

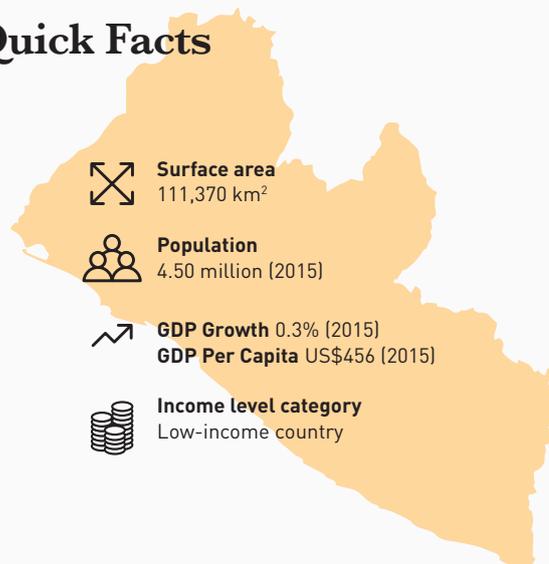


LIBERIA

1. Country Context

The Republic of Liberia has made considerable progress in returning to a degree of normalcy since the end of the civil war in 2003. With a female and Nobel peace laureate head of state, it is on track to meeting the commitments under the Millennium Development Goals (MDGs) of gender equality, combating HIV and AIDS and forging partnerships for development. Economic growth had been impressive, with near 7% average GDP growth between 2006 and 2010. However, the economy deteriorated in 2015, when the country was severely affected by the Ebola epidemic. With heavy toll and loss of incomes, it remains in a post-crisis recovery mode. With the goal of eradicating poverty, Liberia is heavily dependent on external funding. In 2014, Liberia received USD\$744.3 million in ODA, which is 43.9% of gross national income (GNI). Net ODA per capita in 2014 was US\$169, one of the highest in sub-Saharan Africa. It saw 61.9% growth in ODA from 2013 to 2014 (from US\$459.7 million to US\$744.3 million). Important development partners are the US, EU, World Bank, IMF, Sweden, Norway and Germany. Liberia aspires to overcome its dependency on development assistance.

Quick Facts

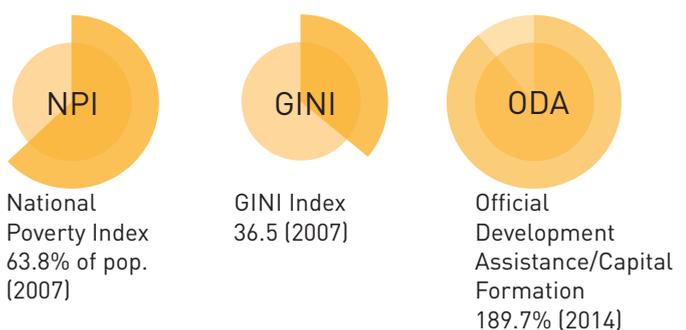


Inflows (% Gross Domestic Product)

LATEST YEAR AVAILABLE



Key Development Indices:



ODA per Capita US\$169.3 (2014)



Key Development Challenges

Richly endowed with natural resources, Liberia is an exporter of raw timber and rubber. The mining sector is also one of the key drivers for economic growth. Rapid population growth generates a large pool of unemployed youth, which posts challenge and opportunity for economic growth. Strengthening health systems and developing effective emergency preparedness and response systems remain crucial challenges for this fragile nation. The country also needs to ensure that equitable growth benefits all Liberians to reduce inequality. Due to years of conflict, rural infrastructure remains in a desperate state of affairs. Poverty and food insecurity are also pressing issues for improving public welfare.

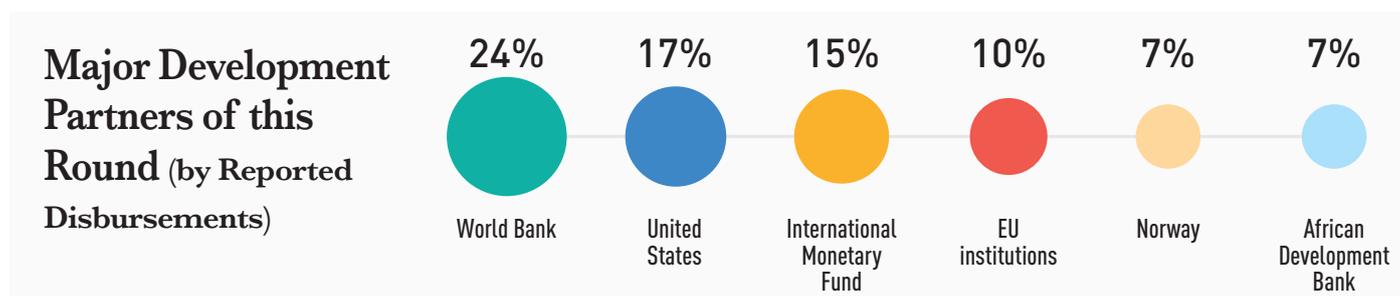
2. Efforts to Implement the Effectiveness Principles

A. Policies and Tools for Partners' Alignment

Liberia has increasingly called on more development partners to actively support the country. The response from the development partner community has consistently been strong. In this light, Liberia has designed a development strategy, Agenda for Transformation 'Liberia Rising 2030'. Over the past few years, many partners have attempted to align their support with the various

national development frameworks, including with the newly released Agenda. It is broadly accepted that development partners align their country strategies and assistance programmes with the priorities of the Agenda. Partners increasingly use Liberia's Agenda for Transformation as the framework of reference for programming country assistance. The trend towards alignment with local priorities at the

national level is encouraging. Weaknesses are found in the alignment with subnational priorities. The Agenda for Transformation integrates the MDGs and sets out clear, prioritized development objectives. The government has launched the National Agenda 2030 for achievement of the Sustainable Development Goals. Domestication of the SDGs is in the works.



 **No**
Participation
in 2014 Monitoring

B. Governance and Management of Development Finance and Co-operation

Liberia has exercised effective ownership in coordinating development assistance. A government-led process coordinates official development finance. Programmes related to official development finance are centrally administered within the Aid Coordination and Management Unit of the Ministry of Finance and Development Planning. The Unit seeks to align the country's development agenda and the agenda of official development finance agencies and defines the roles of various actors in the development co-operation relationship. The Unit maintains a full database of official development finance, but the tracking system must be strengthened. The Assistance Management Platform is designed to improve the tracking and

management of official development finance. Liberia has an institutional framework to coordinate the country's development agenda, the Liberia Reconstruction and Development Committee (LRDC). Under the leadership of the president, the LRDC provides a partnership framework for the government and partners to coordinate its development agenda. The LRDC brings together government and development partner representatives on a monthly basis to co-ordinate the development agenda. The LRDC system overall is well-structured and harmonious, with potential for more effectiveness. The government shows willingness to coordinate official development finance, but it needs resources to do it effectively.

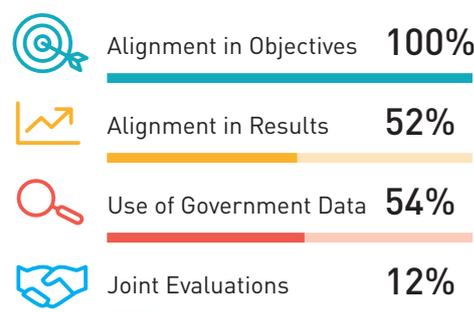
 **Yes**
Existence of a National
Co-operation Policy

3. Country Ownership

Indicator 1: Partners' Alignment and Use of Country-Led Results Frameworks

The share of new interventions that draw their objectives from government-led results frameworks is 100%. Fifty-two percent of results indicators included in the interventions' results framework draw on results indicators from existing government-led results frameworks. Fifty-four percent of results indicators rely on sources of data provided by existing country-led monitoring systems.

The government participates in only 12% of joint evaluations, providing financial resource or defining the scope. Country evaluations are increasingly carried out in partnership between the government and the development partners. Partners in Liberia increasingly manage resources according to desired results. This has led to adoption of a results-based monitoring framework matrix.



Indicator 6. Development Co-operation is on Budget (Subject to Parliamentary Scrutiny)

One-hundred percent (2016) of almost all reported official development finance is featured on the national budget. This contrasts with earlier years, when most official development finance was off budget and finance went directly to contractors to implement development projects. Liberian authorities have adopted a series

of public financial management reforms and strengthened their audit institutions that have motivated partners to put their aid on budget. Partners now exclusively provide support to Liberia via on-budget aid. The challenge is to maintain this level of official development finance executed through the budget.

Percentage on Budget



Indicators 9 and 10. Use of Country Systems

A substantial share of official development finance uses Liberia's public financial management and procurement systems. Earlier, very few partners were channelling finance through the country's systems due to concerns about the strength of fiduciary controls and low government implementation

capacity. External assistance used to be channelled mainly through the separate project implementation units or contractors, which is still the case with part of the assistance. Nevertheless, use of PIUs is declining in large percentages. Liberia has made progress on untying official development finance: the level

of untied official development finance recorded increased from 43% in 2013 to 84% in 2014. While much progress has been made since the establishment of the national procurement systems, weak government capacity in managing the procurement process remains an issue.

	Budget (ideal: 100%)	Financial Reporting (ideal: 100%)	Auditing (ideal: 100%)	Procurement (ideal: 100%)	CPIA* (maximum: 6)	Untying (ideal: 100%)
INDICATOR 9B.	81%	81%	81%	81%		
INDICATORS 9A & 10.					3.0 ▶	84% ▲

* Country Policy and Institutional Assessment

4. Inclusive Partnerships for Development

Indicators 2 and 3. Fostering Inclusive Partnerships for Development

Civil society organizations (CSOs) actively participate in the design, implementation and monitoring of national development policies through consultations organized by the government. These consultation processes are institutionalized in the Liberia Development Alliance. However, no mechanism currently ensures that CSOs' inputs are taken into account. CSOs also lack a mechanism to report annually to the government on their finances, operations and involvement in development. The government aims to facilitate an enabling environment for CSOs by promoting and encouraging the formation, registration and operation of CSOs and, for this

purpose, a CSO-Government of Liberia partnership accord has been signed. CSOs have also established a National Civil Society Council of Liberia to monitor, coordinate, regulate and support its members. Thematic and sectoral networks and processes consolidate CSOs' engagements with relevant national processes. To a certain extent, some development partners consult with CSOs on their development policy/programming, but these processes are not institutionalized, inclusive and accessible. CSOs lack coordinated programming, so the duplication of projects and activities sometimes minimizes their impact on

beneficiaries. The private sector engages with the government in addressing development challenges in Liberia. The government has established the Private Sector Development Unit in the Ministry of Finance and Development Planning to enhance co-operation. The Ministry of Commerce and Industry has consulted with partners to understand and address the challenges faced by private sector. However, there currently are limited financial and capacity-building instruments to support public-private dialogue. Training remains an important instrument for public-private partnership that needs to be implemented.

Indicator 8. Gender Empowerment

Liberia has a system that tracks allocations for gender equality and women's empowerment. However, allocations for gender equality and women's empower-

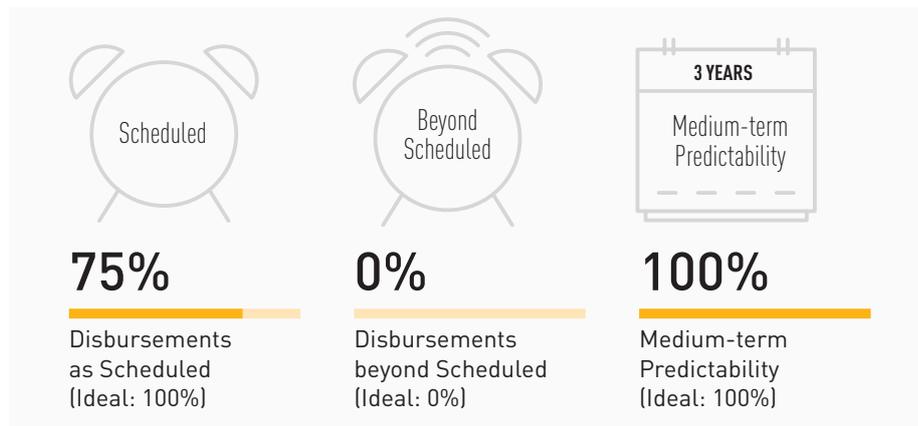
ment are not systematically tracked. There is no leadership and oversight of the tracking system by the central government unit in charge of public expenditures.

Nevertheless, the government has issued statements regarding gender-responsive budgeting.

5. Transparency and Accountability

Indicator 5. Development Co-operation is More Predictable

The annual predictability rate is 75% of finance disbursed as planned. Most partners disbursed close to 90% to 100% of scheduled disbursements. The discrepancy varies considerably among partners and is mainly due to delays in implementing programmes. Improving predictability requires close collaboration between partners and government. All reported partners have communicated forward expenditure plans for the next three years to the government.



Indicator 7. Mutual Accountability

The National Aid Policy of Liberia has been developed, but is still awaiting adoption by the government. Country-level targets are set in the National Development Strategy and are jointly reviewed and assessed annually in a general steering committee

meeting chaired by the president. Partners and government undertake joint reviews of progress and results of development actions through committees such as the LRDC Steering Committee and the Economic Governance Steering

Committee. Targets are also reviewed and assessed during annual partner portfolio review meetings. CSOs and other private stakeholders have been involved in such reviews and the results of such exercises have been promptly publicized.

National Priorities Going Forward

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The Aid Management and Coordination Unit at the Ministry of Finance and Development Planning expects to incorporate the Global Partnership monitoring framework into its official development finance data collection and reporting context. Each indicator will be highlighted and discussed at our regular quarterly partners' meeting and feedback will be reflected in our published Official Development Assistance Report. The indicators of the Global Partnership and lessons learned from this review will be captured in our pending Aid Data Management Plan review and subsequently recommended to policymakers for highlighting in our draft National Aid Policy. We also anticipate that valuable feedback from meetings will support our national budget preparation and the preparation of various national economic indicators. The Government of Liberia is very committed to this cause and is using high-level indicators to measure development and partners' participation in its development strategy.

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**Frederick Bobby Krah, National Coordinator
Ministry of Finance and Development Planning, Government of Liberia**

Disclaimer This document was prepared based on data collected from voluntary reporting to the Second Monitoring Round of the Global Partnership for Effective Development Co-operation, for Country Context, and other open source information available online. The views presented cannot be used or cited as an official UNDP source of information.

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