

# Country Programme Document for Liberia (2013-2017)

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## I. Situation analysis

1. Following a sustained period of relative peace, stability and gradual democratic consolidation, Liberia is witnessing improving social indicators, economic growth and investment.<sup>1</sup> Annual average growth in gross domestic product (GDP) was 6.9 per cent between 2006 and 2010, decelerating owing to the global economic and financial crisis in 2009 but forecasted to rebound to about 7-10 per cent in the period 2012-2017. This growth record has been underpinned by sound monetary and fiscal policies that have kept inflation in single digits, a \$4.7 billion debt write-off upon reaching the highly indebted poor countries (HIPC) completion point in 2010, large inflows of official development assistance (\$513 million in 2009), growing foreign direct investment, especially in extractive industries (total commitments of \$16 billion since 2006 and an inflow of \$453 million in 2010), and rising foreign reserves. Other critical factors contributing to the improving outlook in Liberia are two successive democratic elections (in 2005 and 2011) and a gradual but steady consolidation of State authority and expansion of governance capacity.

2. Nevertheless, the country still faces a steep climb up from the development setbacks created by almost uninterrupted conflict during the period 1989-2003. With a human development index (HDI) value of 0.329 in 2011, Liberia ranked 182 out of 187 countries, reflecting a lack of progress in human development over the long term. Three quarters of the population of 3.48 million is below 35 years of age and most are either unemployed or “vulnerably employed” (78.8 per cent). The proportion of the population below the poverty line stood at 64 per cent in 2007 but was expected to fall below 60 per cent by the end of 2011. The Millennium Development Goals (MDGs) Country Report (2010) shows that Liberia is on track to meet only three of the Goals: gender equality and women’s empowerment; combating HIV and AIDS; and forging partnerships for development. Another critical aspect to the development situation is sharp inequality: the Gini coefficient stands at 0.59 and, despite progress on MDG 3, there are still significant gender gaps – a Gender Inequality Index value of 0.671 (2011) or 139 out of 146 countries, limited access to education (particularly at the secondary/tertiary level) and health services, exceptionally high maternal mortality (890 per 100,000 live births), continuing sexual and gender-based violence (SGBV) and low levels of female representation in decision-making positions (26 per cent) and governance (10.4 per cent of elected representatives).

3. As the Government has noted, Liberia is still a fragile, post-conflict nation, which is making a determined effort to transition from recovery and reconstruction to inclusive growth, building on important initial achievements. There are several underlying factors contributing to relative fragility that need to be tackled successfully in order to achieve the country’s goals for the future. One crucial set of factors relates to State authority and legitimacy and the social cohesion required for peaceful development, namely, the necessity for national reconciliation around issues such as vision, history, identity and accountability; the importance of greater “voice” and space for participation in political processes and economic development; too much reliance on central authority to compensate for limited accountability and local governance; the constrained reach and capability of the State, especially to deliver services and maintain the rule of law; and the inherent nature of a young democracy in which “checks and balances” are still evolving, not least in terms of representational and oversight functions, and with a risk of political contestation outside the law. The effects of these factors are complicated, in turn, by potential regional instability, exacerbated by porous borders.

4. Another set of underlying factors relate to challenges of inclusive growth, which have a strong influence as well on prospects for peace and stability, highlighting the interconnectedness of issues. These factors include limited structural transformation of the economy; rapid population growth (4 per cent per annum) generating pressure to absorb new entrants to the labour force and creating a large pool of under/unemployed youth; a

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<sup>1</sup> Government of Liberia, draft Agenda for Transformation, 2012; National MDG Report, 2010; Global Human Development Report, UNDP, 2011.

combination of constraints hindering formation of micro-, small and medium-size enterprises (MSMEs) and job creation -- shortfalls in infrastructure and economic services, fragmented markets, administrative and regulatory costs, weak property rights, a narrow product base, limited management and entrepreneurship skills and low levels of financial literacy; and the multifaceted challenges of successfully managing an expected boom in extractive industries – from prudent and transparent management of revenues to sustainable resource use and establishment of strong linkages with the broader economy to boost value addition and employment. Finally, even as Liberia grapples with these daunting challenges, the presence and scope of engagement of the international community will diminish over time with the transition of the United Nations Mission in Liberia (UNMIL). This will not only pose a significant challenge but also an opportunity to the country and the United Nations country team to ensure continuity but also focus more on long-term development issues.

## II. Past cooperation and lessons learned

5. The country programme document for 2008-2012 focused on two priority areas: governance; and pro-poor economic growth. Evaluations and assessments<sup>2</sup> indicate that, despite a challenging environment, UNDP has addressed several major underlying causes of fragility and conflict. Specifically, contributions to outcome-oriented results were in three main areas. First, the rule of law, justice and security, enabling the justice and security sector to restore basic functionality, working closely with UNMIL and other United Nations and non-United Nations partners: (a) development of strategic plans for institutions of justice and security; (b) investment in essential training for judicial staff (public defenders and prosecutors, with a special focus on SGBV); and (c) expansion of access through the (still ongoing) construction of the first of five regional Justice and Security Hubs, providing communities with improved access to police and judicial services, together with establishment of 55 Women and Child Protection Units at the national and local levels. Second, political governance, targeting institutions and processes critical to effective consolidation of peace and oversight of reconstruction and development: (a) technical and financial assistance to the Elections Commission for the conduct of the Constitutional referendum (2011) and Presidential and legislative elections (2011); (b) establishment of an architecture for anti-corruption, based on an approved national policy and strategy, including creation of the Liberia Anti-Corruption Commission (LACC) and General Auditing Commission (GAC); (c) preparation of a National Decentralization Policy, seen as essential for State legitimacy and social inclusion, which now awaits implementation; (d) drafting of the public sector reform policy; and (e) formation (already functioning) of the Independent National Human Rights Commission.

6. Third, pro-poor growth and productivity, tackling immediate needs for jobs and critical services while making a start on tackling structural impediments to employment generation: (a) preparation of diagnostic studies and retrospective analysis for the National Vision 2030; (b) formulation of the National Capacity Development Strategy, the National Strategy for the Development of Statistics (NSDS), policies on gender and industry and establishment of a baseline on gender statistics; (c) development of the Microfinance Regulatory and Supervisory Framework, managed by the Central Bank of Liberia and now in use, working closely with the United Nations Capital Development Fund (UNCDF), and assisting 7 microfinance institutions to reach 53,000 clients; (d) establishment of the Land Commission, which will play a major role in land administration and management, and formulation of a sustainable land management policy (awaiting endorsement); and (e) implementation of an interim Principal Recipient role for the Global Fund, with successful transfer of capacity and responsibility to the Government.

7. Several key lessons have been learned. From the programmatic viewpoint, these include the necessity of targeting the root causes of fragility and development shortfalls;

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<sup>2</sup>Country Programme Action Plan Mid-Term Review (2010); Assessment for Development Results (ADR, 2011); and Evaluation of Local Governance (2011).

strategically narrowing focus; adopting a programme- rather than a project-oriented approach; stepping-up the emphasis on longer-term capacity development rather than shorter duration “gap-filling”, especially in view of the role played by UNDP in establishing new public institutions; taking a second look at efforts that have not yet realized their full potential, for instance, in microfinance and youth employment; planning ahead for the eventual transition of UNMIL, building upon the demonstrated and continuing value of collaboration within an Integrated Mission in priority areas such as justice and security but with increasing emphasis on acquiring expanded on-the-ground technical expertise; and placing greater emphasis on monitoring and evaluation. From the operational viewpoint, the main lessons learned concern making the transition from the direct implementation (DIM) to the national implementation (NIM) modality, as is beginning to happen, and improving procurement processes.

### III. Proposed programme

8. The programme strategy addresses several points of reference, namely, national priorities, as expressed in the Agenda for Transformation (2012-2017) or Poverty Reduction Strategy (PRS) II; the longer-term National Vision, Liberia Rising 2030, which seeks a stable, inclusive and unified middle-income country that brings higher standards of living to citizens and reduces major inequalities; the United Nations Development Assistance Framework (UNDAF) and Liberia’s decision to become a Delivering as One self-starter; the transition of UNMIL; and the New Deal for Engagement in Fragile States, endorsed by Liberia. The strategy rests on three pillars, which provide a joined-up approach to enabling a broad, deep and sustained process of national reconciliation, incorporates targeted actions that promote peace and stability, and addresses outstanding concerns on MDG acceleration and gender equality. The pillars are: (a) strengthening the legitimacy and accountability of the State and its capacity to deliver essential services, especially in an increasingly decentralized setting, and with particular emphasis on the rule of law, justice and peace and security; (b) tackling some of the structural factors impeding productive employment of a rapidly growing and young population; and (c) anticipating the “next generation” of development challenges connected to expanding extractive industries, especially with regard to effective planning, sustainability of resource use and prudent management of revenues. This strategy translates, in turn, to three major programme areas, as described below.

**9. Inclusive governance and public institutions:** Assistance from UNDP will focus on four linked elements that reinforce the basic foundations of governance while targeting a substantially expanded role for women in each area of engagement, in particular their participation in positions of authority and decision-making at the national and local levels. These will be: (a) continued development of capabilities (knowledge, skills, systems, procedures, targeted actions) for managing the electoral cycle, with emphasis on elections management, civic and voter education, gender equality, participation of women and youth, prevention of violence and monitoring of electoral processes; (b) implementation of the Legislature’s Modernization Plan aimed at improving core functions of oversight and outreach, based on effective internal structures, systems, skills and resources; (c) transparent and accountable management of public resources, specifically follow-through on the agreed national anti-corruption policy and strategy, based on a more capable and empowered LACC and GAC, as well as development of the media, women’s groups and other civil society organizations to perform a “watchdog” role, focusing on their ability to design, fund and manage monitoring and analytic work and advocacy and social mobilization initiatives; and (d) preparation of an implementation road map for the Decentralization Policy and its progressive roll-out across the country to develop basic functions of consultation, planning, budgeting, monitoring and feedback.

**10. Justice, security and reconciliation:** In preparation for the transition of UNMIL, and working closely with the United Nations country team, assistance will focus on three elements that, together, can tackle important elements of potential volatility: (a) constitutional and legal reform to substantially improve prospects for social inclusion of

ethnic groups, women and youth, focusing on access to the best possible technical advice and targeted build-up of national capacities to plan and execute a successful reform process; (b) development, coordination and operationalization of an inclusive mechanism for sustained and systematic pursuit of national reconciliation at the national, regional and local levels, with a strong role for women as change agents and beneficiaries of dividends of peace; and (c) expanded access to justice and security based on completion of an additional four regional Justice and Security Hubs that can help expand community outreach and assistance, improvements in the technical capacities and reach of Women and Child Protection Units, and ramping-up of training to overcome key gaps in the availability of mid-level staff, including women, as well as specialized technical skills in the judicial and security system.

**11. Sustainable economic transformation:** To ensure results to scale, UNDP assistance will focus on employment growth utilizing labour-intensive MSMEs and a gender-responsive approach as the key drivers. These include: (a) strengthened evidence-based planning, monitoring and reporting – preparation of socio-economic studies, draft policies/plans, implementation of the NSDS including capacities to use and analyse data, and strengthening of systems and tools for aid management; (b) roll-out of a package of measures targeting obstacles to MSME formation - administrative and regulatory reform (licensing, registration, taxation, regulatory compliance requirements) and expanded access to services using improvements in ongoing assistance to microfinance institutions to expand the range and reach of inclusive finance to areas such as micro-insurance and leasing; and (c) effective natural resource management (NRM), embedding a sustainable development approach, consistent with Rio+20 principles, in national development frameworks and, in this connection, linking NRM to value-addition and job creation as well as governance of land in the context of reconciliation and peace consolidation.

#### **IV. Programme management, monitoring and evaluation**

12. UNDP will gradually transition to the NIM modality, using the findings of ongoing micro-assessments to invest in meeting capacity benchmarks for programme planning, management and oversight in national institutions. It will, however, retain the ability to utilize DIM and other modalities, in consultation with the Government. Investments will be made in results-based management, using national systems and linking closely with programmatic support to NSDS and PRS II implementation. Efforts will focus on the adoption of a portfolio approach, selection of quality indicators, baselines (disaggregated by sex and other relevant criteria) to monitor and assess outcomes using data collection techniques to gather quantitative and qualitative information, active management of budgets and tracking of outputs and risks using Atlas, and enhancing staff capacity through recurrent training on results-based management and programme/project management. Reviews will be conducted in accordance with Programme and Operations Policies and Procedures (POPP) for lessons learned and corrective actions.

13. Three other elements will be central to management: first, a major intensification of resource mobilization based on a medium-term strategy and driven by opportunities presented by the New Deal, progress on results, improved communications and reporting to donors, and an expanded partnership base (such as multinationals and emerging Southern economies); second, optimization of office organization and costs as well as selective expansion of on-the-ground technical capabilities to boost policy advisory work and anticipate the transition from UNMIL as well as the demands of Delivering as One; third, active risk management based on monitoring of contextual and operational factors, flexibility in programming and budgeting, early detection and resolution of bottlenecks through monitoring and minimum operating safety standards (MOSS) compliance.

## Annex. Results and resource framework for Liberia (2013-2017)

| <b>National priority/goal: Inclusive governance and public institutions</b>  |  |   |  |  |  |
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| <p><b>UNDAF and country programme Outcome #4:</b> Liberian governance systems strengthened to ensure consolidation of peace and stability supported by effective and well-functioning institutions that foster inclusive participation of stakeholders, especially women and youth, with enhanced service delivery at local levels. <b>Outcome indicators:</b> Number of corruption cases investigated; number of audit reports reviewed and responded to on time; number of national ministries/agencies operationalized at the county and district levels. <b>Strategic Plan focus areas</b> Democratic governance</p> |  |   |  |  |  |
| Government contribution  | Other partner contributions  | UNDP contribution   | Indicator(s), baselines and target(s) for UNDP contributions   | Indicative country programme outputs   | Indicative resources by outcome (thousands of United States dollars) |
| <p>Government of Liberia will ensure the autonomy of the National Election Commission (NEC) and LACC and provide funding and operational support for their statutory functions; and allocate resources and provide an enabling planning, operational and fiscal framework for decentralization. The Legislature will revalidate, approve and implement its Modernization Plan, finance recurrent costs and selected capital investments and provide oversight for the process.</p>   | <p>UNMIL will provide technical assistance, including coordination and mentoring, at the county level. UNCDF will share experiences and advice on Local Development Funds. USAID will provide additional institutional development support (NEC and LACC). The National Democratic Institute and United States Congressional Support Office will provide technical support for the Legislature's Modernization Plan.</p> | <p>UNDP will contribute policy advice and technical inputs, services (such as coordination), access to good practice and expert networks and in-kind contributions to enable policy and regulatory reform, design/redesign and performance of institutional functions, targeted improvements in skills and roll-out of specific interventions such as civic and voter education and decentralized planning.</p> | <p><b>I1.</b> Technical assessment of electoral readiness: <b>Baseline:</b> 2011 election preparedness assessed as adequate but requiring some improvement; <b>Target:</b> Rated as strong by independent observers; significantly higher female participation achieved (voters/candidates/electoral staff); <b>I2.</b> Legislative Committee Support Office fully functional; <b>Baseline:</b> Committee Support Office recently established with very limited capacity; <b>Target:</b> Committee Support Office meets capacity benchmarks for full functionality by 2017 (gender-balanced staffing, funding, regular production of technical outputs such as policy briefs, budget analysis and research reports); <b>I3.</b> Proportion of LACC caseload successfully investigated and prosecuted; <b>Baseline:</b> 9% (2011); <b>Target:</b> 45-50% (2017); <b>I4.</b> Proportion of counties (and their districts) with planning/budgeting/management processes that integrate "core" service delivery ministries; <b>Baseline:</b> An implementation plan for the Decentralization Policy is awaiting completion; <b>Target:</b> 33% of counties (5 out of 15) with processes that integrate "core" service delivery ministries by 2017.</p> | <p><b>O1.</b> Technical and operational design/redesign and roll-out of voter education, violence prevention and monitoring initiatives completed; <b>O2.</b> Structures and systems reviewed, staff trained and technical outputs piloted in the Committee Support Office; <b>O3.</b> Structures, systems and staff skills for specialized investigation and prosecution of corruption cases in place in the LACC; <b>O4.</b> A core group of domestic civil society and media organizations assessed and offered targeted assistance to institutionalize a "watchdog" function (e.g., technical advice, seed funding for innovative pilots; especially for women/youth-oriented groups); <b>O5.</b> Basic norms and procedures, operational capacities and skill sets for planning, budgeting, management and citizen feedback on service delivery in place in the five target counties and their districts.</p> | <p>Regular<br/>5 629.4</p> <p>Other<br/>96 800</p>                   |
| <b>National priority/goal: Peace, security and the rule of law</b>   |  |   |  |  |  |
| <p><b>UNDAF and country programme Outcome #1:</b> National reconciliation and social cohesion fostered within an enabling constitutional and legal environment supported by a strengthened and accountable justice and security institutions at the national and local levels. <b>Outcome Indicators:</b> Percentage of population accessing formal and informal justice systems (age- and gender-disaggregated); percentage of reported cases disposed of (age-, gender- and type-disaggregated) Related <b>Strategic Plan focus area:</b> Democratic governance</p>  |  |   |  |  |  |
| <p>Government of Liberia will finance the operational costs of a Constitutional Review Committee and lead the</p>  | <p>UNMIL will provide technical advice on justice and security with United Nations Police (UNPOL)</p>  | <p>UNDP will contribute advice, programme management services, access to</p>  | <p><b>I1.</b> Constitutional review fully addresses property rights, gender equality and justice for human rights abuses: <b>Baseline:</b> Review yet to take place; <b>Target:</b> Constitution fully reviewed with key issues addressed; <b>I2.</b> National reconciliation</p>  | <p><b>O1.</b> Current constitutional and legal framework reviewed and a broadly consultative process on proposed reforms organized (with the participation of civil society organizations, women, youth and</p>  | <p>Regular<br/>5 629.4</p> <p>Other</p>                              |

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| <p>review process. The Cabinet will adopt an inclusive reconciliation strategy. The Ministry of Justice will provide policy, budgetary, accountability and oversight functions for the judicial system. The Liberia National Police will provide institutional leadership and guidance for assistance from partners.</p> | <p>offering advice, training and mentoring to officers and cadets in the security services. The United Nations Office for Project Services (UNPOS) will construct regional Hubs. UNICEF, UNFPA and United Nations-Women will offer expertise on juvenile justice, SGBV and overall gender sensitivity of United Nations assistance, respectively.</p> | <p>expert networks and global good practice, and specific actions, as may be needed and requested, e.g., on inclusive dialogue methodologies and processes, to enable Constitutional and legal reviews, national reconciliation, and more accessible and responsive judicial and security services.</p> | <p>achieving key benchmarks of progress; <b>Baseline:</b> No effective national reconciliation structure or policy in place; <b>Target:</b> At least two thirds of a representative group of stakeholders perceive that reconciliation is “well advanced”; <b>I3.</b> Percentage of the population within the targeted coverage area aware of and accessing justice and security services (disaggregated by age, gender and county): <b>Baseline:</b> Regional Justice and Security Hubs under construction; <b>Target:</b> At least one third of the targeted population in all five regions; increased prosecution rates for SGBV (30%).</p> | <p>marginalized groups). <b>O2. Stakeholder</b> consensus achieved on “national reconciliation”, coordination arrangements in place, and dialogue and accountability activities under way at the national and local levels with strong roles for women. <b>O3. Five</b> regional hubs for justice and security services constructed and operational; 1,000 police, immigration and corrections staff trained in service standards, human rights and SGBV (at least 25% of whom are women). <b>O4.</b> Oversight, accountability and management structures, standards and procedures in place in the Liberia National Police.</p> | <p>96 800</p> |
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**National priority/goal: Economic transformation**

**UNDAF and country programme Outcome #2:** Inclusive and sustainable economic transformation informed by evidence-based macro-economic policy promoting access to livelihood, innovative and competitive private sector and efficient natural resource management. **Outcome indicator:** Regulatory framework for natural resources management with community participation endorsed; Government capacity for contracts negotiations supported by expert knowledge. **Strategic Plan focus areas:** Democratic governance, poverty reduction, energy and environment

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| <p>Government of Liberia will enact financial sector policies/strategies to improve access to inclusive financial services; conduct regular dialogue with the private sector on critical issues related to the business climate for MSMEs; establish a legal and regulatory framework conducive to MSME growth and a National Industrial Development and Financing Organization; and staff and fund the Land Commission and Liberian Institute of Statistics and Geo-Information Services to carry out their basic functions.</p> | <p>UNCDF will provide technical assistance to the Central Bank of Liberia to develop strategies and plans for building a strong inclusive financial sector that offers products and services tailored to local MSME needs. The Government of Denmark will provide funding for the United Nations Gender Equality and Women’s Economic Empowerment Programme.</p> | <p>UNDP will contribute technical advice on options for legal and regulatory reform as well as assessment and roll-out of improved financial services that are relevant and institutionally and financially feasible; identification and progressive acquisition of expanded institutional capacities in major statutory bodies; facilitation of national dialogue on macro-economic and sectoral issues; and forging of South-South exchanges.</p> | <p><b>I1.</b> Age, relevance and reliability of development data (disaggregated by gender); <b>Baseline:</b> NSDS in place but only about 30% activities have been completed; <b>Target:</b> LISGIS and NSS able to produce timely, accurate, relevant and disaggregated data based on full NSDS implementation; national/local/sectoral policies and programmes utilize disaggregated data; <b>I2.</b> Gender-responsive budgeting used in the formulation/implementation of sector strategies; <b>Baseline:</b> Training initiated; <b>Target:</b> Gender-responsive budgeting integrated into the Medium-Term Expenditure Framework (MTEF) and “core” ministries; <b>I3.</b> A fully functional aid management system; <b>Baseline:</b> System partially in place; <b>Target:</b> Key capacity and operational benchmarks met; <b>I4.</b> Service offering and utilization of microfinance institutions; <b>Baseline:</b> Services limited to microfinance; coverage in major towns; <b>Target:</b> New products introduced; 250,000 clients (50% or more being women); <b>I5.</b> Land policy functional; <b>Baseline:</b> Land policy drafted and published; <b>Target:</b> Land Commission meets capacity benchmarks; legal gender equality in access and ownership; <b>I6.</b> Models of access to renewable energy ready for scaling-up; <b>Baseline:</b></p> | <p><b>O1.</b> Redesign and roll-out of survey programmes, data warehousing and access systems and publications programme completed in LISGIS; <b>O2.</b> Country-specific standards and independent review mechanisms for gender-responsive budgeting agreed and rolled-out to “core” institutions in the MTEF; <b>O3.</b> Upgraded systems for aid management agreed and implemented; <b>O4.</b> Revised institutional arrangements and systems in place to activate “one-stop shops” on business registration; <b>O5.</b> New (micro) financial products and delivery models tested and scaled-up; <b>O6.</b> Land use and broader environmental criteria/standards, including for extractive industries, established and monitoring and enforcement capabilities operational (e.g. in the Land Commission); <b>O7.</b> Public-private partnerships developed and financing and institutional arrangements tested to provide service delivery institutions and small enterprises with access to off-grid renewable energy.</p> | <p>Regular<br/>4 825.2<br/><br/>Other<br/>26 400</p> |
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|  |  |  | 2% of population; <b>Target:</b> 4% of population. |  |  |
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