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SUPPORT

PROGRAMME PLANNING

COUNTRY AND REGIONAL PROGRAMMES

Reports on mid-term reviews

MID-TERM REVIEW OF THE FOURTH COUNTRY PROGRAMME FOR LIBERIA

Report of the Administrator

SUMMARY

The present report, prepared in accordance with Governing Council decision 89/11 of 24 February 1989, highlights the significant conclusions and decisions of the mid-term review of the fourth country programme for Liberia (1987-1991). The review does not propose any adjustments, but makes a set of recommendations aimed at improving the implementation of both current and future country programmes.

I. SUMMARY OF THE FOURTH COUNTRY PROGRAMME

1. The Government of Liberia has been confronted with a rapidly deteriorating economic situation which in great part has been beyond its capacity to control. The military coup of April 1980 precipitated a further loss of confidence in the economy among the large foreign communities in Liberia.
2. The traditional engine of growth in Liberia has been the world demand for the key export commodities in which the country is rich (rubber, iron ore, tropical timber). The oil price rise of 1973 and the slow-down in the world economy led to a reduction in the demand for these raw materials. Inasmuch as it has proved difficult, for both social and political reasons, to rein in the public sector wage bill, the public debt has soared to excessive levels.
3. Liberia has many qualified people. The long-term standing relationship with some major donors (Sweden and the United States of America, among others) has meant that a number of people have not only received a good education at home and abroad, but have also been able to gain considerable experience in their professions. Because government salaries are low, a substantial loss of specialists to the private sector and, more seriously, a large-scale brain drain, have resulted from this situation.
4. The fourth country programme for Liberia (1987-1991) has three main objectives: (a) to improve the management of the public sector; (b) to develop the agricultural and rural sectors; and (c) to support private sector initiatives. These three objectives of technical assistance are consistent with the development objectives and priorities of the Government.
5. While the central point of government policy is the development of agriculture, the country programme places the need for improvements in the management of the public sector at an even higher level: it is a prerequisite for developing the absorptive capacity of the country.
6. The bulk of the programme (53 per cent) is earmarked for agricultural and rural development. To ensure successful execution of the programme, the Government is expected to continue to undertake policy reforms and decisions.
7. The third objective of the country programme is to help develop new economic initiatives. The Government has shown itself eager to involve the private sector in more opportunities by divesting itself of some of the 26 State enterprises and by expanding support services for small-scale industries.
8. The Government's detailed development plan was suspended in 1986 in order to prepare the Economic Recovery Programme (ERP), which determines broad government priorities. With this in mind, UNDP projects have been identified and designed to respond to these priorities. An adequate unprogrammed reserve has been set aside to cope with demands that may arise during the course of the cycle.

II. METHODOLOGY OF THE MID-TERM REVIEW

9. The mid-term review of the fourth country programme for Liberia (1987-1991) was convened on 10 and 11 November 1988 at the Ministry of Planning and Economic Affairs. The review was formally opened and initially presided over by the Minister of Planning and thereafter by the Deputy Minister of Planning for Economic Affairs and Statistics. The meeting was attended by 69 participants representing ministries and agencies of the Liberian Government, several projects and eight members of the United Nations system: the Department of Technical Co-operation for Development, of the United Nations Secretariat, the United Nations Children's Fund (UNICEF), the United Nations Development Programme (UNDP) (including the Senior Area Officer from headquarters), the United Nations Population Fund (UNFPA), the International Labour Organisation (ILO), the Food and Agriculture Organization of the United Nations (FAO), the World Health Organization (WHO) and the World Food Programme (WFP).

10. At the opening session, the Chairman announced the purpose of the meeting and gave a succinct review of the history of United Nations/Liberian Government collaboration and of the overall macro-economic development situation of the country. He said the Government was appreciative of UNDP assistance, particularly at this point in national history where a number of other donors were curtailing their activities in the country.

11. The Resident Representative then presented the documentation prepared for the review, including: (a) a comprehensive memorandum prepared by the Government which described the economic situation and which situated the UNDP programme within the Government's priorities and plans; (b) the framework statement prepared by UNDP describing the scope, inputs and procedures for the review; (c) a comprehensive background document prepared by UNDP; (d) an analysis prepared by UNDP on the financial status of the country programme; and (e) a separate document entitled "Project profiles", also prepared by UNDP, to give the current status of each ongoing and pipeline project in the country programme.

12. The Resident Representative also presented highlights of the macro-economic situation of the country as reflected in the background document, mentioning the declining trend in the gross domestic product (GDP), recent developments in monetary and fiscal policy, developments affecting the banking sector, private investment, government finances and the debt situation, trends in foreign trade and issues relating to the economic and social development of the country. In addition, he reviewed some of the measures taken by the Government in recent years with regard to economic stabilization, macro-economic management and economic planning and development. The role of the international donor community in supporting these efforts was mentioned, and also the UNDP role in mobilizing donor support through the 1983 donor round table and aid co-ordination efforts.

13. As part of his assessment of the current economic situation, the Resident Representative pointed out that, despite the above measures and policy reform programmes, the economic crisis persisted, as a result of both internal and external factors. Most of the targeted objectives of ERP had not yet been achieved. The success of Government's privatization programme had not yet proven

positive. The green revolution programme had not been fully implemented. The team of 17 United States operational experts had been effective to a certain degree but their overall impact had still to be assessed. It was against this background that the mid-term review was held.

III. MAJOR FINDINGS OF THE REVIEW

14. The review affirmed the congruence of the country programme with the priority technical assistance needs of the Government, and noted that the emphasis on public sector management, agricultural and rural development and private sector development coincided broadly with the objectives, strategies and priorities outlined in the Government's Second National Socio-Economic Development Plan, Medium-Term Economic Recovery Programme and the Green Revolution Programme. The portfolio of projects identified under the programme was judged to be responsive to some of the critical needs identified in each of these sectors and their successful implementation was considered to hold promise.

15. The coherence of the country programme was considered by some participants to allow room for improvement. The existence of linkages was, however, asserted by many. The review noted that as far as coherence, internal consistency and linkages were concerned, the importance of Government providing the appropriate planning and policy framework for the achievement of country programme objectives and strategies could not be over-emphasized.

16. The meeting, in the light of the economic predicament and the limited UNDP resources available, emphasized the vital importance of maximizing the impact of the indicative planning figure (IPF) resources, through the effective and judicious employment of cost-effective measures and inputs in project implementation. The increased utilization of available national expertise and of competent United Nations volunteers (UNV) and short-term consultants, relative to the use of more costly long-term experts in project implementation, was recommended.

17. In regard to expenditure, by the end of December 1988, total cumulative expenditures for the first two years would have amounted to about \$4,572,660 or about 33 per cent of total IPF, leaving about \$9,247,340 or about 67 per cent for the remaining three years of the country programme. The average annual expenditure for the first two years was thus about \$2,286,330 against an average annual expenditure target for the five-year period of about \$2,764,000, implying an average implementation rate of about 82 per cent (see also annex to the present report). The prospects for an increased rate of delivery are not bleak, however, since most of the larger projects are now gaining momentum. The unprogrammed reserve has been earmarked for priority projects in three sectors which constitute the main objectives of the country programme.

18. The consensus of the participants was that it was too early to assess programme implementation in terms of the impact of specific projects. It was the view of some, however, that it was desirable to take the necessary measures now, to ensure that specific projects had their desired impact, in relation to the overall objectives of the country programme. This would involve, *inter alia*, correcting

known design weaknesses in individual projects and enhancing coherence and linkages among the projects in particular sectors or subprogrammes.

19. Major problems encountered so far in the implementation of the country programme related mainly to the length of the gestation period for new projects, the rate of mobilization and delivery of essential project inputs by all parties; the programming of implementation action; and backstopping for project implementation.

IV. PROPOSED ADJUSTMENT TO THE COUNTRY PROGRAMME

20. The review found that the fourth country programme for Liberia had continuing validity and relevance to the priority technical assistance needs of the country. It did not propose any adjustments, but made a set of recommendations to improve the implementation of current and future country programmes. Some of the recommendations, in addition to those mentioned above are:

- (a) The country programme should be subjected to an in-depth evaluation in its final year;
- (b) To enhance the effectiveness and impact of UNDP technical co-operation, future country programme should concentrate on a few carefully selected priority projects;
- (c) The Government should articulate its overall development policies, strategies and priorities within the context of a long-term framework document;
- (d) The UNDP should give timely consideration to the Government's request for a national technical co-operation assessments and programmes (NATCAP) exercise;
- (e) To enhance the effectiveness and impact of UNDP technical co-operation projects, all concerned should assume fully their responsibilities and play their respective roles with all diligence and efficiency;
- (f) In instances where Government counterpart funding is not immediately available, UNDP should exercise flexibility and advance the necessary funds to the Government to avoid any delays in the implementation of project activities.

Annex

FINANCIAL SUMMARY

FOURTH COUNTRY PROGRAMME FOR LIBERIA (1987-1991)

I. ACTUAL RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING

	\$	\$
A. <u>Total resources taken into account for programming at time of approval of country programme</u>		12 400 000
B. <u>Resources taken into account for programming at time of mid-term review</u>		
IPF allocations	13 820 000	
Programme cost sharing	-	
Government project cost sharing	-	
Third party cost sharing	-	
Other sources (UNFPA, UNIFEM, UNICEF) a/	<u>926 881</u>	
		<u>14 746 000</u>
C. <u>Net change in resources</u>		2 346 881

II. USE OF RESOURCES

	Start of country <u>programme</u> (1986)	<u>Mid-term</u> (1988)
Committed resources	3 131 000	10 249 000 b/
Project proposals	8 496 000	4 118 000 b/
Unprogrammed reserve	<u>600 000</u>	<u>-</u>
Total use of resources	<u>12 227 000</u>	<u>14 367 000 c/</u>

III. DISTRIBUTION OF RESOURCES BY OBJECTIVES

<u>Administrative Committee on Co-ordination (ACC) (or other)</u>	<u>In accordance with country programme</u>	<u>Actual at mid-term</u>	<u>Revised plan as result of mid-term review</u>
<u>Objectives</u>		(Percentage)	
Rural development and agriculture	53	51.4	-
Public sector management	24	24.5	-
Private sector development	14	16.5	-
Ongoing projects	4	-	-
Unprogrammed reserve	5	-	-
Non-IPF	<u>-</u>	<u>7.6</u>	-
	<u>100</u>	<u>100.0</u>	

a/ United Nations Population Fund, United Nations Children's Fund and United Nations Development Fund for Women.

b/ IPF only.

c/ One hundred four per cent of total IPF allocations.

