resolving disputes, whether pertaining to land or other issues such as inheritance, is critical as the formal system is not a feasible alternative. Community dialogue is a concept that has been tested and refined in Liberia and continuing this conceptual approach in targeted counties where land disputes are most problematic will be essential. A 2009 U.S. Institute of Peace report noted that Liberians tended to favor customary resolution of disputes over formal resolution, because it offered a more harmonious outcome to the broader community. Moreover, it also raised an issue of possible gender differences in terms of satisfaction with the outcomes in the customary and formal systems. USAID's activities with Community Legal Advisors are designed to encourage women's participation in ADR.

### ***Illustrative activities***

- Establish ties between the formal and informal justice system in resolving land disputes
- Assist Land Commission to revise GOL policies and laws regarding land tenure.
- Conduct civic education on new policies and ADR services.
- Establish and test ADR methodologies in coordination with the Land Commission.
- Provide alternate dispute resolution training to traditional leaders to apply in land disputes.
- Ensure proper record keeping for all land transactions.
- Train community leaders to assist communities to resolve local land disputes.
- Provide training to public sector judicial and land conflict resolution actors.

### ***IR 1.3: Strengthened Capacity to Implement Election Processes***

***Sub IR 1.3.1 – The NEC is able to manage the full election cycle with decreased technical support.***

***Sub IR 1.3.2 – Domestic civil society organizations conduct effective civic and voter education campaigns.***

Sustaining Liberia's recent record of conducting free and fair elections is a critical link to the overall goal of strengthening the credibility and legitimacy of the state, improving accountability

of governance, and building the foundations for Liberian-led growth and development. Further, the intervals between election events are vital opportunities to learn lessons from the past, take stock of capacity and other needs, and provide training and technical assistance at all levels. During the life of this strategy, Liberia will hold mid-term senatorial elections in 2014. If the GOL remains on target with implementing necessary legislative and constitutional changes related to the Decentralization Policy, the NEC may also be responsible for holding local elections of county level superintendents and perhaps local councils, thus playing a key role in political decentralization.

Consequently, it is vital to Liberia's development process that the NEC continues to grow as an institution of governance independent of political influence. USAID/Liberia will respond to this need by focusing on human and institutional capacity building within the NEC, while also providing specific support for critical election-related events such as voter registration, civic education, and planning and logistics. USAID support will emphasize continuing training and skills development for the staff and improvements in operational capacity of the NEC's 19 regional magistrate offices. As Liberia plans for local and chieftaincy elections, the role of the magistrate offices in organizing local elections will be increased. All aspects of election management will be supported with the overall objective of "graduating" the NEC from dependence on donor support over the life of this strategy.

In addition to direct support to the NEC, USAID will support civil society organizations (CSOs) to play an important role through civic education and observing elections to buttress the credibility of results and to alert the government to mismanagement or fraud. In Liberia, the practice is for CSOs to partner with the NEC to deliver civic and voter education messages. Assisting the NEC to generate accurate, non-political civic and voter education messages will be a key aspect of support, as will capacity-building support to CSOs with civic and voter education as a mandate. This is a cross-cutting component of the CDCS; efforts to strengthen relevant CSOs will be an important part of USAID's overall effort under all four DOs.

#### ***Illustrative activities***

- Provision of resident experts to mentor key NEC officials.
- Post-election assessment and evaluation of NEC performance to inform programming interventions.
- Prepare the NEC to conduct local elections.
- Engagement with CSOs that conduct civic and voter education events and observation to improve communications and planning.
- Capacity building in general operations and management of the NEC, including budgeting, logistics and planning, procurement, training, and asset management.

#### ***IR 1.4: Civil society and media exercise their advocacy and oversight roles***

##### ***Sub IR 1.4.1 - Civil society strengthened to play an effective watchdog role.***

##### ***Sub IR 1.4.2 – Increased accuracy and impartiality of target media.***

The non-governmental sector can serve as a counterweight to Liberia's strong executive by mobilizing and channeling the voices and views of ordinary citizens so they can represent their interests to government decision-makers and foster government transparency. The overall goal of building the foundation for inclusive, Liberian-led development cannot be met if the country does not develop the capacity of the non-governmental sector to play these roles. The media can also play a key role in this process by better informing citizens on government policy, and by playing a watchdog role in the continued fight against corruption.

However, civil society in Liberia is still very nascent. Few CSOs offer the prospects of becoming self-sustaining within the time frame of this strategy. Those that do achieve sustainability may have a significant impact at the district or community level, but are unlikely to have a major influence on national developments within this time frame.

Some progress has been made. For example, the Liberia Media Center (LMC) played an effective role in election reporting during the 2011 contest. LMC-supported journalists used innovative technologies, such as short messaging services (SMS) and web-based applications, to report initial election results via the web. The LMC is now using these technologies, along with trainings, to enhance journalists' investigative capacity in reporting stories beyond the elections.

The Mission's experience with cross-cutting CSO activities suggests that there may be promising possibilities in working with a wide range of community-based organizations (CBOs) that have grown up around specific, critical community needs, such as community-based forestry, oversight of local schools, and job skills training programs for youth. The Land Rights and Community Forestry Program (LRFCFP) overcame a climate of mistrust and latent conflict in four impoverished rural communities to facilitate the formal establishment of functioning and legally-recognized community forest management institutions that protect critical habitat and improve incomes from forest products. A midterm evaluation of the Rebuilding Basic Health Services (RBHS) identified building community volunteer networks as a core strength that increased utilization of health and social services responsive to community needs and expectations. While unlikely to have an impact at a national scale during the life of this strategy, such "locally owned, bottom up" models may have better prospects for achieving sustainability in the long-term and, if so, may offer opportunities for productive investment in human and institutional capacity development. Therefore, USAID/Liberia will continue to help Liberian civil society and the media build the capacity to become strong partners in development, including by contributing constructively to the GOL's efforts to ensure transparent and accountable government.

#### ***Illustrative activities***

- Conduct "complete journalist" training program for reporters at national journals, radio stations, and community radio stations.
- Conduct in-depth investigative journalism training for watchdog reporters.
- Establish web-based content sharing site for community radio stations to access more information.
- Training for radio hosts to produce more call in, interactive radio programming concerning public affairs.
- Create and implement cell-phone based free content sharing applications to disseminate news and public information.
- Establish CSO networks to increase peer-to-peer capacity building.
- Train partner CSOs in financial management, administration, fund-raising, networking, and organizational capacity development.
- Train governance and accountability CSOs to monitor government performance and to influence the direction of public policy.

#### **Links to Other USAID Development Objectives**

DO1 underpins the entire USAID/Liberia portfolio, particularly through its focus on improving the government's ability to perform key public functions, such as providing infrastructure and an enabling environment that promotes inclusive economic growth and expanding access to improved health and education services. Its work in developing systems for greater accountability and transparency in managing public finances will lead to more efficient budget implementation and reduce the risks of fraud and abuse as these services are expanded and extended to the local level. And to the extent it helps to resolve land disputes in ways that are acceptable to ordinary Liberians and legitimized under Liberian law, it will boost prospects for revitalizing economic growth under DO2 by providing a more predictable investment climate and expanding access to credit.

The other DOs will provide key support to DO1 by giving tangible meaning to the GOL's expressed commitment to deliver more benefits to a broader share of its citizens. This will build legitimacy for the government and ensure that Liberians who have been marginalized

throughout the history of the country's "exclusionary politics" become a constituency for continued stability on one hand and governance reforms on the other.

The work of DO1 and the other DOs will be closely coordinated and mutually reinforcing on a number of cross-cutting objectives, including improvement of public financial management capacities, decentralization of public functions and services, and civil society strengthening. With respect to decentralization, for example, DO3 and DO4 will be implementing initial phases of delegating administrative decision-making concerning delivery of health and education services to the county level and below, while DO1 will be assisting the GOL to develop systems and train staff to ensure that those new responsibilities are carried out effectively and with full accountability.

### **Addressing Gender**

Despite having elected the first woman President in Africa, Liberia's public sector institutions are dominated by men, who have a significant advantage over women in terms of levels of education and training. Over the course of the CDCS, the Mission will ensure proportionate participation of women and men in appropriate training and capacity enhancement opportunities. USAID's efforts to help strengthen the capacity of justice system actors and institutions that provide legal services to the poor and underserved public, with a new focus on land disputes, will benefit women, who are half as likely to hold land than men.

Women tend to access land through their husbands, and therefore experience higher insecurity of tenure. The Mission will design our new alternative dispute resolution program addressing land based conflicts to emphasize women's land ownership and inheritance rights. To ensure that women's issues are equitably represented in public dialogue, USAID will also continue to strengthen women's civil society groups and media and decentralize these efforts to the county level.

As Liberia moves toward decentralization and local elections, USAID's work at the county and district levels will provide a significant avenue for reaching mid-level women civil servants and grooming them for higher levels of responsibility. National and local level elections offer an opportunity to strengthen women's participation – in terms of shaping political platforms, mobilizing voters, and representing their communities within political parties. This political engagement is especially important for youth, given the negative and positive roles they played in the previous two elections and the need for the GOL and civil society to cultivate a new generation of leaders.

### **Critical Assumptions and Risks; Priority Evaluations**

Democracy is a balance of power among the three main branches of government. Liberia has historically had a very powerful executive branch of government, a weak legislature, and a pliant judiciary. The programs outlined above may tend to reinforce the power of the executive. The Mission has reluctantly chosen in this strategy to limit its work with both the legislature and the formal justice system since our recent efforts in these arenas have not yielded any meaningful progress. The risk, however, is that we put too much emphasis on *governance* and too little on *democratic governance*.

To offset this risk, the Mission will continue to place a major emphasis on expanding the space for and building the capacity of promising non-state actors, notably the media and community-based organizations. It will conduct a mid-term evaluation of our civil society programs, one objective of which will be to identify options for enhancing governance capacity in this important sector.

Another approach to managing this risk is to provide support to the government's decentralization efforts. However, progress on developing a comprehensive decentralization strategy has been slow and, as learned from other countries' experience, such an effort requires extensive and thorough analysis of each step, thoughtful sequencing, and careful political

groundwork. While we do not want to rush the process, we want to take advantage of the support decentralization has under the current government to create a dynamic that will be difficult to reverse.

In undertaking comprehensive capacity-building in key governance functions throughout the GOL, we are making a critical assumption that there will be adequate numbers of GOL staff in relevant positions to be trained in new systems and processes, and that an enabling environment can be created in their respective organizations to encourage continuity and high standards of integrity and performance.

Finally, the success of this strategy will depend on the GOL's continued commitment to implementing a challenging range of reforms and action plans, including its Civil Service Reform Strategy and National Capacity Development Strategy. If this critical assumption does not hold, implementation of DO1 projects could be delayed, affecting in turn our ability to achieve results at the level we anticipate in this strategy. This will be an important focus of the Mission's project-level M&E program and its CLA agenda.

### **What is Different from our Past Strategy?**

More emphasis on human and institutional capacity building is the hallmark of this strategy, as we shift from a focus on post-conflict recovery to one of building a foundation for sustainable development. This will especially be the case for programs supporting improved economic governance and management, strengthening the election process, and building the capacity of civil society and the media. Recent evaluations underscore that the training and placement of qualified individuals must be accompanied by the strengthening of sustainable institutional support systems, including basic functions such as the maintenance of critical equipment and facilities.

Recognizing the corrosive effects of corruption on government legitimacy and economic development, we will support the GOL to investigate and prosecute cases of corruption, and will increase public awareness and pressure to hold the government accountable to impose the political will necessary to dramatically reduce corruption.

In Rule of Law, the CDCS will shift focus from the formal justice sector to the informal one, using traditional systems of customary law to establish a more effective approach to resolving potentially incendiary land disputes. This new component comes from our recognition of the importance of unresolved land issues as a conflict driver. The largest component of the MCC Threshold Country Program for Liberia addresses this work, and the Mission will use additional USAID resources to build on it. Based on evaluations of previous and ongoing activities, the Mission will also shift focus from assistance to the legislature to support for broad-based political participation and civil society strengthening.

Finally, the Mission will increase its support for the GOL's commitment to decentralization of public functions and services, recognizing that this is critical to improving the Liberian people's perception that government is responsive to their needs and aspirations and to strengthening the effectiveness and legitimacy of the state.

### **Collaboration with GOL and Other Partners**

The DO1 team coordinates donor relations through PRS Pillar Working Groups, and through other working groups in the development of the Aft. The current Governance and the Rule of Law Pillar includes three sub-pillars that define official working groups. The Justice sub-Pillar is chaired by the Minister of Justice; the Judicial sub-Pillar is chaired by the Chief Justice; and the Governance sub-Pillar is chaired by the Director of the Civil Service Agency. Each sub-Pillar has technical level working groups that meet occasionally. USAID attends the sub-Pillar working groups to ensure close coordination of support to the PRS.

In addition there is a monthly UNDP-led Donor Technical Group meeting with a changing agenda based on the relevant issues of the day. USAID anticipates the creation of a public administration working group that would bring together donors and implementing partners under a GOL steering committee to conduct policy-level discussions on what modalities would best complement public sector technical and capacity-building assistance and civil service reform. USAID is collaborating with the World Bank and other donors to help the GOL sustain momentum in improving public financial management. The World Bank and the Swedish International Development Agency have committed to provide continued support for civil service reform.

Other USG agencies which are actively supporting the DO1 program include the Embassy, MCC, and INL. The Embassy provides critical support to ensuring free and fair elections, closely monitors foreign investment and negotiation of concessions, and engages in policy dialogue with the GOL at the highest levels.

The MCC Threshold Country Program in Liberia is working with the Land Commission to make policy and legal recommendations to inform future policy and with the Ministry of Lands, Mines and Energy to rebuild land administration capacity. Department of Defense 1207 funds transferred to USAID are also being used to support USAID's land component.

INL is responsible for implementing the USG's security sector reform program. A major component of that support goes to the Liberian National Police (LNP) to help address the serious problem of illegal detentions. INL is supporting program to help the police provide better training for officers on procedures for when and how to detain a suspect and to help the Ministry of Justice build capacity of prosecutors.

## Part V - Development Objective 2

### Sustained, Market-driven Economic Growth to Reduce Poverty

#### Strategic Context

Decades of mismanagement and fourteen years of civil war virtually destroyed Liberia's economy devastated Liberia's human and institutional capacity, demolished the country's physical infrastructure, and fundamentally damaged productive agriculture. Real Gross Domestic Product (GDP) declined by almost 66% between 1987 and 2005<sup>29</sup> Depending on source and definition, between 64% and 84% of the population live below the national poverty line or on less than \$1.25 day, including almost all who live in rural areas.<sup>30</sup>

Fully half of all households are either food insecure or vulnerable to food insecurity, while recent findings indicate 42% of children under five are stunted and 15% of the under-five population is underweight.<sup>31</sup> Poor nutritional options in terms of available foodstuffs and a lack of positive nutritional behaviors to enhance dietary diversity are among the factors underlying food insecurity, which is further exacerbated by diarrheal disease from unsafe water supplies and lack of sanitation and hygiene.

Liberia's high levels of poverty and food insecurity will not decline without sustainable economic growth. But growth must be inclusive if it is to reduce poverty and promote continued peace and stability. Liberia's past reliance on extractive industries such as mining and timber to drive growth contributed to a concentration of benefits and power within established elites, and fueled corruption and civil conflict. Liberia needs to define a different growth path if it is to achieve its goals.

Given the abundance of land and natural resources in Liberia and the lack of other opportunities for the predominantly rural poor, productive activities related to agricultural and forest-based products will be critical to Liberia's ability to achieve broad-based economic growth. Agriculture and forestry account for over 70% of employment in the country, much of it subsistence farming. Sustainable broad-based growth will depend on increasing smallholder productivity to increase food production, create jobs, and generate income from farm and off-farm businesses.

Increasing smallholder productivity will require addressing critical issues stemming from Liberia's very low level of development that were compounded by the devastation from the civil war. One of these is the poor state of rural infrastructure, particularly roads and electricity supply. In 2007, there were only 700 km of paved roads in Liberia, almost all of which were damaged. The vast majority of roads are unpaved, and many are impassable during the six-month rainy season -- severely limiting access to inputs, services, and markets. Poor road conditions add to production costs and create delays, and significantly undermine linkages to markets for rural enterprises. With public energy generation and grid supplies only beginning to re-emerge in Monrovia, most energy in rural Liberia will continue to be supplied by private generators making electricity very expensive, affecting the availability and affordability of processing for perishable crops, and seriously impeding development of higher value downstream activities.

A second critical issue is the low level of technology used by smallholders. Decades of instability and inattention have blocked progress in developing updated agricultural technologies for smallholders and the extension systems to promote their adoption. The "slash and burn" system of shifting cultivation is still widely practiced and agriculture productivity is very low, with

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<sup>29</sup> International Monetary Fund. (2008). *Liberia: Poverty reduction strategy paper*. Washington, D.C.: IMF Publication Services.

<sup>30</sup> World Bank, *Liberia - poverty headcount ratio*. See <http://data.worldbank.org/Country/Liberia>.

Liberia Institute for Statistics and Geo-Information Services (LISGIS). (2007). *Core welfare indicators questionnaire survey 2007*. Monrovia: LISGIS.

<sup>31</sup> Republic of Liberia. (2010). *Comprehensive food security and nutrition survey 2010*. Monrovia. Government of Liberia.

upland rice yields averaging just over 1 metric ton per hectare. Additionally, post-harvest losses are exceptionally high, reaching up to 45% in some areas.<sup>32</sup> As a result, Liberia relies heavily on food imports to meet domestic requirements of staples, vegetables, pulses, chicken, meat, and condiments. In 2009, the value of food and live animal imports was \$162.1 million, or 18.5% of GDP, nearly 40% of which was accounted for by commercial rice imports.<sup>33</sup>

Third, the business environment in Liberia needs substantial improvement. The years of economic mismanagement and war discouraged domestic investment and development of a dynamic Liberian private sector. While in part related to the poor condition of infrastructure described above, it is exacerbated by the high costs of compliance with cumbersome regulatory and administrative measures; uncertainties regarding the continuity of reforms and the security situation; and a poorly skilled and under-educated labor force. Liberia remains close to the bottom of the World Bank’s “Doing Business Index” rankings, scoring 151 out of 183 countries and having regressed two positions since 2010.

Informal enterprises, which constitute the vast majority of Liberia’s businesses, face additional constraints in their ability to access credit, new markets, and training. According to the Central Bank of Liberia, three-quarters of the workforce is in the informal sector. As a result, only a relatively privileged minority have access to formal labor protections, social insurance, and other public services.<sup>34</sup>

As noted earlier, despite some areas of improvement Liberia ranks close to the bottom in the World Bank Doing Business Index. Without a thriving business sector to supply inputs, market products, and eventually diversify into higher value-added production, the smallholder sector cannot generate the jobs and income needed to promote and sustain growth. In principle, the GOL has been a proponent of market-led growth but, in practice, it continues to implement policies and support institutions that distort or constrain inclusive, market-led growth.

Fourth, insecurity of land tenure, discussed earlier under DO1, is a serious barrier to increased productivity in the rural sector. Smallholder farmers require access and security of tenure to move beyond subsistence farming into more profitable and sustainable livelihoods that will achieve food security and increased export crop production. Finally, GOL capacity is weak and its presence in rural areas and districts inadequate, one consequence of which is limited availability of public services. The private sector also suffers from a woeful lack of technical and managerial knowledge and skills.

The 2011 PRS Assessment reports that recovery of agricultural production has been slow and incomplete, and in this regard the decline of agriculture output growth in 2010 and 2011 is of note (see Table 4, below). Findings reported in the GOL’s study on the Economic Corridors Strategy and anecdotal evidence suggest that the initial emphasis on providing inputs to stimulate production brought farmers up against constraints in storage, transport, and marketing, leading them to pull back on production as they encountered difficulty in selling what they had grown, which further underscores the importance of addressing the constraints.

**Table 4: Real output growth rates**

	2003	2004	2005	2006	2007	2008	2009	2010	2011, proj
GDP growth	-31%	2.6%	5.3%	7.8%	9.4%	7.1%	4.6%	5.6%	6.9%
Agriculture & fishery	-38.5	7.5	6.0	4.4	8.9	6.0	6.4	3.8	3.6

Source: IMF 2011

<sup>32</sup> For example, Liberia’s rice yields are one of the lowest in the West Africa region, being 1.2 mt/ha compared to Senegal’s 3.6 mt/ha and MOA/FAO estimate post-harvest losses between 34-45%. Reference: *The state of food and nutrition security in Liberia*, 2010.

<sup>33</sup> Republic of Liberia. (2010). *Comprehensive food security and nutrition survey 2010*. p. 26. Monrovia. Government of Liberia.

<sup>34</sup> The Heritage Foundation and Wall Street Journal report that this figure is closer to 80%. Cited in International Crisis Group 2011 report, “Liberia: How Sustainable is the Recovery?”

Liberia's forests are a key natural resource which must figure in a sustainable market-led growth strategy. Forestry has been the subject of particular GOL focus since the end of the civil war, reflecting its commitment to depart from its historic emphasis on commercial forestry and the legacy of corruption that went along with it. As a condition of lifting the UN Security Council sanctions on timber exports, the GOL passed a National Forestry Reform Law in 2006, emphasizing transparency, accountability, and civil society empowerment. National policy passed soon thereafter articulated the objectives of balancing commercial and community forestry while integrating forest conservation - the "three c's" approach. The intent is to develop community forestry as a source of income and jobs for communities that have traditionally been dependent on the forests and to increase the economic benefits of the country's forests for Liberia's rural households while enhancing the prospects for more sustainable forest management.

A number of issues constrain Liberia's ability to establish a firm foundation for the three C's approach to sustainable forestry management. First, the legal and regulatory frameworks underpinning the new policy are still incomplete and there remain considerable overlaps in responsibilities among the Ministry of Lands, Mines and Energy, Forestry Development Authority (FDA), and Ministry of Internal Affairs for negotiating concessions and regulating land use in forested areas. In addition, a high level of distrust of local communities toward the government has slowed implementation of the community forestry policies. The changing political environment calls for a renewed assessment of Liberia's environmental threats and opportunities. USAID/Liberia will conduct an updated ETOA study in 2013, along with a Forest Resource Valuation Assessment Scoping Study.

In addition, uncertainties remain over whether forest communities will be granted security of tenure over forest land, as the land tenure and property rights systems of the country are still under review by the Land Commission and future changes in distinctions among and between categories of land ownership may provide new opportunities or new challenges for community forestry. In spite of the GOL's commitment to the three C's approach, there are an increasing number of land allocations for concessions in mining, forestry and agriculture that could supersede community rights as outlined in the existing law. It is unclear if an approved community forest management plan would be honored if a concession is awarded involving the same area of land.

A second issue is related to system capacity for enforcement of laws and policies on land tenure, property rights, sustainable forest management, and biodiversity conservation. As noted under DO1, the formal judicial system does not play an effective role in resolving disputes and uncertainty over land tenure. As long as formal legal systems remain weak, innovative approaches to assure the respect of land tenure, property rights, sustainable forest management practices and biodiversity conservation will be required.

A third set of issues involve the ubiquitous lack of capacity in both government and non-government institutions, in this case to implement community forestry and promote sustainable livelihoods. The country's poorly educated and insufficiently trained workforce limits participation in the formal job sector and both public and private sectors suffer from a lack of technical and managerial competency. Awareness of environmental concerns and opportunities for public dialogue have been limited and while civil society organizations have highlighted problems related to forest management and environmental protection, these weaknesses need to be matched by support to develop effective capacity to address them.

Finally, there is a lack of information needed for decision making, as formal land information systems are weak or do not function sufficiently to capture cadastral data, record land rights and transactions, or arbitrate land claim disputes. Maps are outdated and many land records were destroyed during the war. To understand and support community forestry as it overlaps or intersects with commercial forestry, conservation activities, or other concessions in mining and agriculture requires reliable data and baseline studies to track biodiversity conservation and

sustainable forest management practices, which in turn need people trained in data collection and analysis.

With these considerations in mind, USAID/Liberia's second development objective is defined as:

***Development Objective 2: Sustained, market-driven economic growth to reduce poverty.***

**Hypotheses:** The development hypothesis underlying DO2 is that market-driven, private sector-led agricultural development, an improved overall business enabling environment, better rural road infrastructure, increased access to affordable energy, improved nutrition and food security, and strengthened natural resource management will create the conditions for sustained economic growth that reduces poverty. If USAID assistance helps Liberian farmers and entrepreneurs to increase their productivity, diversify their products, add value to the commodities they produce, and gain better access to input and output markets through the private sector, then rural incomes will increase and poverty will be reduced. In order to be sustainable, market-driven growth must create remunerative employment along value chains in rural areas and it must address actual and potential impacts on soil fertility and biodiversity.

An important element of our development hypothesis for this DO is that targeting our work in the GOL's designated priority development corridors will attract additional investment from the public and private sectors, including other donors, in infrastructure, smallholder forestry, and agricultural production, processing, and marketing that will accelerate, increase, and broaden overall impact. In addition, this geographic focus will capture synergies from co-located USAID investments in health and education that could increase adoption rates for new techniques, improve nutrition behaviors, and promote more effective management of individual and community-based enterprises.

Given the scope of challenges faced and the extensive range of needs in order to achieve results in this sector, USAID assistance must focus, in coordination with the GOL, the private sector, and other donors, on an integrated set of interventions to include:

- Strengthening agricultural commodity value chains for staples in rice and cassava, dietary and income diversification in vegetables and goats, and forest-based products to raise incomes through increased productivity, quality, and commercialization.
- Addressing availability, access, and utilization of more and better quality food for Liberians, including explicit investment in both marketing and behavior change approaches to nutrition behaviors that promote improved food utilization.
- Promoting effective governance, sustainable economic use, and wise stewardship of renewable forest and soil resources to enhance the ecosystem services they provide.
- Rehabilitating rural infrastructure to facilitate transport services and access to markets, by improving the technical and managerial capacity of Liberian private sector contractors to construct and maintain that infrastructure.
- Providing accessible and affordable energy, especially to rural agri-business and in particular using scalable, renewable energy technologies.
- Expanding the availability of credit for micro, small and medium-scale enterprises (MSMEs), to increase competitiveness and facilitate access to profitable markets.
- Expanding the knowledge base and building the skills of the large and growing young workforce to support growing private-sector agricultural production, processing and marketing, road construction, and rural energy supply.

**Approach:** Consistent with the overall strategic approach of this CDCS, USAID/Liberia will take a two-track approach in pursuing DO2. The Mission's capacity development work will concentrate on supporting GOL reforms to redefine and reorganize its systems for delivering extension, market development services, and infrastructure development to rural farmers and forest-based communities, to revitalize agricultural and agro-forestry research, and to provide more effective and updated training for its professional cadres in the Ministry of Agriculture, Liberia Electricity Corporation, and related institutions. The Mission will also aim to help the private sector in rural communities improve farmer to market linkages, including by expanding the pool of local firms

capable of building and maintaining critical infrastructure. At the policy level, it will pursue reforms needed to promote a more business-friendly enabling environment.

In parallel with these longer-term capacity-building efforts, the Mission will also provide direct services and other immediate support to market-driven enterprises in high-priority value chains (rice, cassava, vegetables, goats, and forest products), and to public and private partners who deliver improved nutritional products and services. Investments will expand access to improved technologies and market information, introduce improved pre- and post-harvest crop management techniques and better storage, enhance public and private provision of extension services to increase horticulture supplies and quality, and introduce better animal husbandry practices to increase supply in rural and urban markets. These investments will be complemented by improving access to credit and expanding road, energy, and communication networks to support market access. A coordinated set of focused nutrition interventions will address availability, access, and utilization of more and better quality food.

Economic growth activities under this DO will focus in the six counties selected as priorities for the USAID/Liberia strategy: Bong, Lofa, Nimba, Grand Bassa, Montserrado, and Margibi. These counties are home to an estimated 75% of all Liberian households; more than two-thirds of all farming households; and nearly 70% of the country's population living below the poverty line.<sup>35</sup> Additionally, they are the counties offering the greatest potential for agricultural development, including Liberia's "breadbasket" counties of Bong, Lofa, and Nimba, which are also focus counties for USAID/Liberia's health portfolio, offering important synergies with DO2's nutrition interventions.

Together, these six priority counties constitute a critical mass of economic potential as regional development corridors within Liberia. By serving as a focus for new investment, the Mission expects that these corridors will help create demand for a volume and diversity of goods and services that local and international entrepreneurs will strive to fill, thus generating a dynamic of growth that will be self-sustaining.

As a key organizing principle, all activities will focus on increasing opportunities for women and women-headed households, including in labor-based rural infrastructure. We will also make special efforts to engage the participation of youth in economic growth activities. We will use the power and collective numbers of producers' associations to ensure new and innovative technologies and inputs can be applied at a level that will foster real change and significant increases in income.

## **Intermediate Results and Illustrative Activities**

### ***Intermediate Result 2.1: Food Security Enhanced***

#### ***Sub IR 2.1.1 - Nutrition enhanced***

#### ***Sub IR 2.1.2 - Agricultural sector growth supported***

This IR incorporates the core program areas of the Mission's approved Feed the Future (FTF) Multi-year Strategy, which will raise agricultural productivity and incomes and improve nutrition. To raise agricultural incomes, the Mission will implement an integrated set of activities to release the binding constraints in a focused set of value chains: rice, cassava and, to increase dietary and income diversification, vegetable horticulture and small ruminant goat husbandry.

USAID/Liberia will also support the delivery of improved extension services, linking these to strengthened institutions to supply actionable agricultural research, and to expand business and financial services and lending available to agricultural micro, small, and medium enterprises (MSMEs). In addition, enabling environment activities (under IR 2.3, below) will be directed to key infrastructure needs in feeder roads, renewable off-grid energy, post-harvest processing and

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<sup>35</sup> Republic of Liberia: 2008 Population and Housing Census Final Results. Population, T. 5, p 10; Households, T. 10.1, pp. A-10-315-317. Poverty Rate, Liberia Poverty Reduction Strategy Paper, July 2008, T. 3.1, 2007 Poverty Headcount, p.25; T. 3.2: Liberia, 2007 Poverty Profile, p.26.

marketing, and institutions. To ensure inclusive, poverty-reducing impacts all activities to increase value chain opportunities will focus on women-headed households.

In addition to value chain and productivity enhancement that increases the variety and quality of nutrient options available in the local markets, work to improve nutrition will target the most vulnerable populations through multi-year Food for Peace programs. The integrated FTF nutrition strategy relies on core Health program interventions under DO 3 that include water, sanitation and hygiene (WASH) activities and strengthened mechanisms for maternal and child health to contribute to improved nutritional status. Broader nutrition promotion activities will target the general population, in addition to the vulnerable.

***Illustrative Activities***

- Rapid dissemination of improved crop, livestock, and forestry technologies.
- Technical assistance to private sector input suppliers.
- Improved milling and processing technologies for selected crops.
- Adaptive research and dissemination of sustainable and adaptive practices.
- Capacity-building for selected organizations, especially those involved in the application of crop research to improve agricultural productivity.
- Business development training and technical assistance.
- Expanded financial service availability for micro, small and medium enterprises.
- Promotion of dietary diversity and improved child-feeding practices.
- Micronutrient supplementation.

***Intermediate Result 2.2: Natural Resources Managed Sustainably***

***Sub IR 2.2.1 - Forest management systems improved***

***Sub IR 2.2.2 – Sustainable forestry management enterprises strengthened***

This IR recognizes the critical value of Liberia's forests both as a source of economic growth and as a critical asset for the broader West Africa regional and global environment. It also recognizes the need to put in place new forest management practices to ensure its forests are not just sustainably managed but also deliver more benefits to a broader share of the population than in the past, in particular to the communities that depend upon them.

Building on the progress achieved under the USAID-funded Land Rights and Community Forestry Program (LRCFP), USAID/Liberia will continue to work with the GOL and selected communities to develop and test approaches to community-based forestry that deliver more sustainable forest management as well as more diverse income earning opportunities for communities living in or near forests. An important activity will be to continue work with the GOL to strengthen the legal and regulatory foundations for sustainable community forestry management. In addition, we will continue work with the Forestry Development Authority (FDA) in developing models for working with communities to build structures and skills needed for effective enterprise management and to strengthen FDA's capacity to provide the range of services critical to the communities' success.

Continued support will strengthen effective community-based mechanisms that increase local capacity for enterprise management and provide technical and business support services for selected forest-based value chains. The focus of activities will be on ensuring forest management and use for sustainable livelihoods that will stimulate protection of biological diversity and support climate change mitigation. Expanding and extending the effectiveness of institutional mechanisms for inclusive growth in forest-based value chains will actively engage women both in community forest management bodies and in enterprises.

***Illustrative Activities***

- Dissemination of improved sustainable and adaptive management practices and forestry product technologies.

- Technical assistance to expand private sector processing and consolidation of products linked to real-time market information.
- Capacity-building for selected organizations, especially those involved in applying forestry research to protect biological diversity and mitigate climate change impacts on productivity.
- Business development training and technical assistance.
- Expanded financial service availability for micro, small and medium enterprises.

### ***Intermediate Result 2.3: Enabling Environment Supports Private Enterprise Growth***

#### ***Sub IR 2.3.1 Agricultural Sector Infrastructure Improved and Maintained***

#### ***Sub IR 2.3.2 Improved Economic Policies Implemented***

This IR will focus on both physical infrastructure and institutional capacity constraints in Liberia that must be addressed in order to ensure an enabling environment that is conducive to increasing the growth of the private sector. In order to expand agriculture's value chains (as noted under IR 2.1, above), specific investments will be directed to improve farm-to-market access roads and select agricultural processing or marketing related infrastructure that is essential for upstream value-addition and to expand rural access to energy by developing renewable energy enterprises. Special attention will be paid to ensuring arrangements in consultation with the GOL, beneficiary communities, and other donors active in road rehabilitation to ensure on-going maintenance of farm-to-market roads.

Targeted infrastructure support will also help to develop the Center of Excellence in agriculture at Cuttington University and to ensure an effective environment is available at county-level vocational education centers to support workforce development and at Ministry of Agriculture offices for policy implementation.

Activities to strengthen formulation and implementation of economic legislation and policy measures designed to reduce the burdens on micro, small and medium-sized enterprises and enhance productivity will promote a business-friendly policy and regulatory environment. This work will focus on enhancing the capacity of the public and private sectors and civil society to lobby for and implement policies effectively.

#### ***Illustrative Activities***

- Rehabilitation of farm-to-market roads constraining development of key value chains.
- Construction of processing and market infrastructure needed to ensure improved agricultural value chains.
- Technical assistance to expand rural renewable energy supply and enterprise development.
- Support to improved formulation and implementation of economic policies that reduce burdens on micro, small and medium-sized enterprises.
- Technical assistance to enhance abilities of public and private sectors and civil society to develop and implement effective policies.

#### **Links to Other USAID Development Objectives**

D01 programs that help improve public sector economic governance are critical to providing a business-friendly investment climate that is conducive to private sector led agricultural development. Improved public financial management will help accelerate investment in infrastructure, infrastructure maintenance, and delivery of other public goods and services that provide the foundation for improved competitiveness, economic growth, and job creation. D01 support for decentralized economic governance will reinforce D02 efforts to improve the provision of agricultural extension services, rehabilitation and maintenance of rural roads, establishing commercially viable rural off-grid renewable energy supplies for villages and ensuring community-based livelihoods to buttress sustainable forest management. Reducing conflicts over land tenure will help provide a more predictable and competitive investment

climate for agriculture and agriculture-related value chains. Improved public management of concessions agreements will be critical to sustained improvement of livelihoods based on community forestry.

The integrated FTF nutrition strategy also relies on core interventions under DO3 that include water, sanitation and hygiene activities and strengthened mechanisms for maternal and child health to contribute to improved nutritional status. DO4 education programs - both formal and informal - are intimately connected as inputs to economic growth. Numerous other health and education activities are jointly implemented with DO2 activities, including the construction and renovation of Centers of Excellence at Liberian universities, strengthening vocational education centers, and promoting youth job skills training linked directly to employment

### **Addressing Gender**

Women comprise over half the agricultural labor force and about two-thirds of the labor force in trade and commerce. The access of these women to resources (land, labor, inputs), technology (such as improved processing), and market opportunities is severely constrained. This in turn has serious implications for household food security, nutrition, and income. The Mission's FTF program, as well as our Title II programs, will give women equitable access to new agricultural technologies such as improved oil palm and rice seeds, and foster their participation in farmer field schools that teach the appropriate use of these technologies.

DO2 programs will also focus on the gender aspects of natural resource management and the extraction and commercialization of forest products, explicitly targeting women to increase the numbers of women involved in both community forest management committees and producer groups for agricultural and forest products. This includes an explicit target of supporting women-owned businesses and offering employment opportunities to women in our infrastructure programs, especially transport infrastructure, an area where women's participation has historically been low.

### **Critical Assumptions and Risks; Priority Evaluations**

Security of land tenure and clarity of land rights remain contentious issues in Liberia and potential sources of instability. To be effective, FTF investments require a degree of certainty in tenure and rights on the part of stakeholders, both men and women, and successful performance could potentially exacerbate conflicts over land as its value increases. Similarly, the sustainability of the important gains made in community forestry requires a concerted effort to clarify and simplify land tenure for authorized forestry communities.

Therefore, a key assumption for DO2 is that Liberia will make progress in improving the clarity and security of land rights and reducing land-related conflict, including through assistance provided under DO1. Meanwhile, core investments under DO2 will seek to mitigate related risks by reducing the exposure to land rights issues where possible and suitable (e.g., requiring registered title deeds) and drawing on alternative dispute resolution processes and other resources supported by DO1 to address potential conflict situations.

Other key strategic assumptions for DO2 are that:

1. The GOL, with support from USAID and other donors, will follow through with projected investments in road, energy, and telecommunication infrastructure to address the currently very serious limitations on access to these critical infrastructure services. The success of farm- and enterprise-level assistance under the FTF initiative will be highly dependent on rapid improvements in these areas.
2. The GOL will sustain its commitment to providing a more hospitable policy, legal, regulatory and administrative environment for private sector led agricultural development, economic growth, and poverty reduction.

3. Rural households and entrepreneurs will actively respond to job and income opportunities created in the identified agricultural value chains, notwithstanding reported popular perceptions that farming is an undesirable occupation.

The first and second of these issues have been raised with the GOL and will remain high on the Mission's policy dialogue agenda with senior officials at the Ministries of Agriculture, Commerce and Industry, Public Works, Lands, Mines and Energy, and Planning and Economic Affairs. The third issue will be included in the M&E plans for the FED and follow-on community forestry project, and will be closely monitored by the Mission as part of its broader CLA agenda.

Finally, there is a risk in this DO, as in all others, that weak institutional capacity in counterpart institutions will limit our ability to achieve results at the level we anticipate in this strategy. This will be closely tracked by our project-level M&E program.

### **What is Different from our Past Strategy?**

In the immediate aftermath of Liberia's civil war and under the PRS, USAID economic growth activities focused primarily on short-term rehabilitation and recovery, such as the restoration of electricity supply in central Monrovia. As Liberia moves into the implementation of the AFT, the Mission is focusing increasingly on programs that support and promote long-term economic growth. The recently-approved FTF Multi-year Strategy for Liberia defines a comprehensive set of focused investments working in target value chains to transform staple food production (rice and cassava), to diversify sources of income and nutrients (vegetables and goats), and to advance the enabling environment of policy and institutions.

All elements of DO2 are aligned with our FTF program, whether working on sustainable livelihoods and community forestry, constructing and rehabilitating rural road and civil works, piloting off-grid renewable energy resources, or strengthening public and private sector actors to enhance the business enabling environment for market-driven growth. All activities across the DO will integrate concrete actions to build human and institutional capacity - learning by doing - to address that single most important constraint on Liberia's economic prospects.

DO2 activities will have a geographic focus in four core FTF counties (Bong, Grand Bassa, Lofa, and Nimba), complemented by work in the peri-urban areas of Monrovia (Margibi and Montserrado). Most importantly, no activity at any level will start until there is an agreed mutual understanding with key stakeholders and beneficiaries about how the results of our development collaboration will be sustainably managed by Liberians once the assistance is completed.

### **Collaboration with GOL and Other Partners**

The GOL has translated its commitment to market-driven economic growth into the Liberia Agriculture Sector Investment Program (LASIP) and the Food Security and Nutrition Strategy (FSNS). While attracting foreign investment is critical to growing the economy, the government's aim is to ultimately empower domestic entrepreneurs to conduct business and create jobs. Its overall strategy has three prongs: rebuilding infrastructure, especially roads; restoring production in leading natural resource sectors, while ensuring the benefits are widely shared; and reducing production costs to establish the foundation for diversifying the economy over time.

Donor coordination in agriculture, energy, and natural resource management involves direct engagement of the donors collectively with the GOL. Varying across sector issues, each of these coordination mechanisms offers solid opportunities to enhance coordination and leverage actions. For example, donor coordination in the energy sector has been outstanding, culminating in 2010 in the engagement of an international Management Contractor for the Liberia Electricity Corporation. Agriculture donor coordination has actively supported the Liberia Agriculture

Sector Investment Plan and is using it as a mechanism to ensure effective implementation coordination and leveraging of the wide range of assistance to rice and other value chains.

Other donor support in these areas is provided by the World Bank, African Development Bank, Italian Global Food Trust Fund, People's Republic of China, International Fund for Agricultural Development, Germany, Norway, Sweden, Japan, and the European Union. The total of these donors' commitments to agriculture, energy provision, natural resource management, infrastructure, and community development is around \$100 million per annum.

USAID's FTF strategy is anchored in a whole of government approach that also engages U.S. Department of Agriculture, U.S. Forest Service, Millennium Challenge Corporation, African Development Foundation, Department of Defense, and Peace Corps. The Mission's new Food and Enterprise Development Program serves as the primary implementation mechanism for FTF activities, along with a mutually reinforcing Public Law (PL) 480 Title II program aimed at improving food security for vulnerable, rural households, and a recently awarded, five-year natural resources management program that will support better management and reduced emissions of greenhouse gas stocks in agricultural systems

## Part VI - Development Objective 3

### Improved Health Status of Liberians

#### Strategic Context

Liberia's health sector exhibits the devastation from years of conflict superimposed on a skewed and rudimentary health system that failed to meet most basic needs of the largest share of the population even before the war. In 2007, as part of the national reconstruction effort, the Ministry of Health and Social Welfare (MOHSW) led a participatory process of revising the National Health Policy and developed a five-year transitional National Health Plan (NHP) to cover 2007-11. The cornerstone of the 2007-11 NHP was the Basic Package of Health Services (BPHS), a package of high impact interventions that the Government of Liberia (GOL) committed to providing to the entire population. Overall, implementation of the 2007-11 NHP is considered to have been a success, and as a result Liberia is seeing progress on some health indicators. According to the MOHSW, 84.3 percent of functioning government facilities were accredited for providing the BPHS in 2011, up from 80 percent in 2010 and 36 percent in 2008. As a result, Liberia has seen improvements in the under-five mortality (U5M) rate, which declined from 220 deaths per 1,000 live births in 1986 to 103 deaths per 1,000 live births in 2010. However, this U5M rate of 110 is still high, and Liberia is not on track to meet its MDG of 64.<sup>36</sup> Similar to the U5M rate, Liberia has experienced improvement in childhood malaria prevalence, which has been reduced from 66 percent in 2005 to 32 percent in 2009; however even at this lowered prevalence, malaria remains the leading cause of morbidity and mortality in Liberia.<sup>37</sup>

Despite improvements in malaria and the overall U5M rate, child health in Liberia still faces daunting challenges, most notably chronic under-nutrition, as the stunting prevalence has steadily risen over the last decade and is currently measured at 42 percent.<sup>38</sup> Diarrheal disease, especially among children, is common in Liberia; for example, when surveyed, 20% of children were reported to have diarrhea during the preceding two weeks; this high stunting burden is a sign of diarrhea-related under-nutrition.<sup>39</sup>

In spite of the relative success of the Liberia' 2007-11 NHP, Liberian women and girls continue to have poor health indicators – especially in rural areas, which shoulders a heavy burden of infectious disease. The 2007 Liberia Demographic and Health Survey (DHS) measured the maternal mortality ratio (MMR) at 994 deaths per 100,000 live births, a total fertility rate of 5.2 (7.5 for rural areas), and a modern contraceptive prevalence rate of just 10 percent (7 percent for rural areas). Only 37 percent of deliveries take place in a health facility (26 percent in rural areas), and adolescent pregnancy has increased from 29 percent in 2000 to 32 percent in 2007.

Liberia is also faced with other infectious diseases burden that hampers development. In 2007, Liberia's HIV prevalence was reported as 1.5 percent in the general population (ages 15-49), and in 2008 the World Health Organization (WHO) estimated the incidence rate for all forms of tuberculosis to be 326 per 100,000. And finally, epidemiological mapping shows a wide spread of neglected tropical diseases (NTDs), such onchocerciasis, lymphatic filariasis, and soil-transmitted helminthes affecting all 15 counties in Liberia. In Bong, Lofa, and Nimba counties, the prevalence of shistosomiasis is over 20 percent.

In 2008, total health and social welfare expenditure reached over \$100 million (approximately \$29 per person), which was 15 percent of Liberia's GDP that year. An unprecedented level of expenditure for Liberia, this amount was in line with the West and Central Africa Region average of \$28 per person. However, external donors and households largely accounted for the high

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<sup>36</sup> *Liberia Demographic and Health Survey 2007*. Monrovia, Liberia: Liberia Institute of Statistics and Geo-Information Services (LISGIS) and Macro International Inc. Hereafter: LDHS 2007.

<sup>37</sup> *Liberia Malaria Indicator Survey 2009*. Monrovia, Liberia: National Malaria Control Program (NMCP), Ministry of Health and Social Welfare (MOHSW) and Macro International Inc. Hereafter: LMIS 2009.

<sup>38</sup> *National Comprehensive Food Security & Nutrition Survey, 2010*. Monrovia, Liberia.

<sup>39</sup> LDHS, 2007

levels of expenditure (47 and 35 percent respectively), while government spending accounted for only 15 percent. Since then, GOL spending has remained constant at seven to eight percent of the national budget. In absolute terms, however, it has nearly doubled. Because donor funds are predominantly used to support service delivery at the primary care level, the bulk of GOL expenditures go towards referral hospitals. Thus, the provision of free healthcare in public sector facilities is heavily donor dependent and unsustainable in its current state.

Poor road infrastructure and distribution of health facilities in rural areas means that 40 percent of Liberians must still walk over an hour to reach a public facility. Due to the limited geographic and cultural access of public services, many opt for the formal and informal private sector for services and commodities – accounting for the high level of household expenditure discussed above. As the economy continues to grow and the national budget increases, it will be important for GOL's public expenditure on health to continue to increase. Additionally, weak human and institutional capacities remain major impediments to building an effective and decentralized health care system.

Without significant improvement in the health of the majority of Liberians, the country cannot achieve its goal of sustained, inclusive, Liberian-led economic growth. Poor health and nutrition and high fertility contribute to poor school attendance, increased drop-out rates, and lower educational achievement, especially for girls, and seriously impair workforce productivity. Inadequate health service delivery and low utilization of health services contribute to a vicious cycle of reduced health status and high fertility, requiring ever higher expenditures by government and households to meet basic needs for health care. Population increases that are locked in by high fertility in a predominantly young population will require larger investments to provide education and to grow the economy fast enough to create jobs, postponing Liberia's goal of being free of external donor assistance.

In support of GOL's transition from a post-conflict orientation to a long-term vision for sustainable progress in health outcomes, the MOHSW spearheaded a 12-month, participatory process of revising the National Health and Social Welfare Policy and developing the 2011-21 National Health and Social Welfare Plan (NHSWP). With the overall goal of: *improved health status of the population*, the 2011-21 NHSWP contained three key objectives:

- i) Increasing access to and utilization of high quality services;
- ii) Making services more responsive to the population, with attention to equity; and
- iii) Providing services that are affordable to the country.

To achieve these objectives, the MOHSW expanded its BPHS, renaming it the Essential Package of Health Services (EPHS) and introduced two-year county level costed action plans. The EPHS includes all components of the 2007-11 BPHS (gender-sensitive maternal, newborn, and child health; reproductive and adolescent health; mental health; communicable diseases; and emergency care), as well as non-communicable diseases, neglected tropical diseases, environmental health, nutrition and school health.

With these considerations in mind, USAID/Liberia has defined its health sector development objective and its first three intermediate results (IRs) to be aligned with MOHSW's goal and objectives. As mentioned above under the discussion of child health, Liberia's exceptionally high stunting rate is associated with diarrheal disease, and because 80% of diarrheal disease is associated with contaminated drinking water and poor sanitation and hygiene practices, the importance of water supply becomes critical. According to the Liberia Census Report of July 2008, 28% of the urban population and 48% of the rural population do not have access to an "improved source" of drinking water. For this reasons, the USAID/Liberia has a fourth IR centered on water supply – and since water supply is an issue that cuts across several ministries, USAID/Liberia is will strive to align its work under this IR with Liberian Water and Sewer Corporation (LWSC), Ministry of Land, Mines and Energy (LME), and Ministry of Public Works (MPW), in addition to MOHSW.

**Development Objective 3: Improved Health Status of Liberians**

**Hypotheses:** The selection of this development objective is grounded in the important links described above between a healthy population and sustainable, Liberian-led economic growth. In addition, it is the mission’s belief that effective delivery of basic health services to the underserved rural population through core GOL programs is critical to ensuring that growth is inclusive and to reinforcing the social contract between Liberians and their government -- an important goal in post-conflict states.

Starting from the bottom up, the USG is striving to help the GOL provide all Liberian children with basic health services that will increase their chances to reach their full potential to drive social and economic development in Liberia. Through USAID technical assistance with Human and Institutional Capacity Development, the MOHSW will develop cost-effective programs and strengthen key systems to sustain gains afforded to Liberians that will benefit from quality curative and preventive services to reduce the burden of infectious and vaccine-preventable diseases, as well as unplanned births and under-nutrition.

The development hypothesis underpinning the program in health is that improving the utilization of health services, the quality of those services, and their responsiveness to the needs of rural Liberians will result in measurable improvement in the health status of Liberians. The design of this program reflects the further hypothesis that these system improvements can be best accomplished by supporting the GOL in carrying out effective health system decentralization. In addition, USAID/Liberia believes that identifying efficiencies and affordable cost-recovery schemes to increase the financial sustainability of GOL’s health services delivery systems will permit sustained improvements in health status for rural Liberians.

**Approach:** USAID/Liberia’s program under DO3 reflects the USG Global Health Initiative (GHI) Strategy for Liberia, which was approved in September 2011. Consistent with the Mission’s two-track approach as well as the core principles of the GHI, DO3 resources will be invested in two GHI Focus Areas: 1) Health Service Delivery and 2) Health Systems Strengthening.

Under Health Systems Strengthening (GHI Focus Area #2), USAID will support capacity building, system strengthening and institutional development activities by working through the MOHSW to improve the national health system, including support for decentralization of service delivery. Under Health Service Delivery (GHI Focus Area #1), USAID will fund direct interventions to scale up high impact interventions and best practices, particularly in the areas of maternal, newborn, and child health; malaria; nutrition; water, sanitation, and hygiene; and family planning. Current support for the provision of the EPHS enables USAID funding for USG health program elements to be seamlessly integrated and aligned with the MOHSW’s priority health interventions.

In addition to ensuring smart integration towards accelerated progress on health outcomes, these GHI Focus Areas also reflect the priorities established by the MOHSW.

Programs under DO3 will follow a three-tiered approach: 1) nationwide investments; 2) intensive investments in three of the six priority counties (Nimba, Bong, Lofa); and 3) strategic investments in the other counties that form the Mission’s six target counties under the CDCS. The health sector investments will benefit all Liberians accessing the MOHSW’s integrated package of health services, but especially women and children.

**Table 5: Tiers of Operational Support**

<p><b>Tier 1</b> <b>Investment</b> <b>Nationwide</b></p>	<p>USAID will increase investment in capacity building and technical assistance for policy formulation, strategy development, health systems strengthening, and countrywide behavior change communication (BCC) initiatives benefitting Liberia as whole. In the immediate future, USAID support in health system strengthening will prioritize critical areas that have been jointly identified, such as health information systems, health financing, pharmaceutical/commodities supply chain, and human</p>
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	resources for health.
<b>Tier 2 Intensive Investment in Three Health Target Counties</b>	In the three target counties of Bong, Lofa and Nimba, USAID will continue to provide both facility-based and community-based support under performance-based contracting with NGOs for specific health facilities and their catchment communities. USAID will also provide complementary technical assistance for quality assurance, in-service training, and supportive supervision, which will target <u>all</u> health facilities and communities within the three counties. This approach supports the MOHSW's desire for a cohesive and efficient countywide health system.
<b>Tier 3 Strategic Investment in Six CDCS Priority Counties</b>	While USAID is committing to intensive investment in three of the six priority counties, USAID will make limited investments in Montserrado, Margibi, and Grand Bassa to complement and leverage other partner investments in critical areas such as malaria, family planning, nutrition, and immunizations. Dependent on funding levels, these limited investments will be strategically designed to extend the USG's technical expertise in areas of comparative advantage and to fill gaps in implementation of national programs.

The selection of Bong, Lofa, and Nimba counties for intensive health investments was based on careful review and consultation with MOHSW on health statuses, availability of resources, and other donor plans. These three counties represent one-third of Liberia's population and thus offer the greatest potential for influencing national statistics. Additionally, these are counties with potential for strong County Health and Social Welfare Team (CHSWT) leadership, and they are home to existing and planned training institutions. In short, these are the three counties that hold the greatest promise to become model counties of prevention and health care practices, laying the groundwork for replication in other counties in the future.

Of particular note in the program for this Development Objective, USAID has begun to use MOHSW systems in a groundbreaking implementation approach that marks the first time the USG has directly funded a line ministry in Liberia. With the support of funding provided over the last decade by the World Bank and the United Kingdom's Department for International Development (DfID), the MOHSW has built up many of the systems and institutional capacities to make this possible. Throughout the timeframe of the CDCS, USAID will shift increasing responsibility to the MOHSW to use their financial and procurement systems to contract with local and international non-governmental Organizations (NGOs) for service delivery, technical and management support to the Ministry, construction and, finally in the out years, for procurement of pharmaceuticals.

Additionally, the Mission will commit to a joint financing arrangement between the GOL and several other donors to the health sector. Together these represent a significant change in the way the USG will deliver foreign assistance in Liberia, signaling the USG's commitment to aligning with MOHSW's vision and the principles of the Paris Declaration on Aid Effectiveness, and promising increased efficiency in use of USAID resources.

### **Intermediate Results and Illustrative Activities**

#### ***IR 3.1: Increased utilization of quality services***

***Sub IR 3.1.1 – Increased availability of facility- and community-based services***

***Sub IR 3.1.2 – Improved health seeking behaviors and practices***

***Sub IR 3.1.3 – Improved quality of public and private sector services***

Current support for the provision of the EPHS enables the seamless integration of USG funding into MOHSW's priority health interventions for maternal, newborn and child health, family planning, nutrition, malaria, tuberculosis (TB), and HIV. Under the GHI strategy, USAID commits

to “doing more of what works” by maintaining at least current levels of support previously provided under the BPHS.

In addition to providing curative health services through the formal health system, the USAID team recognizes the need for health prevention messaging and behavior change at the individual and family levels. Thus, a core component of the programming includes community-level public health promotion activities through organized outreach. Utilizing volunteer and peer networks where they exist, as well as establishing new ones, we will harness the power of communities (including men, women and youth) to address issues such as HIV prevention, hygiene promotion, birth spacing, birth preparedness, bed net use, prompt treatment of illness, and nutrition messages like exclusive breast feeding and diet diversification.

In order to achieve measurable health improvements, USAID will also focus on improving the quality of services, addressing all dimensions of quality ranging from clinical standards to interpersonal communications during provider and client interaction. Specifically, USAID will streamline best practices in quality assurance which include defining quality by developing standards of quality, communicating those standards, and setting expectations of performance; measuring quality with systematic identification of the level of quality through routine assessment and regular monitoring and evaluation; improving quality by applying appropriate methods to close the gap between current and expected levels of performance; and reinforcing quality through external recognition incentives once performance reaches predetermined levels of care and systems functioning.

As described above, USAID funding for service delivery will be gradually shifted to the MOHSW systems in support of the NHSWP 2011-21. The transition to using MOHSW systems began with the signing of a four-year Fixed Amount Reimbursement Agreement (FARA) with the MOHSW in September 2011. The FARA outlined the conditions under which USAID funding will be disbursed through MOHSW’s accounts and subject to GOL systems for procurement, contracting, financial management, and M&E.<sup>40</sup> Following the signing of the FARA, the USG began providing technical assistance to the MOHSW to develop requests for proposals (RFP) from local and international NGOs for service delivery.

### ***Illustrative Activities***

- Scale up integrated community case management (iCCM) of malaria, diarrhea, and pneumonia
- Contract NGOs to implement EPHS
- Support workplace programs for family planning and reproductive health services
- Promote point-of-use water treatment and community led total sanitation (CLTS)
- Conduct mass media, information/education communication (IEC), and behavior change communication (BCC) campaigns about key preventive health actions
- Support interpersonal communication through health workers, other influential/opinion leaders in communities, and peer educators
- Engage influential community members to create an enabling environment for social and individual behavior change
- Train women health workers to provide maternity and reproductive health services
- Educate women and men health workers to provide client-centered services and improve attitudes towards clients
- Support “Partnership-Defined Quality” to involve community members in the organization and delivery of health services
- Institutionalize quality assurance within MOHSW systems and structures
- Strengthen diagnostic services through an integrated national public health laboratory network
- Operationalize the Liberia Medicine and Health Product Regulatory Authority Act to reduce sub-standard and counterfeit drugs

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<sup>40</sup> The USG will retain a right of prior approval for some of the most critical steps in the normal contracting process.

### ***IR 3.2: More responsive services through effective health system decentralization***

#### ***Sub IR 3.2.1 – Strengthened institutional capacity of central MOHSW and County Health and Social Welfare Teams (CHSWTs)***

#### ***Sub IR 3.2.2 – Expanded resources for health***

#### ***Sub IR 3.2.3 – Improved data for decision making***

With a sharp focus on building sustainability and inclusiveness into the GOL health programs, USAID will continue to invest significant resources in capacity building through health system strengthening and decentralization support. This assistance includes a balance of both short-term and long-term solutions. In order to build on successes under the 2007-11 NHP – and ensure the support systems necessary to underpin delivery of the EPHS continue to improve – USAID commits to increasing its investments at both central and decentralized levels. Expanded USAID investments in health system strengthening at the central and decentralized (county) levels will be based upon a joint MOHSW/USG assessment of health system strengthening needs and priorities in order to ensure country ownership, foster strong systems and increase sustainability. Using the HICD model, support will be tailored to address the root causes of performance gaps, with the aim of unlocking the health system's full potential to provide sustainable and high quality services to the Liberian population.

At the central MOHSW level, a major area of nationwide investment will be the continued provision of technical assistance for policy formulation and strategy development alongside health systems strengthening. USAID investments in health system strengthening will continue to include critical areas such as health management information systems, health financing, supply chain and commodities, and human resources for health. USAID has supported the rollout of a nationally standardized and integrated information system, and our technical support helped establish Liberia's first-ever National Health Accounts (NHAs).

Looking forward, USAID will support coordination of procurements and the roll out of a logistics management information system (LMIS), as well as provide technical assistance to transition to active commodity distribution in support of a strengthened pharmaceuticals logistics system. In human resources, the USG will continue to provide sustained technical assistance to strengthen pre-service training institutions and in-service training, including curricula revisions and improvements in effective teaching skills.

Coupled with this support at the national level, USAID is committed to supporting the decentralized model – and has thus prioritized capacity building activities for County Health and Social Welfare Teams (CHSWTs) within the program target areas. Activities include joint supervisory visits to facilities, monitoring and evaluation skills building, technical assistance for budget planning, and coordination support. Through the HICD cyclical process of assessing capacity, developing and implementing performance improvement interventions, and measuring improvement results, USAID will support MOHSW's gradual de-concentration and decentralization efforts to CHSWTs that meet performance benchmarks.

All USAID investments in health policies, plans and systems are (and will continue to be) evidence-based and informed by investment in critical analysis of information, such as the *Synthesis Report of Health Financing Studies* and the *Country Situational Analysis Report*, which served as the basis for revision of the National Health and Social Welfare Policy and development of the 2011-21 NHSWP.

#### ***Illustrative Activities***

- Provide leadership and management training for CHSWTs
- Support restructuring of central MOHSW and CHSWT and provide technical assistance to define division of labor among the various levels
- Strengthen local government structures such as the County Health and Social Welfare Boards and the Community Health Development Committees
- Support population-based distribution of facilities providing different levels of care in public and private sectors

- Strengthen pharmaceutical logistics systems
- Support human resource management initiatives for better production, deployment, and retention of motivated health workers
- Strengthen disease surveillance systems
- Integrate HMIS with sub-systems for drugs/logistics, human resources, and finances
- Calculate annual catchment area census for all health facilities
- Train health workers and managers in data collection and analysis

***IR 3.3: Increased financial sustainability of services***

***Sub IR 3.3.1 – Increased financial resource mobilization***

***Sub IR 3.3.2 – Increased MOHSW capacity for resources allocation and utilization***

Financing the health system in Liberia continues to be a challenge, and donor support finances the bulk of all primary and secondary service delivery. Thus, increasing financial sustainability of services is critical to the overall achievement of a sustainable Liberia Health System.

Approximately 6.7% of the overall GOL budget, or \$25 million, is allocated to MOHSW.<sup>41</sup> However, this amount covers only roughly 25% of the overall health costs. The donor community covers approximately 40%, and private out-of-pocket expenditures account for almost 35% of total health expenditures. USAID will continue to provide technical assistance to MOHSW to explore appropriate health financing schemes. Specifically, USAID/Liberia will assist in gathering data, evidence, and case studies on user fees, community insurance schemes, and techniques to increase efficiency in the health sector, and ways to expand the resources envelope.

***Illustrative Activities***

- Pilot community-based health insurance and social health insurance
- Support re-introduction of user fees
- Institutionalize National Health Accounts, Benefits Incidence Analysis, and Public Expenditure reviews
- Strengthen financial management systems for both donor and government funds
- Reinforce capacity of CHSWTs in budgeting and financial management (also supports IR 3.2.1)

***IR 3.4: Increased safe water supply***

***Sub IR 3.3.1-- Improved management***

***Sub IR 3.4.2: Improved infrastructure***

Recognizing that the ability of GOL to improve the health of its citizens (and develop a primary economic base) is severely hampered by a lack of clean and reliable water, USAID will establish self-sufficient and sustainable water service provision in three municipalities and targeted rural communities by assisting local and national authorities in developing plans for water supply and sanitation improvements and implementing short, medium, and long-term water supply infrastructure improvements. Specifically, USAID will support the design, tendering, building and operation of these water supply infrastructure improvements. Concurrent to the capital works, USAID will support capacity building activities that target the individuals and the organizational structures and systems in key Liberian institutions needed to ensure all operations can be managed by locally-based entities capable of financially and technically sustaining the services.

Work under this IR exemplifies the GOL's shift towards decentralized planning as a mechanism to ensure that secondary cities attain and sustain minimum standards of municipal services delivery. USAID will build government capacity and contribute to major health and economic development benefits, in addition to directly supporting priority infrastructure interventions detailed in the locally driven County Development Agendas (CDAs).

<sup>41</sup> An additional 2% is allocated to JFK Medical Center, Phebe Hospital & School of Nursing, and Liberia Institute of Biomedical Research.

### ***Illustrative Activities***

- Support utility operations in urban areas
- Establish community management structures in rural areas
- Develop standard operating procedures for maintenance
- Establish fee structures (based on willingness to pay research)
- Develop master plans for water supply systems in three municipalities
- Rehabilitate and/or build water supply systems in three municipalities
- Train hand pump repair technicians to be compensated through fee for service arrangements
- Support private business outlets for hand pump spare parts

### **Links to other Development Objectives**

Utilization of and demand for key health services are low throughout the country. Traditional practices, persistent rumors, and misinformation are widespread and discourage the use of formal health services. In order to create demand and dispel myths, the USAID health program will utilize creative BCC mass media campaigns, and will seek opportunities for radio programming through the DO1 team's community radio project and civil society and media leadership program. Equally critical to achieving the sustainability objectives of this CDCS, support for decentralization and system strengthening will be closely coordinated and harmonized with DO1 efforts to improve governance through cross-cutting HICD interventions.

Expanding infrastructure under DO2 and promoting increased educational achievement under DO4 will also support increased utilization of health services. Concentrating these USAID investments in the same target counties along with the health program will capture a range of benefits from road rehabilitation, renewable energy, and increased basic literacy that should boost utilization of services and also reduce health clinic operating costs. In addition, USAID has designed a comprehensive nutrition integration package within the Feed the Future strategy, which contains crucial synergistic links between health and agriculture activities.

Finally, the mission's work in higher education will help train and upgrade skills in the health workforce, especially filling gaps in critical cadres such as midwives, nurses, lab technicians, and specialists. This too will be crucial to ensuring sustainability of the GOL health services delivery programs.

### **Addressing Gender**

For the health sector, high maternal mortality and systemic inequities — especially related to health service access and quality — have a major impact on women and girls. Our health program recognizes the special needs of women and girls, but also seeks to engage men in their role as gatekeepers of women's and children's health. The unacceptably high maternal mortality rate is linked to a high fertility rate, insufficient numbers of skilled birth attendants and low utilization of health facilities for delivery, compounding the risks associated with complications. USAID is working — and will continue to work — with the MOHSW to address it on multiple fronts. As articulated in the GHI Strategy, the USG is supporting the MOHSW to implement its NHSWP, 2011-21, in which gender equity is a guiding principle and improving health outcomes among women and girls is critical to the overall goal. The three objectives of the NHSWPP, 2011-21 capture the MOHSW's strategy to equitably improve gender equality and the health status of women and girls:

1. To increase access and utilization of services, especially for women and girls at the community level, by expanding access to quality services delivered closer to where people live. Coupled with investments in strengthening human resources, the target is to increase facility-based deliveries by a skilled birth attendant from 22 to 80 percent.
2. To make services for women and girls more responsive, the cornerstone of 2011-21 NHSWP is the Essential Package of Health Services (EPHS), a gender-sensitive service

package with strong linkages to the community and household, as well as gender-specific health messages. The target is for 90 percent of facilities to be fully accredited and providing the EPHS.

3. To provide services that are affordable against a backdrop of ensuring social protection through a combination of prepayment schemes and free services for priority interventions that directly affect the health of women and girls.

Leveraging USG investments with other donor and private investments, as well as increasing the proportion of GOL funding are critical to achieving Liberia's ambitious goal of reducing maternal mortality by 50 percent.

### **Critical Assumptions and Risks; Priority Evaluations**

The success of the Mission's program in health rests on increasing rural Liberians' utilization of health services. The program design assumes that this will happen as a result of combining increased level and supply of services and improved health messaging to promote behavior change. However, at present, there is an incomplete understanding of what the binding constraints are on utilization of health services in rural Liberia, and much will depend on whether the content and delivery of the health promotion messages are effective. Of particular concern in this context is the reliance of the messaging component on a relatively untested approach using community volunteers and peer-to-peer networks. The design and implementation of this component will be closely monitored under the planned project-level M&E work.

A second major program risk concerns the capacity of MOHSW and other GOL institutions to effectively carry out the substantial increase in implementation responsibilities associated with this program. Part of this risk derives from the pioneering nature of decentralizing service delivery in the Liberian context, a risk the mission is willing to take, given the importance of decentralization of services to strengthening government effectiveness and legitimacy. A second part of this risk relates to the mission decision to channel USAID funds directly to the MOHSW, relying on GOL systems for procurement and financing for delivery of services as described above. The MOHSW has shown itself to be an eager and able partner in these pioneering efforts, and close collaboration and monitoring and well-considered design and sequencing of steps will mitigate the attendant risks.

Finally, in order to implement USAID/Liberia's strategic decision to concentrate its EPHS delivery activities the three target counties, the Mission has developed a plan for "facility swapping" between USAID and the European Union and the Health Sector Pool Fund, the two other major sources of support for service delivery. This transition plan, which is endorsed by MOHSW, will take place over the next 18 months. The consolidated outcome will allow all donors to reduce transaction costs, maximize county-level capacity building, and enable greater monitoring oversight. However, this plan introduces some risk that there will be a temporary gap of health coverage if funding by these other donors is delayed.

### **What is Different From our Past Strategy?**

With the launch of the GHI, USAID conducted an extensive review and restructuring of the health portfolio in order to maximize the impact of our health sector resources. To date, USAID support for delivering the BPHS was spread among 112 facilities and the surrounding communities in seven counties (Bomi, Bong, Grand Cape Mount, Lofa, Montserrado, Nimba, and River Gee). While this approach – using grant and performance-based contracts to deliver services -- enabled USAID to accelerate its delivery of high-impact, cost-effective interventions targeting the leading causes of morbidity and mortality, it resulted in spreading support across many county health systems. This has diluted the potential impact of USAID investment in building capacity in county health and social welfare teams (CHSWTs) and made it difficult to effectively monitor and evaluate overall USAID county-level investment.

## Collaboration with GOL and Other Partners

The majority of USG resources for implementation of Liberia’s NHP 2007-11 was in direct support of service delivery and health system strengthening. Similarly the USG’s new GHI Strategy is closely aligned with the MOHSW’s new National Health and Social Welfare Policy and Plan, 2011-21. This ensures that the USAID health program has full host country ownership and establishes a solid foundation for close collaboration between USAID and the MOHSW.

Of particular note in this context is that USAID will participate in the innovative use of a single monitoring framework adopted by both the NHSWP, 2011-21 and the GHI Strategy. All USAID investments in health system strengthening and service delivery will be integrated into MOHSW’s improved metrics and M&E system. This mechanism is MOHSW-owned and reflects the National Health Policy and Plan’s move towards a sector budget and sector-wide approach, in which efforts of all partners and those of the GOL will be coordinated within one resource, activity, and results framework.

The Health Sector Coordinating Committee, chaired by the Minister of Health and Social Welfare, is responsible for coordinating resources to ensure successful implementation of the NHP. The HSCC is also the main sector forum for coordination. USAID participates fully both in this larger group and in sub-groups for Malaria, Family Planning/Reproductive Health, and Maternal/Child Health. As USAID signs a joint financing agreement with the MOHSW and other donors, donor coordination will be further strengthened.

USAID is the planning lead for GHI and will support other USG agencies engaged in health work, as well as coordinate overall USG health investments with other stakeholders. With the exception of the DOD HIV prevention and care component with the Armed Forces of Liberia, USAID implements all health programming in Liberia. The Centers for Disease Control and Prevention has seconded one staff member to USAID in support of PMI. The DOD Office of Security Cooperation (OSC) uses its own resources to provide assistance to the health sector in a number of areas, including renovation of facilities and distribution of donated or surplus medical and health consumer commodities.

In addition to organizational coordination, USAID ensures that all USG program strategies are harmonized and integrated wherever possible. For example, USAID has designed a comprehensive nutrition strategy within the Feed the Future Liberia Country Strategy that supports key linkages and synergies between the health-related and agriculture-related nutrition improved activities.

USAID is the largest donor in Liberia, and there are few other donors with comparable levels of technical and financial support active in the country. Table 5 summarizes key partners, their technical focus, and USAID’s current collaborations:

**Table 5. Donor Collaboration and Division of Labor on Liberia’s Health Goals**

Name of Partner	Technical Focus	Description of Current Engagement
<i>European Union</i>	EPHS implementation in 24 health facilities Technical assistance for decentralization, pharmaceuticals, and human resources Scholarships for nursing students at Phebe Refurbishment of Phebe Hospital/Training Institution Maternal Health	Donor swapping of health facilities Coordinating technical assistance Collaborating to place nursing students in USAID-supported health facilities Providing scholarships for nursing at Phebe Training Program Direct budget support to improve maternal health

<b>Pool Fund<sup>42</sup></b>	<p>EPHS Implementation in 120 health facilities (utilizing performance-based contracts)</p> <p>CHSWT capacity building in financial management</p> <p>Health facility renovation and construction</p>	<p>Donor swapping of health facilities</p> <p>Developing harmonized PBC scheme</p> <p>Training in LQAS methodology to monitor PBCs</p> <p>CHSWT capacity building in complementary areas of responsibility</p>
<b>UNFPA</b>	<p>Support for reproductive health and emergency obstetric care (EmONC)</p> <p>Support for commodity security</p>	<p>Coordinating contraceptive procurements</p> <p>Co-funding provision of family planning in markets to increase access</p> <p>MOU on advocacy, policy, and service delivery for family planning, HIV and maternal and child health</p>
<b>WHO</b>	<p>Support for routine and campaigns immunizations</p> <p>Support for the implementation of the Maternal Health Roadmap</p> <p>Coordination of nationwide disease surveillance</p> <p>Integrated management of newborn and childhood illnesses (IMCI) training nationwide</p>	<p>Expanded Program on Immunization (EPI) and Polio Eradication funding</p> <p>Participating in Inter-Agency Coordination Committee</p> <p>Supporting maternal death audits</p> <p>Shortening length of (IMNCI) training</p>
<b>UNICEF</b>	<p>Supporting activities in key child survival areas including: WASH, nutrition, and PMTCT, and immunizations</p>	<p>Coordinating Point-of-use (POU) promotion</p> <p>MOU on promoting Essential Nutrition Actions (ENA) and coordinating technical assistance to MOHSW</p>
<b>Clinton Foundation</b>	<p>Capacity building to MOHSW in areas of supply chain management and human resources</p> <p>Technical assistance for HIV/AIDS clinical services</p> <p>Support for accreditation process</p>	<p>Inclusion of QA indicators in accreditation</p> <p>Collaboration on the Supply Chain Technical Working Group and Supply Chain Master Plan implementation oversight committee</p> <p>Human Resource for Health strategy development</p>
<b>GFATM</b>	<p>HIV, TB and Malaria preventative and curative services</p> <p>Health systems strengthening with a special focus on supply chain</p> <p>Provision of equipment for drug quality testing</p>	<p>Scaling-up successful USAID pilots such as iCCM, c-DOTS, and private sector ACT</p> <p>Coordinating construction of central and regional warehouses</p> <p>Implementing Supply Chain Master Plan in non-USAID focus counties</p> <p>Providing LMHRA<sup>43</sup> technical assistance for medicine registration and post market surveillance</p>

<sup>42</sup> Contributors to the Pool Fund currently includes DFID, IrishAid, UNHCR and UNICEF.

<sup>43</sup> Liberian Medicine and Health Products Regulatory Authority

<i>AfDB</i>	Sustainable potable water supply	Coordinating water supply in secondary cities and technical assistance to LWSC
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## Part VII - Development Objective 4

### Better Educated Liberians

#### Background and Rationale

Liberia's civil war exacerbated the deficiencies of a low quality education system and left it in ruins. More than 30 percent of public schools were totally destroyed or severely damaged during the war; more than three-quarters of all public primary school students were left without desks or chairs; and, even with low levels of enrollment, only one in 27 students had access to a textbook.<sup>44</sup> Teachers and administrative staff fled or were killed, leaving most schools unstaffed or operating with untrained and unqualified teachers. The human and institutional capacity of the government to manage the education system diminished or became outdated. An entire generation of youth and children was left with severely disrupted schooling, if any at all.

The educational level of the population is low, with the median years of education (age 15-49 years) at 1.6 years for women and 5.8 years for men.<sup>45</sup> Thirty percent of the population<sup>46</sup> has never attended school, with almost three times more women (51.7%) than men (18.1%) having no formal education at all.<sup>47</sup> Approximately half of all adults are illiterate,<sup>48</sup> and the quality of education has been so poor that 53 percent of those women who have completed Grade 6 are still unable to read and write.<sup>49</sup>

Many factors help explain low educational achievement in Liberia. In addition to poor facilities, inadequate teaching and a lack of learning materials, most children start school very late. Official primary school age is 6-11 years old. However, because only 5.5 percent of six-year-olds are in primary school and nearly 60 percent are over the age of 11, many children complete their primary education in their late teens.<sup>50</sup> Late enrollment is a particular issue for girls, who tend to drop out when they reach puberty. Of every 100 students starting primary schooling, only 60 reach the end of the cycle.<sup>51</sup>

Since the early 1980s, gross primary school enrollment has jumped from 53 to 94 percent, reflecting an increasing demand for basic education by school age and overage children and youth and the fact that universal primary education became free and compulsory in 2003.<sup>52</sup> However, only 45 percent of primary public school teachers have reported receiving some form of training and only 13 percent of them are women.<sup>53</sup> Key institutions and their staff, from the universities and central Ministry of Education (MOE) down to the local level, still have only limited capacity and are constrained by overly centralized systems, unproductive bureaucracy, a lack of data for informed decision-making and the inefficient use of resources. All of these problems reflect overall inadequate public and private investment in the education sector.

These are all urgent problems. The country risks undermining the future of yet another generation unless there is continued expansion of safe learning spaces, systemic strengthening and expansion of quality service delivery throughout the country. Without an educated population, interventions in other sectors will not be able to impact Liberians' health, civic participation and incomes in a manner sufficient to ensure stability and lift the general population out of poverty.

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<sup>44</sup> MOE (2007). Liberian Primary Education Recovery Program.

<sup>45</sup> LISGIS (2008). Liberia Demographic and Health Survey 2007.

<sup>46</sup> *Ibid.*

<sup>47</sup> World Bank (2010). Liberia Education Country Status Report.

<sup>48</sup> CWIQ (2007). CWIQ

<sup>49</sup> *Ibid.*

<sup>50</sup> MOE (2010). A Case for System Transformation: The 2008/2009 National School Census Report.

<sup>51</sup> World Bank (2010). Liberia Education Country Status Report.

<sup>52</sup> MOE (2010). A Case for System Transformation: The 2008/2009 National School Census Report.

<sup>53</sup> World Bank (2010). Liberia Education Country Status Report.

The critical role of education in meeting Liberia’s goal of inclusive, sustainable, Liberian-led growth has been well-recognized in all GOL policies since 2003. In the PRS, the GOL promised to “take measures to improve access to and the quality of schools and universities, with a particular emphasis on promoting Universal Primary Education.” In 2010, the MOE completed the intensive and collaborative process of writing and formalizing a new ten-year education sector plan. In 2011, President Sirleaf signed into law a new education reform act that, along with the newly formulated policy guidelines, frames the educational structure, responsibilities and national priorities for the sector.

As a result of this focused attention, the MOE has made some progress in delivering results. The 2011 PRS Assessment reported that the majority of the education program outputs that were targeted under the PRS had been achieved. These included review and reform of teacher salaries; verification of the payroll process to eliminate “ghost teachers”; revision of the secondary school curriculum; construction, rehabilitation, and furnishing of schools; and recruitment of new teachers and upgrading qualifications of existing teachers through residential training at three renovated rural teacher training institutes.

At the same time, it is clear that MOE has had difficulty in “locking in” and sustaining progress. For example, after some initial successes in removing “ghost workers” and unqualified personnel from the MOE payroll, there appears to have been significant backsliding on this critical reform in 2010 and 2011.

With these considerations in mind, USAID/Liberia has defined its objective in the education sector as:

***Development Objective 4: Better Educated Liberians***

**Hypothesis:** USAID/Liberia aims to increase educational achievement in Liberia by improving the educational opportunities provided to Liberian children, youth, and young adults. To achieve this will require: first, getting more children and youth, especially girls in the rural areas, into primary schools and alternative basic education programs and keeping them there; and second, improving the quality of the education they receive.

The development hypothesis underpinning USAID’s education program is that by increasing the number of trained teachers in Liberian schools, improving teachers’ and pupils’ access to modern teaching and learning resources and tools and safe learning environments, and systemically strengthening the governance and management of Liberia’s educational system as a whole, more children and youth will attend and complete primary school or alternative basic education programs. Through improved instruction, especially in reading, these pupils will acquire the foundational skills they need to succeed at higher levels of schooling. We also hypothesize that, through these improvements in basic education, youth and adults coming out of higher levels of the Liberian educational system will have acquired cognitive and life skills that will help to improve health results for themselves and their households, increase their potential economic productivity and employability, strengthen their ability and desire to participate constructively in the democratic process, and otherwise improve their living standards and quality of life.<sup>54</sup>

As mentioned above, low age-appropriate enrollments represent a serious problem in Liberia, and the factors which contribute to this pattern are not clearly understood. The Mission’s hypothesis is that, in response to tangible improvements in the availability and quality of educational services, parents will be more willing to enroll their children as soon as they are eligible to begin school and keep their children in school longer. This sub-hypothesis, addressed in more detail in the discussion of Key Assumptions, below, will be closely studied during the initial period of this strategy. In the event that the program interventions are not having the desired effect on enrollment and retention rates and student learning outcomes, the Mission will explore alternative approaches.

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<sup>54</sup> See data cited in *Teach a Child*, Basic Education Coalition (2010) and *The Benefits of Education*, USAID (2010).

At the tertiary level, Liberia's ability to direct its own development, and compete and prosper in an increasingly competitive global economy largely depends on the quality and relevance of professional and technical education and training. The sheer magnitude of the gap between demand for, and supply of, qualified professionals would make it prohibitively expensive to attempt to fill these gaps by sending students outside Liberia. Therefore, tertiary education institutions must be strengthened within Liberia.

In this context, the development hypothesis underpinning USAID's investments in tertiary education is that unmet demands for professional and technical graduates in agriculture, engineering, health and life sciences, and education can be better filled by strengthening Liberian universities so that these local institutions can increase equitable access for and offer high quality advanced education and training to capable secondary school graduates.

**Approach:** As in the other DOs, the Mission will take a two-track approach to its education objective, supporting direct service delivery interventions to boost educational access and outcomes in selected counties in the shorter-term, while also building the human and institutional capacity of the MOE and the educational system in general – at central and decentralized levels – to deliver more effective and efficient educational services on a sustained basis over the longer-term. Direct, short-term interventions will include rapid dissemination of improved curricula, provision of teaching and learning materials and other pedagogical resources and tools, teacher training and faculty strengthening, and public outreach and stakeholder engagement to promote increased enrollment, retention and improved reading skills and learning outcomes, particularly for girls. Medium- and longer-term capacity development work in this sector will engage key partners and stakeholders in teacher's professional development, information management and curricular reforms, and improved institutional decision-making, planning and policy development, and monitoring and evaluation capabilities.

The Mission's capacity development efforts – guided by HICD-based performance assessments and solution designs – will support improved accountability and decentralization of decision-making, management, and administration of the education system. De-concentration of education services can lead to greater community engagement by bringing education decision-making closer to the people and strengthening transparency and accountability in the use of education funds. USAID expects that greater community engagement in the learning process will improve students' persistence in school, their learning outcomes, and the quality of delivery of basic education services.

The Mission's programs in basic education will prioritize early grade reading teacher training and youth education and livelihood interventions in the six counties targeted for USAID support. Tertiary education programs will also focus on expanding access to education opportunities for young women and men in those geographic areas. Active recruitment for pre-service teacher training, as well as participation in USAID-supported higher education programs, will be carried out throughout the country. Education sector policy and systems reforms, including information and resource management, are national in scope.

The principal beneficiaries of USAID's education program in Liberia will be primary school children, over-age and out-of-school youth and young adults (including ex-combatants), teachers in training, and administrators within Liberia's educational system, at central, county and community levels. In all of these categories, assistance will particularly seek to engage girls and women, and promote their increased participation in and contributions to the development of Liberia's educational system.

## **Details of Intermediate Results and Illustrative Activities**

### ***Intermediate Result 4.1: Improved Basic Education Opportunities.***

***Sub IR 4.1.1 - Improved quality***

***Sub IR 4.1.2 - Increased equitable access***

### ***Sub IR 4.1.3 – Strengthened human and institutional capacity***

Under this IR, USAID/Liberia will assist the MOE in its transition from post conflict recovery to development, to improve and extend programs that provide basic education to children and youth in both formal and non-formal settings. First, we will aim to build a national program to expand early grade reading to the country's primary schools. The design of this program will capitalize on USAID's successful early grade reading pilot that nearly tripled reading outcomes and virtually closed the gap between girls' and boys' reading performance. Reading is the most essential building block for future learning, and children who do not acquire adequate literacy skills at the primary level are severely limited in further skills development and economic opportunity. A 2008 Early Grade Reading Assessment found that many Liberian primary teachers lacked adequate skills to teach reading, and at the end of second grade, 34 percent of Liberian students could not read a single word.

Reading and numerical literacy skills will be improved under this program through focused, evidence-based approaches to reading in the early grades. USAID will prioritize its school-based teacher training and intensive coaching intervention in the six USAID counties, while providing overall policy development and curricular support to the MOE and integration of the methodology in national country-wide teacher training programs to expand early grade reading nationally. We will assist Liberia to establish appropriate curriculum goals, distribute locally developed and culturally relevant reading materials, train and coach teachers, develop and utilize assessment tools, and integrate innovative technologies to support learning, including community radio. USAID will also work to engage parents and foster greater community participation and accountability in the learning process to improve students' reading skills and reduce gender disparities, and help build a culture of reading, an MOE top priority for revitalizing education in Liberia.

Second, we will assist the MOE to increase equitable access to learning opportunities for children and youth still reeling under the impact of Liberia's prolonged and devastating civil conflict. The Mission is implementing an activity with a special focus on promoting rural girls' access to education, as part of the MCC program in Liberia. This activity is designed to support girls' education through three concurrent interventions: scholarships supplemented by psycho-social and learning support activities, community grants to improve the school environment, and an outreach and awareness campaign to create support among parents and communities for girls' education. A quasi-experimental design will evaluate these concurrent interventions, and comparative analyses of results will provide an evidence base to determine which interventions result in the greatest change in key outcomes of interest — girls' enrollment, attendance, and retention. USAID will draw on this analysis and adapt it, as appropriate, in order to maximize the results of its ongoing and future basic education programs. USAID will also draw on this analysis to build awareness and advocate for age-appropriate enrollment, which is a cornerstone of improving girls' retention and completion of primary school.

To reach young Liberians who missed the opportunity to participate in the formal education system, USAID will build on its engagement since 2006 in the MOE's successful Accelerated Learning Program, which has enabled overage youth to obtain primary school certification in three years. An evaluation conducted in 2011 concluded that USAID's youth education programs have had positive impacts on psycho-social well-being and gender relations, and have contributed to mitigating conflict at the community level. However, the evaluation found that the participants still had problems finding employment.

Based on these findings, the Mission's core youth-focused activity managed under DO4 will be broadened to include enhanced work-readiness skills and livelihood linkages for out-of-school youth, in addition to literacy, numeracy, and life skills. USAID will help Liberians build human and institutional capacity at the community, district and national levels to prioritize, plan and manage the alternative education system. In partnership with the private sector and other donors, and with funding from DO2, the program will transition young women and men into post-program options, including demand-driven job skills training, entrepreneurship, coaching, self-employment, or formal employment, as well as junior secondary school. With collaboration

and funding from DO3, youth will also have increased access to relevant family health information and youth-friendly services.

Strengthened teacher education is essential for both increasing access and the quality of education. USAID will continue to work with the Ministry of Education and teacher training institutes to increase the number of teachers and educators who are certified as primary level teachers and successfully complete training or intensive coaching with USG assistance. USAID will also work with the MOE to regulate both pre- and in-service teacher training and continuous professional development, establishing systems to ensure transparent recruitment, standard qualifications, and adequate and timely remuneration of the teaching corps. USAID will specifically focus on MOE capacity to implement teacher training standards, assisting the MOE to rebuild the teaching force by training, certifying, and placing qualified teachers, and ensuring that they have up-to-date skills and high-quality materials to impart quality reading instruction. We will work with Liberian universities to develop courses in reading and enhance the quality and relevance of teacher education programs.

Finally, it is crucial under this IR to improve the MOE's management of financial and other resources and to establish efficient and effective systems to support progressive decentralization of education services delivery. The Mission will provide support to develop human and institutional capacity at the central Ministry as well as decentralized county, district and school levels. Emphasis will be placed on helping the MOE and teacher training institutes strengthen organizational performance and mitigate risks identified in the Public Financial Management Risk Assessment (PFMRAF) and HICD performance assessments. Other special areas of focus include establishing a web-based information and human resources management system, developing tools and materials, and training Ministry officials, principals, and teachers in the collection and use of data in education decision-making. In support of decentralization, USAID will work with the rural teacher training institutes, county and district-level MOE representatives and school boards, supervisors and principals to build systems and skills to ensure that they are able to plan, monitor and maintain high standards in teacher quality and student learning, as well as accountability for all funds they are allocated.

### ***Illustrative Activities***

- Develop national standards-based early grade reading model to improve student reading skills and implement in USAID priority counties; this will include improved reading instruction, integration of numerical literacy to support student reading fluency and comprehension, instructional and supplementary reading materials development, continuous assessment, supportive supervision and coaching, reading delivery systems strengthening, application of information and communication technologies, community and private sector engagement, and national reading campaigns (Goal 1 of the USAID Education Strategy).
- Design, strengthen, and implement pre-service and in-service teacher training and continuous teacher professional development programs focused on improved reading instruction in the classroom (also Goal 1).
- Implement alternative basic education programs (prioritizing reading, literacy, numeracy, health, life and work readiness skills) to provide access to education for out-of-school youth in USAID priority counties; link youth to work through internships, on-the-job training, and job shadowing to build workforce skills relevant to market demands (Goals 1 and 3).
- Promote equitable access and success in schooling and success in learning through policy reforms, advocacy for age-appropriate enrollment, need and merit-based scholarships and other incentive programs (Goal 3).
- Design and establish national information systems, a national teacher career ladder structure, incentive policies and procedures and transparent accreditation and examination system to ensure unbiased and equitable recruitment, standard qualification, upgrading, and deployment and transparent and timely compensation of the teaching corps (Goal 3).
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- Strengthen the human and institutional capacity and leadership of the Ministry of Education at central and decentralized levels to prioritize, design, plan, budget, deliver, monitor and measure basic education delivery for children and youth (Goals 1 and 3).

## ***Intermediate Result 4.2: Improved Tertiary Education and Training Opportunities***

### ***Sub IR 4.2.1 - Improved quality***

### ***Sub IR 4.2.2 - Increased equitable access***

### ***Sub IR 4.2.3 – Strengthened human and institutional capacity***

Improved tertiary education and training opportunities are essential for achieving the development goals outlined in this CDCS. Strengthening the quality and relevance of selected higher education programs and enhancing capacity development at the individual level through training, technological innovation, entrepreneurship, research and job promotion is central to Liberia's development agenda. We will establish partnerships with U.S. and regional institutions and the private sector and create "centers of excellence" that supply technically skilled graduates in agriculture, engineering, health and life sciences, and teacher education to support the development of Liberia through professional employment, public service and entrepreneurship.

Building centers of excellence will require developing and revising curricula, strengthening faculty and staff training, providing instructional and learning resources, outreach and fostering partnerships and university linkages. On the basis of needs assessments and in coordination with host country partners, the Mission will support merit and need-based scholarships targeted especially for women and underserved groups, internships and exchange programs. These efforts will require strategic cooperation among all USAID/Liberia Development Objective Teams and implementing partners and coordination among donors, university authorities and other public and private sector actors.

### ***Illustrative Activities***

- Establish Centers of Excellence in agriculture, engineering, health and life sciences, and teacher education (Goal 2 of the USAID Education Strategy).
- Strengthen the student pipeline by increasing awareness of career opportunities in the fields of agriculture, engineering, education and the health and life sciences, and by preparing high-achieving students for the rigors of post-secondary studies through remedial programs and summer learning opportunities (Goal 2).
- Prioritize women's participation and support merit- and need-based scholarships, internships, exchange programs and other experiential and applied learning opportunities, as well as employer linkages and job placement by creating strong relationships with relevant public and private sectors actors (Goal 2).
- Strengthen faculty and staff training and professional development opportunities (Goal 2).
- Implement new and improved demand-driven curricula and provide learning/instructional resources (Goal 2).
- Establish partnerships with the private sector to deliver employability skills relevant to market needs (Goal 2).
- Support development of effective vocational/technical education programs and industry-recognized skills training and certification programs (Goal 2).
- Create linkages with U.S. and regional university programs through faculty exchanges, joint research projects, and shared resources (Goal 2).
- Through a focused HICD program, examine and implement performance solutions to mitigate financial and administrative risks and build efficient, functional and accountable higher education and training institutions (Goal 2).

## **Links to Other DOs**

Improved basic education results are a critical investment in Liberia's future. Within a 15-20 year time frame, the Mission expects those results to begin to have significant impacts on economic entrepreneurship, productivity, and the level and distribution of formal employment and wages. Within the same time frame, USAID also expects that a better educated electorate will begin to positively affect the constructive engagement of civil society in development policy, problem-solving and leadership, the substance and quality of public debate, and strengthened democratic checks and balances.

In some areas, improved education services can be expected to produce short- and medium-term benefits. For example, education is especially critical to USAID's health objective of increasing the utilization of maternal and reproductive health and family planning services. Keeping girls in school is crucial to reducing teen pregnancies and maternal mortality. Improved educational outcomes may also begin to contribute to reducing Liberia's alarmingly high population growth rate. DO3 resources will contribute funding for the youth program to provide HIV-AIDS prevention and reproductive and family health information and messages to thousands of youth participating in alternative basic education.

It is also important to provide unemployed youth with leadership and job skills that enable them to find employment. DO2 funding will support public-private partnerships for livelihood training that will engage youth participating in DO4 alternative basic education programs. To support a major program in community-based forest conservation, messages regarding environmental protection will be integrated into DO4's primary teacher training manuals, curricula, and reading materials through technical assistance provided to DO2.

Strengthening public administration of the MOE is essential for ensuring efficient and effective delivery of educational services. As part of its overarching efforts to foster more effective, accountable and inclusive governance, DO1 will provide human and institutional capacity development support to the central MOE to help build a transparent and accountable financial management system. DO4's efforts to further MOE's payroll reform efforts and de-concentration of education services will also be aligned with and supported by DO1.

In both the short- and the long-term, improved tertiary education is key to sustaining capacity building in all technical arenas critical to the success of USAID's programs: public sector financial management, agricultural research, forest conservation and management, health and life sciences, and teacher education. The Centers of Excellence in agriculture and engineering will equip students with the knowledge and skills to meet current and future workforce requirements in the private and public sectors in these core areas essential for sustained economic growth. DO2 will provide direct funding for the activity and will also support the rehabilitation of relevant infrastructure and energy supply at the universities hosting the centers, as well as providing applied and experiential learning opportunities for university students through other DO2 projects. Infrastructure work under DO2 will support the U.S.-Africa Higher Education partnership to establish a Center of Excellence in Health and Life Sciences. This partnership supports DO3 goals to build a skilled healthcare workforce.

## **Addressing Gender**

Girls' participation in schooling lags behind boys at all levels. To help close the gender gap in primary school enrollment and completion, we will build public and community awareness on the importance of girls' education and help the Ministry of Education to revise and operationalize its National Policy on Girls' Education. We will also provide scholarships and other incentives for girls to attend and stay in school, help form girls' clubs, and award community grants to build support for girls' education. Additional support to ensure girls' and women's access to and success in education may include tutoring and mentoring programs, awareness campaigns, gender-balanced and relevant curricula, university scholarships and other post-secondary opportunities, and incentives for women to enter and remain in the teaching profession. Taking

the early grade reading pilot program to national scale will help close the gender gap in reading and other learning outcomes.

The Mission will also support a campaign to encourage girls to enroll in school on time, as this makes it more likely that they will finish 6<sup>th</sup> grade before pregnancy or other socio-economic and cultural factors push them out of school. For overage youth, a concerted effort to increase the proportion of women in the alternative basic education program is showing excellent results, and women now constitute almost half of participants in these “second chance” classes. They are also active in the newly-formed youth clubs and eager to participate in leadership-building activities.

Under IR4.1, we will place special emphasis on positioning women in post-program educational and livelihood pathways. A special women’s university scholarship program will assist women to study education and subsequently be placed as principals, supervisors or teachers. A small number of scholarships will also be extended to women for Master’s degrees in fields critical to the development of a functioning national teacher professional development system. Those who enter teacher training programs will receive support in the form of tuition and stipends to pay for their children to be cared for while they study; these women will also receive sanitation/hygiene products, the lack of which has been identified as a barrier to their participation in residential programs.

Finally, the Centers of Excellence in Agriculture and Engineering will mount campaigns to attract women to these fields by conducting outreach to secondary school students, offering scholarships to women students, conducting faculty development efforts with Liberian women, and reaching out to engage private sector role models—women who are themselves entrepreneurs or engineers. The Center of Excellence in Health and Life Science will specifically target women in their efforts to prepare a new cadre of trained health care professionals needed for Liberia’s development.

### **Critical Assumptions and Risks; Priority Evaluations**

There are three critical risks to the success of the DO4 program. The first is posed by major shortfalls in funding for the education system at all levels. While the GOL has made good progress in increasing the share of government funding allocated for education, rapid growth in enrollments has placed ever greater demands on the education budget creating significant funding gaps as large cohorts of children move through the system. As a result, the GOL is not yet able to address the gap created by the increase in the number of sixth grade graduates, the severe shortage of trained secondary-level teachers, and schools where students may continue their education. Indeed, 40% of districts currently have no secondary school.

Since the Education Reform Act of 2011 mandates that Grades 7-9 are to be free and compulsory in addition to Grades 1-6, it is not clear how the government will compensate for the loss of fees across these grades, nor what the consequences will be of having insufficient places at the secondary school level for those who successfully complete the primary grades. These problems will only grow with the expected doubling of primary school enrollments over the next five years. Unless the GOL can increase funding, perhaps with other donor assistance, to support education programs in Grades 7-12, the fruits of USAID’s efforts to increase access and improve quality of primary education may not resonate throughout the system.

Second, as noted above, a critical obstacle to improving levels of education achievement in Liberia is the late enrollment of children in school and their successful progression through the higher rungs of the education system. The majority of children enrolled in primary education are above the appropriate age, which reduces the total time they will likely spend in school and hence the likelihood that they will master the reading and other basic skills they will need to earn a livelihood and participate fully in society once they leave school. In combination with high drop-out rates, this pattern poses a serious risk to our ability to increase numbers of Liberian children with basic literacy within the formal education system.

DO4 programs will seek to address this issue directly by working with parents and PTAs to enroll children on time. USAID also believes that by increasing the quality of education services, especially if they produce results that are apparent to parents (e.g., such as those seen from our early grade reading pilot, or the placement of more qualified teachers), parents may be persuaded that schooling is a worthwhile investment and make increased efforts to enroll their children at earlier ages.

Poverty, discrimination, and the perceived low quality of education remain as huge barriers to girls' education. In light of the high rates of teen pregnancy and maternal mortality, and the disproportionately low rates of educational achievement and economic participation by women throughout the society, it is crucial that girls get as much schooling as possible, especially before they reach puberty. Therefore, the Mission has included in its CLA plan a study to examine the hypothesis that perceptions of increased educational quality and concomitant benefits from schooling will lead to increased and more age-appropriate enrollment and persistence in primary school.

The third risk is the lack of capacity across the education system. Teachers possess alarmingly low levels of literacy and numeracy and most administrators possess high school diplomas, at best. As a result, there are few counterparts with skills needed to lead the reforms that the country has mandated and for which USAID is positioned to assist. Even when individuals are properly trained and prepared, the weakness of institutional regulations, procedures, systems and controls constrains improved performance. Without strong leadership and capacity in the sector, the ability to build sound and sustainable interventions is a risk and a top USAID priority. DO4 will help Liberia improve capacity within the education sector through a pervasive focus on human and institutional strengthening and the integration of a focused HICD program to lay the groundwork to systematically address capacity needs of the Ministry of Education and other partner institutions.

### **What is Different From our Past Strategy?**

As USAID/Liberia transitions from short-term crisis response and recovery to longer-term development, we are focusing our education program on increasing equitable access, improved quality of teaching and learning, and strengthened institutional capacity to deliver services. Teacher training program efforts will move beyond increasing numbers of certified primary teachers to increasing the quality of instruction in the classroom. We will integrate lessons learned from our successful pilots in early grade reading into teacher education and take them to scale to dramatically improve students' reading skills and provide a solid foundation for learning.

While we will continue to provide accelerated learning for the many disenfranchised youth, the focus will be redirected to alternative programs that meet the needs of out-of-school youth and prepare them for healthy, productive and economically-sound lives. We will also focus our human and institutional capacity development efforts more strategically on strengthening educational management and administrative capacity at county, district and central levels. Long-term training will be carefully targeted to develop a cadre of education professionals who can implement sustainable education reforms. Support for higher education will be focused on reducing inequities in access, improving the quality of teaching and ensuring that curricula are linked to the development needs of the country and to opportunities for employment.

### **Collaboration with GOL and Other Partners**

USAID aligns its programs with Liberia's key guiding documents for the sector, including the AfT, the Education Reform Act of 2011, and the MOE's ten-year Education Sector Plan (2010-2020). USAID will engage with and assist the highest levels of MOE leadership to develop broad and long-term plans for USAID and overall donor engagement, and will participate in key advisory groups like the Education Sector Development Committee and All Children Reading Taskforce. USAID also engages directly with the MOE's newly appointed donor coordinator, who is mapping donor activities across the sector and across the country with the goal of increasing the efficiency and impact of our interventions. MOE counterparts contribute to our project activities from the

design phase through implementation, building ownership and capacity within the MOE. USAID also participates in sub-sector technical working groups and a monthly meeting of international non-governmental organizations and other donors who meet to share best practices and explore critical themes in the sector.

Education in Liberia receives significant support from multilateral and bilateral donors, international non-government organizations, international religious institutions, and individual foundations. USAID is the largest organization supporting the sector, with resources currently exceeding those of all other donors combined. USAID assistance is complemented by that of other donors who focus on other areas within the sector. For example, we coordinated with the European Union (EU) on developing and piloting school-based indicators and the purchase of hardware for the MOE's web-based educational information system that USAID is helping to install.

The Ministry of Education is working with donor and NGO partners to build synergies, fill programmatic and funding gaps and extend services, to the extent possible across the country. USAID programming in the area of youth non-formal education and livelihood skills training is coordinated with the Ministries of Education and Youth and Sports and is harmonized with other donors' efforts. UNICEF, for example, directs its out-of-school youth humanitarian assistance program to the counties bordering the Ivory Coast, where USAID is not working. Through our coordination efforts with other donors, we have also built links between, for example, alternative basic education programs and other projects that focus on employment skills training and adolescent health services.

Investments from other key education partners include the Global Partnership for Education (2011-2014) that is financing the construction of new school classrooms, improving the quality of learning, especially at the Grade 4-9 level, and strengthening MOE management capacity. Other development partners supporting the education sector include the World Food Program, United Nations Educational, Scientific and Cultural Organization (UNESCO), and the Open Society Foundation (OSF).

USAID is the primary U.S. agency in the education sector. DOD's OSC, in consultation with the Country Team, delivers supplies to schools and assists in school construction. Peace Corps has placed teachers in high schools, where volunteers teach core subjects and provide technical assistance to their Liberian colleagues. Peace Corps volunteers will also assist with outreach activities that support the pipeline of secondary students entering USAID-supported Centers of Excellence in agriculture, engineering and health and life sciences. DO4 scholarship students and other college graduates will be paired with Peace Corps volunteer under a new National Youth Service Program. Coordination between agencies occurs on a regular basis. The Public Affairs Office (PAO) manages cultural and educational programming in its four American Corners located outside of Monrovia and has one American Library. PAO also funds training and exchanges via the Humphrey Fellowship, Citizenship Exchange Program, International Visitor Program, and Foreign Press Center Tours. The Fulbright Exchange Scholars Program will soon resume and place researchers and lecturers in local universities. USG interventions in the education sector are closely coordinated as to reduce the duplication of efforts and so that the efforts of each organization or agency build towards greater impact.

## **Part VIII - Collaborating, Learning, and Adapting (CLA) Plan Project and Program M&E**

Monitoring and Evaluation (M&E) is the cornerstone of an effective CLA process. The impacts of development assistance can diverge dramatically from intentions, depending on the quality of project analysis and design, the effectiveness of project implementation, the incentives, interest and commitment of local partners, stakeholders and beneficiaries, and a range of other factors that are often outside the control of the assistance provider. To maximize aid effectiveness, it is critical to continually monitor the implementation and outcomes of assistance activities at and below the DO level, and to track progress toward the intended long-term development impacts at the DO level and above. The Mission is committed to continually building its performance management capabilities and improving transparency and accountability through performance management and reporting.

USAID/Liberia is committed to a robust M&E agenda that will allow the Mission and its stakeholders not only to determine whether project work plans are being adhered to, which is integral to meeting the Agency's accountability requirements, but also to test whether the underlying development hypotheses, analysis and project design are proving valid and effective. Since external factors may heavily influence project success or failure, this agenda will track major program impacts at the level of Development Objective and Intermediate Results, as well as the internal performance of individual activities expected to contribute to those objectives and results.<sup>55</sup>

Tracking results of cross-cutting activities involving multiple DOs, such as those relating to sustainable human and institutional capacity development (HICD), gender and youth, will be an important dimension of the Mission's M&E agenda. Given the critical importance of capacity building for the Government of Liberia's Poverty Reduction Strategy and for this CDCS, the Mission is committed to strengthening its internal capacity – and the capacity of our Liberian partners -- to identify key learning priorities, collect appropriate baseline data, and effectively monitor and evaluate the results of the Mission's programs. As part of the first portfolio review, the CLA team will consider ways governance and HICD efforts can be most effectively integrated between the four DOs. Among other considerations, the Mission will identify possible analytic and research questions which need to be tracked over time to ensure that HICD issues Mission-wide are tracked, and if feasible programs adapted and modified across the DOs to support the HICD and governance objectives needed to help in moving forward the CDCS Goal.

In this context, impact evaluations anticipated under this CDCS will include:

- Capacity building for public sector economic governance
- Feed the Future
- Access to energy
- Farm to market roads
- Global Health Initiative
- Primary education

More detail on these plans will be included in the Mission's PPR.

Pursuant to USAID Evaluation Policy (2011) and USAID Evaluation Guidance (2009), the Mission will identify and undertake evaluations of large projects and those project activities that involve untested hypotheses or new approaches that the Mission anticipates scaling up (i.e., pilot or proof of concept projects). In order to assess the effectiveness, efficiency, impact (rigorous study of direct attribution or plausible attribution), sustainability, and/or relevance of project or program activities and results, and to ensure the integrity and objectivity of evaluations, external (independent) evaluations as well as rigorous collaborative, participatory, or internal evaluations

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<sup>55</sup> The January 2011 USAID Evaluation Policy requires missions to identify at least one opportunity for an impact evaluation for each Development Objective. The Evaluation Policy is being implemented through USAID/Liberia Mission Order 200.001 on "Performance Monitoring and Evaluation," dated September 2011.

and evaluability assessments will be undertaken, as appropriate to the key learning objectives identified. At least 60 percent of the Mission's anticipated program budget will be covered by these evaluations. The Mission will engage qualified, independent organizations to conduct external evaluations and lead collaborative evaluation teams, as appropriate. The Mission is committed to building the capacity of Liberian partners to support this effort.

### **Tracking Country Developments and Program-level Assumptions and Risks**

In addition to project M&E, the mission will have systems in place to closely track developments in key areas that are critical to overall program success. These will focus on game-changers described in Part I above, and critical assumptions for the individual DO's and the overall strategy. They include:

- GOL commitment to reform;
- Performance of GOL implementation systems;
- Progress in capacity-building, including recruitment and retention in private and public sectors;
- Youth employment, perceptions, and propensity for violence;
- Measures of confidence in country performance (e.g., foreign direct investment and other capital flows);
- Risks to regional stability;
- Continuity of international engagement and support; and
- Public perceptions of government policies and programs.

The Mission will be assisted in this work by the Embassy's political and economic officers. In addition it will seek support from USAID/W and State Department offices to conduct special assessments if emerging changes in the country setting merit particular attention.

### **CLA**

M&E is not sufficient in itself. Its value depends on how much and how well the information provided is used, understood, and applied. The Mission is committed to incorporating its M&E agenda into a dynamic Collaborating, Learning and Adapting (CLA) process, through which information obtained from M&E will be analyzed, discussed, disseminated and incorporated into the Mission's strategic and tactical decisions on how to allocate scarce resources, and on whether to continue, expand, modify or abandon ongoing implementation plans. The Mission expects this dynamic process to discover and take advantage of increasingly effective courses of action at all levels of the Results Framework, and in that way to continually increase the efficiency and impact of U.S. assistance to Liberia.

The Mission's CLA plan includes the following elements:

#### ***Collaborating:***

- Identifying opportunities for different DO activities to mutually reinforce each other (such as locating work and life skills training in areas where FTF activities are expected to create entrepreneurial and other job opportunities, and coordinating investments in capacity-building through increased professional and technical training at the tertiary level under DO4).
- Facilitating the exchange of information and experience on cross-cutting issues among different DO teams, and developing a common and continually expanding stock of knowledge on those issues (e.g. barriers to women and girls' utilization of services and participation in other programs, issues in working at the local level in service delivery and community capacity-building).
- Increasing the exchange of information and experience with other USAID missions working on similar development problems in similar environments; this could be done in the context of TDY assignments for USAID/Liberia staff to participate on evaluation

- teams or to advise on developing SOWs for technical assistance contracts, or for other USAID missions to provide similar support to USAID/Liberia.
- Exchanging experiences and lessons learned with other donors working in similar areas.
  - Supporting GOL in development of robust M&E systems building on their nascent structures established for PRS monitoring.

***Learning:***

- Identifying and filling gaps in the quality and availability of baseline data that will be needed for future M&E.
- Filling gaps in our knowledge on sub-sectors and issues which the Mission needs to better understand for purposes of: (i) completing project design and (ii) designing interventions and implementation tactics. If not already anticipated in project design planning, this will be done in the context of a Mission-wide research agenda designed to support project implementation; possible topics include: issues and options for promoting sustainable civil society organizations; effective ways to empower and employ youth; land tenure status in districts targeted for interventions under the mission program; and drivers of utilization of health and education services.
- Gathering information on international best practices and lessons learned, and identifying those that are most relevant to the success of the Mission's portfolio, such as other country experiences in decentralization.
- Monitoring key risk factors with the aim of anticipating potential external threats to the success of ongoing programs; as described above, this country-level tracking will focus on identified game-changers and critical assumptions that are most likely to influence the success of mission programs in achieving the country-level goal or may require changes in implementation tactics (e.g., internal and external instability, degree of support for government, level of international community engagement, corruption, GOL commitment to reform).
- Review and analysis of implementation approaches to determine their effectiveness in making progress toward DOs.
- Analyzing the results of Mission evaluations to test the development hypotheses described in the CDCS, and to identify the approaches and practices that succeed, as well as those that do not meet expectations.
- Disseminating lessons learned to Liberian partners and stakeholders.

***Adapting:***

- Ensuring that USAID implementation partners and GOL counterparts participate regularly in reviews of portfolio performance to jointly identify and resolve problems in implementation, and to explore implications of country-level developments external to the program on program success.
- Establishing Mission rules and procedures to ensure that the results of evaluations are incorporated into the design of new programs and projects, with the aim of replicating or expanding on successful approaches and discontinuing those that are less effective.

**Relevance of M&E to Future Decisions – Key Questions**

The Mission will ensure the relevance of the M&E agenda by intentionally and explicitly linking planned evaluation questions to specific future decisions. Key evaluation questions to be addressed under this CDCS include:

***Portfolio-Wide:***

1. Will USAID be able to achieve greater development impacts when activities under multiple DOs are concentrated in the same geographic areas? Which cross-DO synergies will produce the greatest development impacts?
2. Which capacity building methodologies will result in the most rapid transfer of responsibilities to local partners and reduction in dependence on external assistance?

3. To what extent is capacity building assistance sufficient to ensure that Liberian institutions assume and sustain responsibility for public financial management systems? Are there other critical policy or behavioral constraints?
4. What is the cost:benefit of using Government-to-Government implementing mechanisms?

***DO1: More Effective, Accountable and Inclusive Governance***

1. Will improved, professional public governance result in greater transparency and accountability? Will a free and fair elections process lead to broader confidence that government serves their interests and greater acceptance of the legitimacy of the state? Will either one or both of these contribute to reducing Liberians' historical mistrust of their government and political leadership?
2. Will expanded participation in the political process, particularly by women and youth, lead to a decrease in violent political conflict? Is there evidence that improving the quality of media content and extending its reach contribute to an increase in substantive policy debate?
3. What factors determine the ability of civil society and media institutions to play an effective watchdog role in Liberia?
4. Does strengthening anti-corruption enforcement capacity have a measurable impact in deterring corrupt behaviors?
5. Will locations using Alternative Dispute Resolution (ADR) procedures to deal with land disputes experience significantly less conflict compared to locations without such mechanisms? Are there any unexpected consequences of relying on ADR, e.g., inequitable treatment of women, reinforcement of status quo in community-level power relationships, etc.?
6. Will recorded ADR decisions be accepted by the formal legal establishment, and will this lead to greater predictability of land ownership and increased private investment in land and land-intensive economic activities?

***DO2: Sustained, Market-Driven Economic Growth to Reduce Poverty***

1. Will the impact on food security be greater in locations receiving both agriculture and nutrition interventions, as compared with locations receiving assistance in only one of these areas?
2. Will Liberians respond aggressively to emerging entrepreneurial and job opportunities in the agriculture sector, or will negative historic and cultural attitudes about agriculture constrain this response?
3. How successful have program strategies been in targeting women? Is there evidence that women's empowerment has increased and/or that women's access to and control of resources has been improved as a direct result of USAID-supported programming?
4. Will the agricultural sector and its downstream value chains generate enough attractive work opportunities to significantly reduce the number of unemployed Liberian youth?
5. Will the private sector respond to the expansion of Liberia's road system by rapidly expanding the supply of competitive and efficient transport services?
6. How sensitive will the benefits of increased access to roads be to the presence of electric power and telecommunications services?

***DO3: Improved Health Status of Liberians***

1. What are the effective constraints on utilization of health services by rural Liberians? What is the relative importance of key factors (availability, quality, accessibility, costs, cultural issues) and what is the most cost-efficient mix of interventions to increase utilization of different services?
2. Is there evidence that, through the delivery of healthcare and support of advocacy initiatives, access and utilization of health services has increased for marginalized populations, including persons with disabilities and LGBT population?

3. Is there evidence that differential change in economic growth, job creation, and poverty is correlated with significant improvements in the health status of Liberians (by county) attributable to the synergies of USAID programming? If not, why not? What role does the status of gender and socio-economic equity and legal recourse and action for sexual/gender based violence play?
4. All else equal, will economic growth, job creation, and poverty reduction be significantly greater in locations that achieve significant improvements in Liberians' health status?
5. In locations with access to higher quality health services, will Liberians express greater confidence that government serves their interests and demonstrate greater acceptance of the legitimacy of the state, in comparison with locations in which access to those services remains extremely limited?

#### ***DO 4: Better Educated Liberians***

1. What are the principal barriers to increasing age-appropriate enrollments at the primary level? Will perceived improvements in educational quality help to increase age-appropriate enrollments?
  - a. Will improved early grade reading skills lead to students' successful progression through primary school? Will the learning outcomes of sixth graders in USG target schools be greater than those of students attending school in non-USG focus counties?
2. Will the household incomes of youth and young adults who participate in USG-implemented literacy, numeracy, basic life and job skills activities increase in comparison to those households whose youth do not participate? Over what time horizons will those economic benefits materialize and what factors seem to affect how quickly those benefits are captured?
3. In locations targeted for life and work skills training, will there be significant changes in the rate of youth unemployment, youth civic engagement, and healthy behaviors?
4. In locations targeted for U.S. assistance, will girls' enrollment, retention and educational achievement be significantly greater than in other locations?
5. Will USG-supported institutional capacity building with the Ministry of Education lead to measureable increases in better decision-making and delivery of services?
6. Will the introduction of the EMIS and biometric identity card system lead to medium term impacts of greater transparency and accountability in teacher remuneration and increased teacher and student attendance? Over what time horizons will data for decision making and teacher management have an effect on student outcomes?
7. Will employers in Liberia report improved perceptions of the quality of students participating in USG-supported higher education programs and increased confidence in the ability of these students to fill professional and technical workforce gaps in key development sectors?

#### **CLA Resources Requirements**

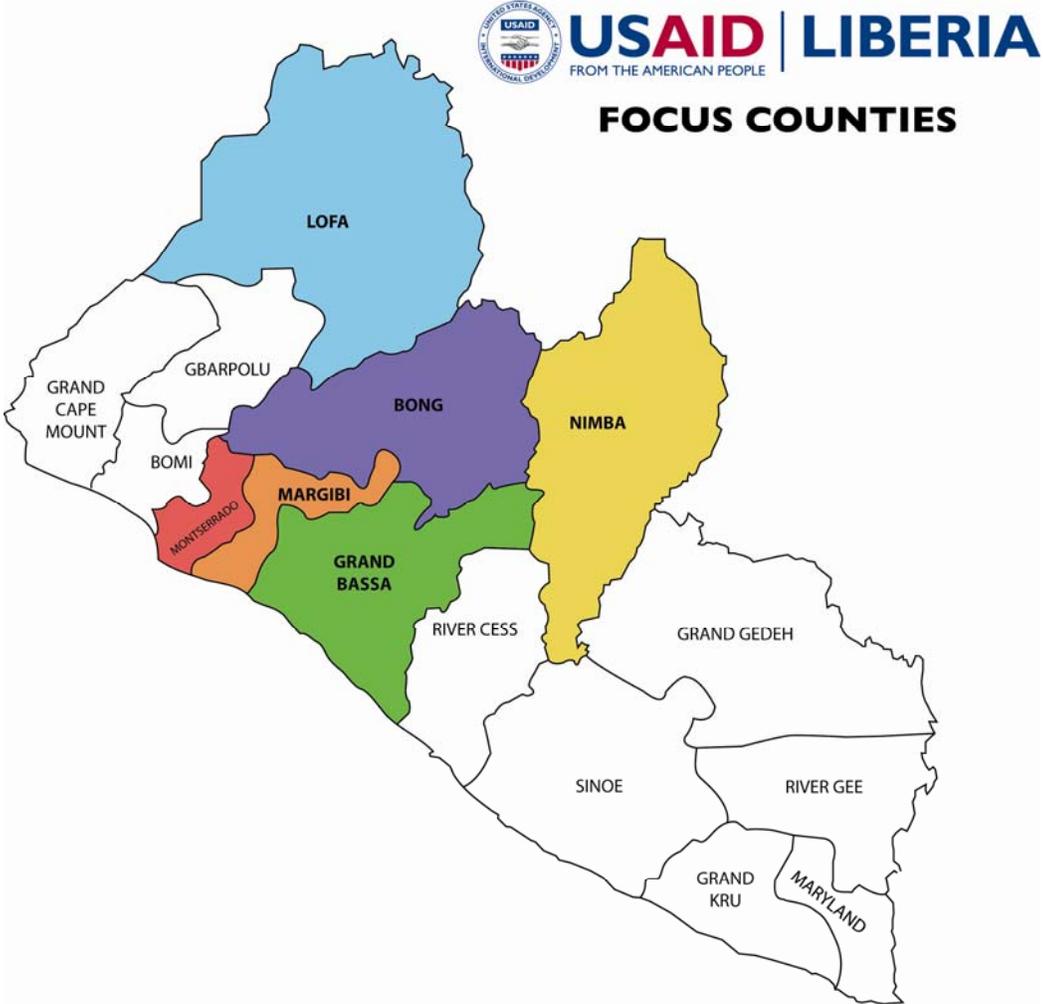
As the USAID Evaluation Strategy recognizes, effectively learning and adapting to information generated by M&E activities, and managing the associated collaborative processes, requires resource commitments. To strengthen and sustain its M&E agenda, the Mission has established a multi-year contract mechanism that will provide technical support to each DO team, implementing partners, and the GOL on indicator definition, data collection, data quality assessments, design of baseline studies, performance management plans, and compliance with mandatory reporting requirements. The contractor will maintain a database of all performance indicators and targets, and will integrate a Geographic Information System mapping tool into the database for quick and easy identification of project sites. The Missions expects that at least 5 percent of its program budget will be committed to external evaluation and other M&E/CLA functions, including the collection of high quality baseline data to support future evaluations.<sup>56</sup>

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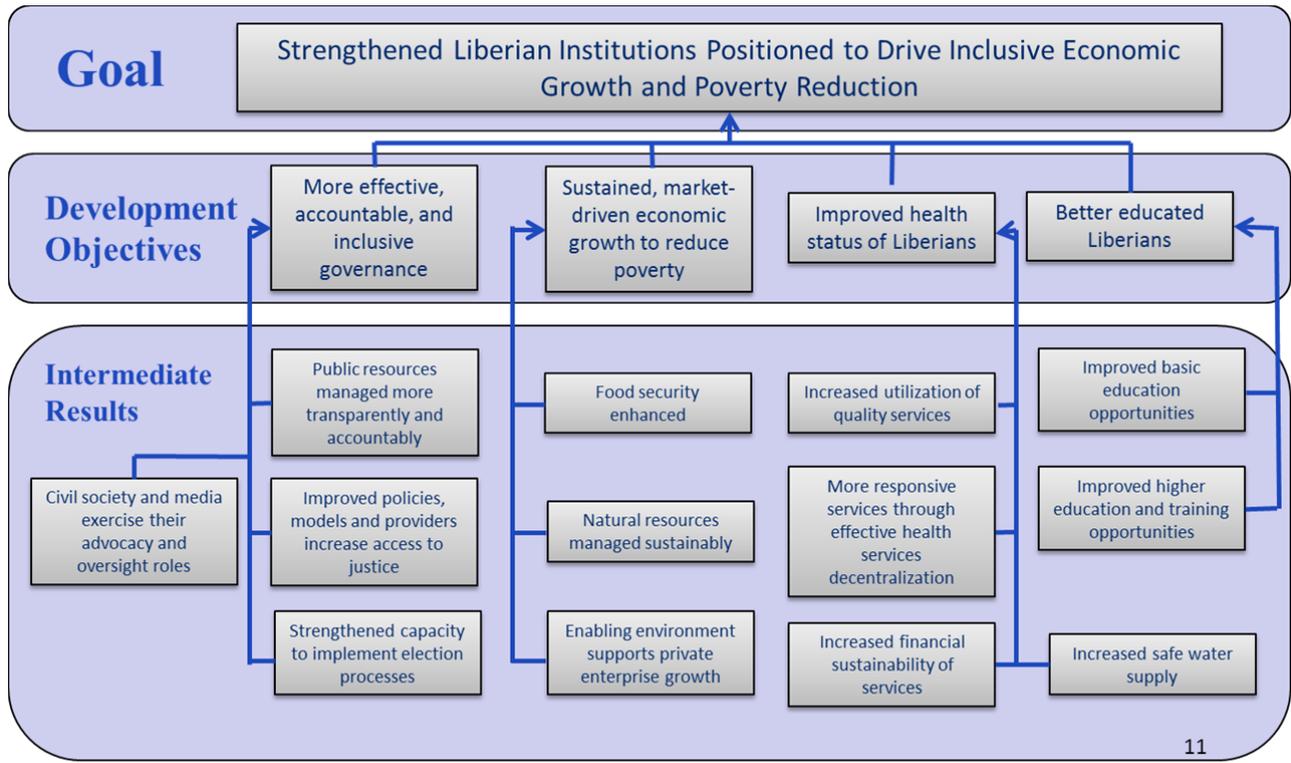
<sup>56</sup> The USAID Evaluation Policy states that operating units should commit at least 3 percent of their program budgets to external evaluation.

As a final note, it should be recognized that the quality of data available in Liberia is very uneven, and there are major concerns regarding the reliability of the data being used by the GOL as well as donors. As an example, in the preparation of this document, the mission discovered discrepancies between the data sets being used in the PRS and PRS Assessment Report and those used by the line ministries. For this reason, the Mission places a high priority on ensuring data quality is systematically assessed before being used for routine performance monitoring and portfolio analysis. This is a core function of the mission's portfolio-wide M&E contract. In addition, the mission plans to work closely with the GOL in trying to learn what might account for these recurring discrepancies, and to address those issues in concert with other donors as part of our sectoral work in strengthening GOL M&E capacity. The Mission recognizes, however, that this is a long-term process and will require strong and persistent effort by GOL and donors alike.

Annex A. Map of Liberia



**Annex B. Results Framework Graphic**



## Annex C: CDCS Illustrative Performance Indicators by Development Objective

**GOAL:** Liberia will establish the human capital and institutional foundations required for inclusive and sustainable economic growth and broad-based poverty reduction.

- World Bank Country Policy and Institutional Analysis (CPIA) public sector management and institutions cluster average
- CPIA policies for social inclusion/equity cluster average
- Gender Inequality Index Ranking (UNDP Human Development Report)

All people-level indicators for this CDCS will be sex-disaggregated.

### DO1: More Effective, Accountable and Inclusive Governance

- Percent of Ministries and Agencies that have in place expenditure commitment controls that limit commitments to actual cash availability and approved budget allocations
- Corruption perceptions index
- Land policy index

Intermediate Results		IR Indicators
IR 1.1	<b>Public resources managed more transparently and accountably</b>	Percent of Ministries and Agencies covered by sector strategies with multi-year costs of recurrent and investment expenditure
		Number (or percent) of concessions that are in compliance with the terms of their agreements
SubIR 1.1.1	GOL institutes and utilizes tools of prudent fiscal management	Percent of central government entities audited annually, where audits cover revenue, expenditures, assets and liabilities
		Number of central government entities with operational internal audit units
SubIR 1.1.2	Increased public and civil society capacity to reduce corruption	Number of corruption cases referred for prosecution
		Number of corruption cases prosecuted
		Number of corruption cases prosecuted that result in conviction
SubIR 1.1.3	Local systems for governance capacity development strengthened	Number of individuals trained
		Sustainability index for LIPA
IR 1.2	<b>Improved policies, models and providers increase access to justice</b>	Number of disputes resolved through ADR
SubIR 1.2.1	Increased capacity of judicial and legal training institutions	Number of new and modified course offerings
		Number of public service system actors trained by JI
		Number of training institution revenue sources and amount leveraged
SubIR 1.2.2	Formal and informal systems resolve land disputes in an accepted standardized process	Number of legal and regulatory actions that reform land tenure dispute resolution
		Number of individuals from marginalized groups whose disputes are

		resolved by USG assistance through ADR
IR 1.3	<b>Strengthened capacity to implement election processes</b>	Policy matrix to be developed: Number of revised and new institutional policies and procedures adopted
SubIR 1.3.1	NEC manages full election cycle with decreased technical support	Number of elections infractions reported by CSO observers
SubIR 1.3.2	Domestic CSOs conduct effective civic and voter education campaigns	Number citizens reached through civic and voter education Number of domestic monitors trained
IR 1.4	<b>Civil society and media exercise their advocacy and oversight roles</b>	Percent of Liberians who report feeling engaged in policy-making Amount of airtime community radio stations devote to public affairs programming
SubIR 1.4.1	Civil society strengthened to play watchdog role	Number of CSOs that better understand the policy process (as measured by index) Number of CSOs engaging more effectively with government
SubIR 1.4.2	Increased accuracy and impartiality of target media	Percentage of randomly-selected newspaper articles and radio programs that are accurate and impartial (Content analysis) Percent of Liberian public who rate media as accurate and impartial (Reader/listener survey)

## DO2: Sustained, Market-Driven Economic Growth to Reduce Poverty

- Change in household income in target areas
- Proportion of Liberians living below Liberian-defined poverty threshold in target areas

Intermediate Results		IR Indicators
IR 2.1	<b>Food Security Enhanced</b>	Prevalence of underweight children under 5 Household dietary diversity score Gross margin per unit of land, kilogram, or animal of selected product (crops/ animals/ fisheries)
SubIR 2.1.1	Nutrition enhanced	Household hunger score Proportion of children aged under two years receiving a minimum acceptable diet
SubIR 2.1.2	Agricultural sector growth supported	% increase in yields of crops in target value chains Value of incremental sales (collected at farm-level) attributed to FTF implementation
IR 2.2	<b>Natural Resources Managed Sustainably</b>	% decrease in deforestation rate in target areas

SubIR 2.2.1	Forest management systems improved	Number of hectares of biological significance and/or natural resources under improved natural resource management as a result of USG assistance
SubIR 2.2.2	Sustainable forestry management enterprises strengthened	Number of people with increased economic benefits derived from sustainable natural resource management and conservation as a result of USG assistance
IR 2.3	<b>Enabling Environment Supports Private Enterprise Growth</b>	Number of beneficiaries with improved modern energy services as a result of USG assistance
		Km rural roads maintained by GOL/private sector
		No. of laws and policies implemented to support private enterprise growth thru USG assistance
SubIR 2.3.1	Agricultural sector infrastructure improved and maintained	Kilometers of roads constructed or repaired through USG assistance
SubIR 2.3.2	Improved economic policies implemented	Numerical score on policy matrix

### **DO3: Improved Health Status of Liberians**

- Under-five mortality rate
- Modern contraceptive prevalence rate
- Maternal mortality rate

Intermediate Results		IR Indicators
IR 3.1	<b>Increased utilization of quality services</b>	Percent of births attended by a skilled doctor, nurse or midwife
		Percent of children who received DPT3 by 12 months of age
		Couple-years of protection in USG-supported programs
SubIR 3.1.1	Increased availability of facility and community-based services	Percent of population living within 5 km of nearest health facility
		% of gCHVs who received at least 1 supervision visit in last quarter
SubIR 3.1.2	Improved health seeking behaviors and practices	Number of target population reached with individual and/or small group HIV prevention interventions
		Prevalence of EBF among children under six months
		% of households using an improved sanitation facility
SubIR 3.1.3	Improved quality of public and private sector services	% facilities reaching two stars in accreditation
		# women receiving AMTSL
		# newborns receiving ENC
IR 3.2	<b>More responsive services through effective health system decentralization</b>	Equity ratio: ratio contacts (head counts)/head in the 25% of population (counties) with highest consumption over 25% population with lowest consumption

SubIR 3.2.1	Strengthened institutional capacity of central MOHSW and CHSWTs	% facilities whose CHDCs held at least 3 meetings in last quarter
SubIR 3.2.2	Expanded resources for health	SBA per 10,000 population % facilities with no stockouts of tracer drugs
SubIR 3.2.3	Improved data for decision making	% timely, accurate, complete HMIS reports
IR 3.3	<b>Increased financial sustainability of services</b>	Public expenditure in health and social welfare as % of total public expenditure
SubIR 3.3.1	Increased financial resource mobilization	% untied bilateral aid
SubIR 3.3.2	Increased MOHSW capacity for resource allocation and utilization	% execution of annual allocation of GOL budget for health
IR 3.4	<b>Increased safe water supply</b>	% of households using an improved drinking water source
SubIR 3.4.1	Improved management	% operations and maintenance costs of water supply and sanitation services covered through customer charges % of drinking water utility's supply that is non-revenue (reduction in subsidy) Number of new policies, laws, agreements, regulations or investment agreements (public or private) implemented that promote access to improved water supply and sanitation
SubIR 3.4.2	Improved infrastructure	Number of people in target areas with first-time access to improved drinking water supply as a result of USG assistance Number of people receiving improved service quality from existing improved drinking water sources

#### DO4: Better-Educated Liberians

- Proportion of students who, by the end of two grades of primary schooling, demonstrate that they can read and understand the meaning of grade level text
- Women's literacy rate (ages 15-34)
- Percentage change in Primary Net Enrollment Ratio (Gross)
- Girls' Gross Primary Completion ratio (Net)

Intermediate Results		IR Indicators
IR 4.1	<b>Improved basic education opportunities</b>	Number of learners with reading skills gains due to USG interventions
		% of trained public primary education school teachers
		% of youth in USG-supported basic education programs who transit to academic or livelihood options

SubIR 4.1.1	Improved quality	Number of learners reached by USG supported reading interventions at the formal or non-formal primary level
		Number of textbooks and other teaching and learning materials (TLM) provided with USG assistance
		Number of teachers, administrators and officials trained in improved reading/classroom instruction and delivery
SubIR 4.1.2	Increased equitable access	Number of learners enrolled in primary schools and/or equivalent non-school based settings (Total number of learners with increased access)
		Gender Parity Index
		Number of teachers in USG supported programs trained on how to support learners' psychosocial well-being
SubIR 4.1.3	Strengthened human and institutional capacity	MOE institutional capacity index
		# of laws, policies, regulations, or guidelines developed or modified to improve primary grade reading programs or increase equitable access
		Number of PTAs or similar school governance structures supported
IR 4.2	<b>Improved tertiary education and training opportunities</b>	Percentage of USG-supported graduates from tertiary education programs reporting themselves as employed
		Number of individuals from underserved and/or disadvantaged groups accessing tertiary education programs that align with development priorities
SubIR 4.2.1	Improved quality	Number of USG-funded tertiary education programs that include experiential and/or applied learning opportunities
		Number of USG-supported tertiary programs with curricula revised with private and/or public sector employers' input or on the basis of market research
		Number of tertiary institution faculty or teaching staff whose qualifications are strengthened through USG-supported tertiary education programs
SubIR 4.2.2	Increased equitable access	Number of students awarded merit and need-based scholarships to study in tertiary programs that support country development goals
		Number of students who participate in internships through linkages with private and public entities
SubIR 3.2.3	Strengthened human and institutional capacity	# of USG-supported tertiary educational programs that develop or implement industry-recognized skills certification
		Number of USG-supported organizational improvements that

		strengthen the institutional capacity of host-country tertiary institutions
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## **Annex F: Note on the Conceptual Foundations of the CDCS Development Hypothesis**

As outlined in Parts I and III of this CDCS, Liberia provides clear examples of the persistence of “extractive” political and economic institutions, in which privileged minorities dominate political and economic activity and extract most of the benefits of economic growth. These institutions are built on patronage, promote zero-sum, rent-seeking behaviors, and discourage constructive innovation and future-oriented investment. They continue to undermine Liberia’s development, and are an ongoing source of social, political and economic conflict.

The development hypothesis of this CDCS – as well as the Government of Liberia’s Agenda for Transformation (AFT) – is based on the theory that sustainable development is driven by inclusive social, economic and political institutions. Inclusive institutions give all members of society the freedom to participate in and contribute to that society’s development. There are strong feedback loops between inclusive political and economic institutions, which create virtuous cycles and lead to sustainable development progress.<sup>57</sup>

The development hypothesis also incorporates Amartya Sen’s insight that a society’s ability to take advantage of the nominal freedoms provided by inclusive institutions depends on the improvement of individual “capabilities” (or “instrumental freedoms”) resulting from, for example, better education and health services.<sup>58</sup> In fact, these capabilities may play an important role in the establishment of inclusive institutions, forming another positive feedback loop and virtuous cycle. For example, an educated and informed electorate is important to establishing effective political accountability, a critical component of inclusive political institutions.

Finally, the development hypothesis draws on a growing body of theoretical and empirical research on “human development,” which broadens Sen’s understanding of individual capabilities to include social capital and the behavioral and value changes associated with transformational development.<sup>59</sup> The recognition that behavioral change is necessary to realize the potential benefits of inclusive institutions means that, operationally, USAID/Liberia’s HICD programs should be well informed by political economy and stakeholder analysis, and should develop and apply sophisticated change management strategies that are carefully tailored to the Liberian environment.

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<sup>57</sup> This theory has been persuasively advanced in Daron Acemoglu’s and James Robinson’s recent book “Why Nations Fail (Random House, 2012).”

<sup>58</sup> Amartya Sen, *Development as Freedom*, 2001.

<sup>59</sup> See, for example: Welzel, C., and Klingemann, H. 2003. The theory of human development: a cross-cultural analysis. *European Journal of Political Research*, 42 (2): 341–80. The authors conclude: “To be practiced effectively, formal rights need corresponding values, but cannot create them. Formal rights are only an institutional offer that cannot by itself create the demands that make it effective.”