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Evaluation of  
**European Union Aid**  
to African, Caribbean and Pacific Countries

**Field Phase**

**Case Study No.5: Liberia**



# **EVALUATION OF EU AID TO ACP COUNTRIES**

**Field Phase**

**Case Study 5: LIBERIA**

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## LIST OF ABBREVIATIONS

|               |  |
|---------------|--|
| <b>ACO</b>    | Aid Coordination Office  |
| <b>ACP</b>    | Africa, Caribbean and Pacific  |
| <b>BWI</b>    | Bretton Woods Institutions   |
| <b>EC</b>     | European Commission  |
| <b>EC</b>     | European Community (when referring to European Commission managed aid) |
| <b>ECHO</b>   | European Commission Humanitarian Office                                |
| <b>ECOMOG</b> | Peace-keeping force of the West African States                         |
| <b>ECOWAS</b> | Economic Community of the West African States                          |
| <b>EDF</b>    | European Development Fund  |
| <b>EU</b>     | European Union   |
| <b>IGNU</b>   | Interim Government of National Unity                                   |
| <b>IMF</b>    | International Monetary Fund  |
| <b>INPFL</b>  | Independent National Patriotic Front of Liberia                        |
| <b>MPP</b>    | Micro-Projects Programme   |
| <b>NAO</b>    | National Authorising Officer   |
| <b>NGO</b>    | Non-Governmental Organisation  |
| <b>NIP</b>    | National Indicative Programme  |
| <b>NPFL</b>   | National Patriotic Front of Liberia                                    |
| <b>RAP</b>    | Rights Accumulation Programme  |
| <b>SCF</b>    | Save the Children Fund   |
| <b>TA</b>     | Technical Assistance   |
| <b>TAs</b>    | Technical Assistants   |
| <b>TCS</b>    | Transitional Council of State  |
| <b>ULIMO</b>  | United Liberation Movement for Democracy in Liberia                    |
| <b>UN</b>     | United Nations   |
| <b>UNHCR</b>  | United Nations High Commission for Refugees                            |
| <b>UNOMIL</b> | United Nations Observer Mission to Liberia                             |
| <b>UNOPS</b>  | United Nations Office of Project Services                              |
| <b>WFP</b>    | World Food Programme   |

## PREAMBLE

The Evaluation of EU Aid to ACP countries is part of a general evaluation of EU aid requested by the Development Council in June 1995. This report is part of the second phase of the study which focuses on: (i) policy formulation; (ii) policy dialogue between the EC and the individual ACP states; and (iii) aid implementation and management.

The field stage of the study looks at policy dialogue and aid implementation in six countries and one region, concentrating on selected areas of EC assistance in each country/region. The present report is concerned with the programme in Liberia. The other six reports cover Zimbabwe, Tanzania, Côte d'Ivoire, Cameroon, Jamaica and the East Caribbean.

The field study of the Liberia programme focuses on the role and management of EC aid in a post-conflict situation. The study report is based on the findings from a short visit to Monrovia and Abidjan that was undertaken between March 25 and April 2 1998. This visit coincided with a wider evaluation of EC aid to Liberia which is currently under way. The in-country field work was organised around:

- the review of project files;
- interviews with staff in the EC Aid Coordination Office in Monrovia;
- interviews with representations of the EU Member States in Abidjan and donors and NGOs in Monrovia;
- interviews with programme and project staff; and
- meetings with the evaluation team undertaking the more comprehensive evaluation of the EC aid programme to Liberia.

The draft report was presented in May 1998 to the Working Group of Heads of Evaluation Services (Development) of the European Union and the Commission.

The evaluation team is grateful for the support of the EC Delegation, and for the collaboration of Government officials and the representatives of other donors (particularly Member States).

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*Those wishing to obtain copies of the synthesis report or the other case studies should contact the Head of the Evaluation Unit, Common Service Relex of the European Commission.*

## EXECUTIVE SUMMARY

### *Overview*

The focus of this study is the way in which the EC responded to the civil war in Liberia. Its main conclusion is that, despite the absence of a resident Delegation, the EC has had significant influence both in the peace process and in the early stages of recovery from the civil war. The necessity of having to operate with relatively flexible financing mechanisms and of allowing a relatively high degree of decentralisation in the management of the aid programme has resulted in a responsive and efficient use of aid resources. The high calibre of EC and technical assistance personnel working on the Liberia programme has been a key factor in its relative success. At the same time a number of the limitations in EC administrative procedures have been highlighted. The experiences of the Liberia programme are likely to have significant relevance in considering future reforms to the systems and procedures for the management of EC aid. A feature of the Liberia programme has been the very close cooperation achieved between the EC and the Member States with joint operations and bilateral aid resources being placed under the management of the EC's Aid Coordination Office (ACO).

### *Country Context*

The civil war that began in 1980 formed the backdrop to the EC's operations in Liberia. In 1980, President Tolbert was replaced in a coup by Master Sergeant Doe. While the coup placed indigenous Liberians in power for the first time, it also marked the beginning of years of increasingly bitter civil war. After the start of the rebellion led by Charles Taylor, in 1990, the Economic Community of West African States (ECOWAS) sent in a force (ECOMOG) with the aim of imposing a cease-fire.

Between 1990 and 1996, a series of attempts by the UN and ECOMOG to bring an end to the fighting ended in failure. The fighting

became particularly intense in April 1996 and Liberia was the subject of international media attention. In August 1996, a lasting cease-fire was achieved, prompted in part by war fatigue, but also by international efforts to secure peace. Elections were held in June 1997, and the new government, under President Charles Taylor, took office in August 1997.

### *EC Aid to Liberia*

The onset of war caused the suspension of normal EC aid operations in Liberia. The EC Delegation was withdrawn. In 1994, during some of the fiercest fighting, the EC increased the scale of its operations. The Liberian National Authorising Officer (NAO) requested that the Chief Authorising Officer of the EDF act on behalf of the Government of Liberia in the management of the EDF. As a result, the EDF for Liberia could be directly executed by the EC. In the same year, the ACO was established in Monrovia, to provide a base for EC operations.

The ACO is staffed almost entirely by Technical Assistants (TAs) who are provided by consultancy firms. Many of the TAs have considerable in-country experience. Projects implemented by the ACO have included: (i) a jobs-for-guns programme aimed the reintegration of ex-combatants which has played a key role in building the conditions for sustained peace; (ii) a child combatant support programme aimed at reuniting child combatants with their families; (iii) a food security programme which is promoting rice cultivation, arboriculture and horticulture; (iv) infrastructure repair focusing on the rehabilitation of roads, bridges and water supplies; (v) support to the social sectors in the form of relief activities, and increasingly assistance to the primary health and education sectors; and (vi) logistical assistance with the organisation of democratic elections which involved joint operations with the Member States (particularly with the Dutch and Danish governments). Much of the EC assistance to

Liberia has been delivered through the relatively flexible mechanisms of the Micro Projects Programme (MPP).

### *Policy Dialogue*

The main EC policy aims have been to restore peace and assist in the restoration of infrastructure and services. Policy dialogue has been undertaken in difficult circumstances requiring the maintenance of contacts with different faction leaders. Nevertheless, the achievements have been considerable, particularly in the context of the "guns for job" programme and the support provided to the 1997 elections. EC interventions have also facilitated the transition from emergency to development assistance operations.

Since the installation of the new Government, the ACO has consulted with it on policy issues and has also developed good links with local governments. In the rehabilitation of public infrastructure and services, the ACO has deliberately sought to address underlying policy concerns, particularly relating to management and financial sustainability.

In the absence of stable government policy dialogue and coordination with other donors and with ECOMOG has been important. Generally, this coordination has been effective, although that with the UN organisations has been made difficult by problems within the UN's operations in Liberia. At project level there has been close collaboration with other donors and with NGOs. However the EC needs to strengthen the way it interacts with NGOs, particularly with those which have strong analytical and policy capacities.

An effective and supportive relationship has been built up between the EC and the Member States. Some Member States have directly assisted programmes managed by the ACO. The Desk Officer has ensured that Member States are well informed about developments in Liberia. Member States' representations in Abidjan have been regularly briefed and the EC Coordinator in Monrovia now attends their monthly meetings. The Africa Working Group in Brussels has also played an active

role in the coordination between the EC and the Member States.

Provided that peace can be maintained, the aid relationship in Liberia will increasingly towards reconstruction and development support, with the Bretton Woods Institutions (BWI) playing an increasingly important role. With a substantial operational and analytical capacity and good working relations with other stakeholders, the EC can expect to continue to play a key role in donor coordination.

### *Aid Management*

The administration of the Liberia programme has been based on the request by the NAO that the Chief Authorising Officer of the EDF act on behalf of the Government of Liberia in the management of the EDF. This has provided considerable operational advantages and flexibility. The programme is also unusual in the very close coordination that has been achieved between ECHO financing and EDF support which has allowed an effective transition to be achieved between emergency and development assistance. The preliminary evidence is that the programme has achieved considerable success in delivering aid efficiently and effectively. The main factors behind this success are:

- Delegated and decentralised management within an accountable framework. The Desk Officer in Headquarters was delegated a high level of responsibility for the management and performance of the programme. He then decentralised much of this responsibility on operational issues to the ACO.
- Strong operational capacity within the ACO and a largely supportive institutional environment.
- The recruitment of high quality staff which has allowed the ACO to build up a formidable body of competence. One reason why the EC was able to manage successfully the interface between relief and development assistance was that the TAs combined strong technical expertise with a good understanding of emergency situations.

- Good coordination and the provision of comprehensive and timely information to all parties.
- Efficient management and administration facilitated by a contractual structure which has combined TA fees and operational budgets within a single contract. While this has generally worked well, delays in payments from Headquarters to the contractors have at times necessitated the halting of disbursements on project activities.

The transition to normalised relations will provide a challenge to the EC. There is a significant risk that as the aid programme in Liberia transfers to the general EC finance and procurement system, it could lose many of the features of operational flexibility which have contributed to its success.





## CHAPTER I. COUNTRY CONTEXT

### A. The Civil War

The civil war that began in 1980 formed the backdrop to the EC's operations in Liberia. It altered Liberia's needs, and affected the ability of the EC to help satisfy those needs.

The civil war had its roots both in the historical domination of the political system by the descendants of freed American slaves, and in ethnic conflict. Until 1980, the country was dominated by a small group of families. The True Whig Party was the only significant political organisation. However, by 1980, President W. Tolbert had lost control of the economy. He was replaced in a coup by Master Sergeant S. Doe, who suspended the constitution. While the coup placed indigenous Liberians in power for the first time, it also marked the beginning of 16 years of civil war.

In the years that followed the 1980 coup, Doe's increasingly authoritarian regime faced growing opposition. In 1985, a serious coup attempt resulted in many deaths and in reprisals by Doe's regime against the Gio ethnic group, who were allegedly responsible for the coup attempt. In the following year, Doe was sworn in as president of the Second Republic under a new constitution, but unrest continued. In 1989, a small group of armed rebels, led by Charles Taylor, invaded Liberia from Côte d'Ivoire. Killings by the Armed Forces of Liberia, who were dominated by Doe's supporters, fuelled resentment among the northern Gios and Manos. The latter increasingly supported Taylor's National Patriotic Front of Liberia (NPFL). By June 1990, only Monrovia was under Doe's control. Doe's survival was partly aided by a conflict which had erupted between the NPFL and the breakaway Independent National Patriotic Front of Liberia (INPFL).

Intervention in the civil war by the international community began in 1990. The Economic Community of West African States (ECOWAS) was concerned at the threat of regional destabilisation, and assembled a force (ECOMOG) with the aim of imposing a cease-fire. Other countries and aid agencies supported the deployment of ECOMOG. This support continued even when ECOMOG became involved in the conflict. By October 1990, ECOMOG had established control over Monrovia. In the meantime, however, Doe was captured and killed by the INPFL. When Taylor's NPFL attacked Monrovia, the ECOMOG forces were deployed to defend the city, and were supported by the breakaway INPFL. An Interim Government of National Unity (IGNU) was then installed, but it was not recognised by the NPFL.

Regional destabilisation, which ECOWAS feared, became a serious threat. By early 1991, the conflict had spread to Sierra Leone. Taylor's troops were joined by rebels from Sierra Leone, while Sierra Leone government forces provided support to troops loyal to former president Doe who had formed the United Liberation Movement for Democracy in Liberia (ULIMO). In April 1992, Major General Joseph Momoh was overthrown in Sierra Leone in a military coup.

### B. Cease-Fires and Negotiation

The following years were marked by a series of cease-fires which repeatedly broke down. Talks in mid-1991 in Yamoussoukro, the capital of Côte d'Ivoire, led to an agreement to disarm under ECOMOG supervision. Both sides claimed to accept the agreement but failed to do so in practice. In October 1992, the NPFL, in a surprise attack, nearly overran Monrovia, and were only repulsed by

Nigerian airforce jets and warship bombardments. The UN imposed an arms sale embargo on Liberia. A new cease-fire was signed in Geneva and ratified in Benin in mid-1993.

In February 1994 it was agreed that disarmament would begin under the Yamoussoukro terms. A 368-strong UN Observer Mission in Liberia (UNOMIL) was sent to supervise the process. In March, the Interim Government was replaced by a Transitional Council of State (TCS), made up of representatives from the Interim Government, from Taylor's forces, and from forces loyal to ULIMO. The TCS was intended to rule until presidential elections scheduled for September 1994. However, a series of splits among the warring groups ended this cease-fire. Further negotiations took place during the remainder of 1994, while fighting continued. In August 1995, Liberia's thirteenth peace agreement was reached in Abuja, known as the Abuja accord. The new cease-fire was initially respected, but heavy fighting broke out in December 1995 in the north west. In April 1996, anarchy descended on Monrovia, with looting and killing lasting over two months.

A second Abuja peace agreement was reached in August 1996. The fighting that had begun in April was extensively covered in the international media, which forced the international community to play a more active role. The much criticised head of ECOMOG was replaced by General Malu, who was determined to resolve the situation. At the same time, the USA and the EU member states (in particular the Netherlands) provided the ECOMOG forces with much needed logistics. The EC was also able to ensure that financial support was available. In addition, Charles Taylor now realised that he would not be able to gain power through further armed conflict. With little left to loot, and a general desire among the population for peace, the conditions were finally right for establishing a more lasting peace.

### **C. The Post-Conflict Period**

The US government deployed a special envoy (in addition to its ambassador) to promote the peace process. Minister Pronk of the Netherlands visited Monrovia in September 1996, and frequently after that, to support the Abuja II peace process. The EC was able to commit a substantial amount of resources immediately, in contrast to the performance of the UN in 1995 when delivery had been persistently delayed. The EC provided important support during the peace process by prioritising the roads and bridges programme, which facilitated the deployment of ECOMOG forces throughout the country. The EC was also able to help create activities for demobilised soldiers through a 'jobs for guns' project.

Elections, after some delays, were held in June 1997. The new government, under President Charles Taylor, took office on 2 August 1997. Unfortunately, ethnic divisions have been fostered by the war, and ethnic tensions are reported to be increasing in some regions. There are reports of considerable quantities of concealed weapons as well of new and larger weapons being brought into Liberia.

## CHAPTER II. EC AID TO LIBERIA

### A. Size and Composition of EC Aid

The onset of war caused the suspension of normal EC aid operations in Liberia. The EC evacuated all its staff. The office was destroyed and all work there was abandoned. The Delegate remained in post at Headquarters for some time. A new Desk Officer was appointed at the end of 1992. Old project files were sorted out and closed. From 1991 to 1994, the only available EC assistance was ECHO funds, food aid, and assistance for refugees.

#### *The First Rehabilitation Programme*

In February 1994, during the fiercest fighting, the Liberian National Authorising Officer (NAO) requested that the Chief Authorising Officer of the EDF act on behalf of the Government of Liberia in the management of the EDF. As a result, the EDF for Liberia could be directly executed by the EC. This act made possible the launching of the First Rehabilitation Programme in March 1994 (Table 1). The Financing Agreement requires the Chief Authorising Officer of the EDF to act on behalf of the NAO of the Republic of Liberia.

| EDF                  | Allocation (MECU) |
|----------------------|-------------------|
| 6th EDF              | 13.4              |
| 7th EDF (ex 5th)     | 6.6               |
| 6th EDF (additional) | 1.8               |
| <b>TOTAL</b>         | <b>21.8</b>       |

# Initially an additional 5 MECU was committed from Art. 255 resources. As the Liberian programme had not yet started, this was withdrawn in order to assist refugees in other operations.

The EC's objective in the First Rehabilitation Programme was to assist in advancing the peace process and to '*achieve an aid continuum moving from relief to rehabilitation to development*'. The EC's aims were to provide access to basic health facilities, clean water and shelter, and to achieve food security. The management objectives in the Programme were to:

- maintain neutrality between the factions
- respond to needs in a cost effective and efficient manner
- identify reliable local partners
- rehabilitate government services.

Table 2 shows the allocation of expenditures incurred under the Programme.

| Area  | Expenditure (MECU) |
|---|--------------------|
| Health                                      | 3.1                |
| Resettlement & Reintegration                | 8.0                |
| Road and Bridge Repairs                     | 5.4                |
| Monrovia Water Supply                       | 3.4                |
| Preparatory Studies for Elections           | 0.2                |
| Aid Coordination Office                     | 0.8                |
| General TA, Refugee Co-ordination & Studies | 0.8                |
| Total                                       | 21.8               |

### *The Second Rehabilitation Programme*

A financing proposal requesting 27 MECU for the Second Rehabilitation Programme was submitted in February 1998 (Table 3). The programme is intended to be implemented over a two year period during which time preparations will be made to hand back to the Government, the NAO's responsibility for the authorisation of financing. This handover will only take place after there has been progress in strengthening governance and human rights.

The Second Programme lies within the relief-rehabilitation-development continuum set out in the Communication to the Council. Under the programme, general aid relief is to be phased out and the emphasis will be on strengthening the delivery of basic services. Priority will also be given to the resettlement of those who were forced to leave their homes, 800,000 of whom moved elsewhere within the country, and 700,000 of whom left the country.

| Area                             | Expenditure (MECU) |
|----------------------------------|--------------------|
| Health                           | 3.0                |
| Resettlement & Reintegration     | 14.0               |
| Rehabilitation of Infrastructure | 4.0                |
| Strengthening local institutions | 4.0                |
| Evaluation and Monitoring        | 0.1                |
| Aid Coordination Office          | 0.7                |
| Contingencies                    | 1.2                |
| Total                            | 27.0               |

### *Other EC Aid Instruments*

In addition to the financing provided from the EDF, the Liberia programme has received financing from the ECHO programmes and from EC budget lines in order to finance relief work.

### **B. The Aid Coordination Office**

The Aid Coordination Office (ACO) in Monrovia was established in September 1994, to provide a base for EC operations in the absence of a Delegation. The office was staffed primarily by TAs provided under a number of different programmes projects (Table 4). In early 1998, there were five consultancy firms working from the ACO. The office is almost entirely staffed by Technical

Assistants (TAs), some of whom have in-country experience going back to the 1980s. They have played an important role in the success of the operation.

| <b>Programme/Project</b>                                     | <b>Staffing/Location</b>   |
|--|--|
| Refugee Coordination Programme                               | ◊ Based in Côte d'Ivoire and Guinea - Two TAs  |
| Micro Projects and CART                                      | ◊ Eight TAs with four offices outside Monrovia   |
| Infrastructure Programme (water sector and ports)            | ◊ Four TAs   |
| Election Support Programme                                   | ◊ One permanent TA with additional short-term TA during the election period. Closed in April 1998. |
| Food Security  | ◊ DGVIII-B1 TA – two in Monrovia and one in Côte d'Ivoire  |
| Health Programme   | ◊ Three TAs  |
| TA Support to the Ministry of Planning and Economic Affairs. | ◊ One TA to help with Country Strategy and NIP   |
| ACO Office   | ◊ Two TAs including one information officer  |

### **C. The Micro-Projects Programme**

Much of the EC aid to Liberia is implemented through the mechanism of the Micro-Projects Programme (MPP). In Liberia, this brings together all the components of the EC operation, through its personnel, logistics and cash flow.

The programme's technical assistance (TA) and management of the operating budget were contracted after tender, with the contract being signed on 1 April 1996<sup>1</sup>. Initially, the objectives of the programme included support: (i) to local communities in restoring health services, water supplies and the education system; (ii) in enhancing food security; and (iii) in repairing basic infrastructure. The programme was to be organised around Programme Co-ordination Centres from which three Area Programme Co-ordinators were to identify partner NGOs and private contractors to implement the micro-projects. They were to manage a Small Projects Fund to provide grants up to a maximum of 10,000 ECU.

Fighting in April 1996 altered these operational plans. The TAs were given a brief to operate much more flexibly. The programme expanded beyond the normal scale of micro project activities, and the Small Projects Funds were raised from 1.5 MECU to 2.2 MECU.

In addition, the responsibilities of the consultancy contractor were extended to the management of a trucking and logistics operation, based around 100 trucks provided by the Dutch Government, to which were subsequently added 30 Land-Rovers. This is part of the Combined Agencies Relief Transport programme, which facilitates transport to other agencies. In 1997, 141 people were employed in the service of this fleet and its fuel consumption exceeded 75,000 litres per month.

<sup>1</sup> The contract was awarded to Agrisystems (Overseas) Ltd

## D. Programmes Supported by the EC

The projects operated from the ACO constitute an integrated and mutually supportive programme. Co-ordination between the employment and resettlement components is particularly important. To date, over 160 micro-projects have been implemented. The projects implemented by the ACO include:

- the 'jobs for guns' programme;
- child combatant support;
- the food security programme;
- infrastructure repair;
- social sector support; and
- election support

### *The 'Jobs for Guns' Programme*

In September 1996, the EC held a critical three day workshop in the ACO which was attended by faction representatives from the National Disarmament and Demobilisation Committee. It was also attended by Charles Taylor, who subsequently became President, as well as ECOMOG and UNOMIL observers.<sup>2</sup> At the workshop the EC took the lead in presenting proposals for assisting the reintegration of fighters into civil society. It seems that the assurances given by the EC to the factions were the first such offer of support that the fighters had received. While the ECOMOG Commander provided security guarantees, the EC provided incentives for the fighters to disarm.

The programme operates by supporting Temporary Work Programmes, which last for three months and enable fighters to receive counselling and to work alongside civilians. Fighters are then put into Community Development Programmes. These programmes are managed by community leaders and thereby bring ex-combatants under the authority of community structures. EC support covers: (i) funding to support up to 10,000 over a six month re-integration period; (ii) transport; (iii) seeds and tools from an EC food security project; and (iv) provision of TA to support the operation.

Over 7,000 ex-combatants have participated in the Temporary Work Programmes. This project has thereby played an important role in the peace process. Continued support for these activities is a priority.

### *Child Combatant Support*

The MPP has financed centres to assist the reintegration of child combatants into the community.<sup>3</sup> The objective of this project was to reunite child combatants with their families and to support local communities. For those children whose families could not be traced, other community solutions have been explored. Children in temporary shelters have access to accelerated learning and vocational training.

### *The Food Security Programme*

The MPP has supported the Food Security Programme. Agricultural projects have concentrated on swamp rice growing, arboriculture and horticulture. In 1997, 19 swamp sites were cleared, planted, and handed over to local communities, with 30 sites identified for the following season.<sup>4</sup> Some 10,000 acres of abandoned tree crops have been cleared, brushed and disinfected, and nearly 3,000

<sup>2</sup> The US and the UN agencies declined invitations to attend.

<sup>3</sup> Working with Save the Children, UK.

<sup>4</sup> Swamp rice is considered suitable for sale to urban markets, while upland rice is favoured for local consumption. Swamp rice cultivation has therefore brought cash into local economies.

ex-combatants employed. Vegetable and maize seeds have been distributed to more than 20,000 families. The seeds and tools operations have produced enough rice to meet nearly half the food requirements of those internally displaced. A detailed programme of aquaculture rehabilitation has been prepared.

### *Infrastructure Repair*

The civil war destroyed most of the infrastructure in the country. Many bridges and roads have either been damaged or fallen into a state of disrepair, sometimes breaking critical lines of communication. The EC's road and bridges programme initially played a vital role in opening up the lines of communication for the delivery of relief supplies. However, after the Abuja II agreement the EC switched its focus to facilitating the deployment of ECOMOG forces throughout the country. Since the elections, the EC's focus has switched again, and its aim is now to ensure that roads are open so that refugees can return to their villages. Over 30 bridges have been or are being constructed through a contract with a local contractor, supervised by the project engineer. In addition, some 20 schools and over 10 clinics have been rebuilt, and nearly 30 wells have been constructed. Implementation has been undertaken through the MPP, although this is not a particular appropriate instrument for such projects.

The EC has also co-ordinated an innovative scheme for restoring Monrovia's water supply.<sup>5</sup> Initially the EC and other donors assisted in the restoration of basic supplies for the city, especially for newly arrived refugees. In 1995, the EC, through a TA contract, started to work with the Liberia Water Supply Company to restore the city's water supply. The EC made its support conditional on the transparency of financial management. In practical terms, this meant joint management and financial control, enabling revenues to be ploughed back into the water utility. The EC's policy has been to ensure the financial viability of the water supply before embarking on capacity building or further policy formulation. Water loss has been reduced within a short space of time.

The EC programme has also sought to help the Monrovia Port Authorities restore essential craft and dock equipment and clear the port of shipwrecks. The approach followed has emphasises measures to assist the financial viability of the institutions involved.

### *Social Sector Support*

The main focus of social sector support has been on the health sector, which received ECHO support through NGOs. As a result of the civil war, health clinics had been looted and few were fully staffed. The Ministry of Health was demoralised. At the same time the World Health Organisation activities in Liberia was not well organised, and there were wider problems with the operations of UN system.

TAs began work in May 1997. The programme, supported by ECHO funds, was initially focused on relief. The EC has helped co-ordinate the essential drugs programme and five NGO-run health projects which are funded by the EC. The programme now also involves developing sustainable structures to deliver primary health care. The EC is involved in developing health services at county level, and provides institutional support to the Ministry of Planning and Economic Affairs.

The support to the education sector has been limited to repairs of non-government schools<sup>6</sup>. In addition, the EC has co-financed with UNICEF a project to reprint primary school textbooks (1.8 MECU).

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<sup>5</sup> Outside the Micro Projects Programme.

<sup>6</sup> Government schools do not have operational budgets.



*Election Support*

When it became clear that there was the political will among faction leaders to maintain peace and to hold elections, a team of four electoral and management advisers visited Liberia over a period of three months to compile a report for the EC. As a result of this report, the EC agreed to give technical and financial assistance to the electoral commission under a TA agreement. The EC also agreed to provide an observer mission. The report was submitted on February 1997, and the project started one month later. The EC assistance was provided at a time when neither the UN or the USA were prepared to take the lead in supporting the election process.

The EC played, along with ECOWAS, the US Embassy and the UN, an important role in supporting the Independent Election Committee. In addition, the Dutch and Danish governments contributed US\$ 1.2 m to a fund managed by the EC to support the election process. They provided both financial and political support to the EC office in Monrovia, particularly in issuing salary payments to election and registration clerks.

The EC helped to reconstruct the Election Committee building and provided a TA to advise on the election process. During the election, the EC organised and deployed a large mission of observers from both the EC and Member States. The EC made its logistical capacity available to distribute and collect ballot boxes, and to mobilise observers and election supervisors. It is estimated that, at its peak, the election support programme utilised some 85% of the EC's logistical capacity in Liberia.

The successful outcome of this project was based on the rapid mobilisation of assistance, strong logistical capacity, the quality of analysis, and a firm commitment to supporting the demobilisation process. The experience gained has relevance to other regional conflict situations.

**E. Role of Other Donors**

Liberia has traditionally had strong links with the USA which maintains a large aid programme supporting the supply of food, health-care and water. Its main partners have been NGOs and the UN. The USA has also supported the operations of ECOMOG. The EC has had good contacts with the local representation of the USA, but there have been a number of problems arising from the lack of clarity in overall US policy towards Liberia.

The EC has attempted to liaise with UN agencies, but there is little evidence of a constructive dialogue at policy level. In particular, there has been frustration at the UN's position over aid delivery to the interior. However, the relationship at programme level has been good, particularly on the 'jobs for guns' programme on which there has been good collaboration with UNOPS. The EC is also a financier of the UNICEF programme and is a partner with the WFP.

Many international and local NGOs have received funds from the EC. Over the years, international NGOs have developed an effective co-ordination and advocacy strategy.

## CHAPTER III. POLICY DIALOGUE

### A. Introduction

In the absence of a stable government, policy dialogue in Liberia has had to be innovative. In developing policy, the EC also had to take into account its capacity to deliver aid. The main policy aims were to bring peace to the country and to assist the transition to development. The financing proposal for the First Rehabilitation Project and internal documents are consistent with these aims. The transfer of responsibilities from the NAO to the EC allowed the use of EDF in Liberia and facilitated the design of a flexible and comprehensive aid programme.

### B. Relations with the Government and Factions

During the war, the EC aid programme was supposed to 'maintain neutrality and balance in assisting the victims of the conflict on all sides'. However, the EC operation was based in Monrovia, and this in itself was seen as biased by some faction leaders based in other parts of the country. Nevertheless, the EC managed to achieve its neutrality goal, although at times it was necessary to carry out delicate negotiations with different factions as well as the government. The success of the policy dialogue in this phase is measured by the end of hostilities and the role that the EC played in securing peace.

In the post-conflict period, the policy dialogue has increasingly focused on issues of governance and human rights and on sectoral issues particularly relating to the support being provided for government infrastructure and services. Particular successes have been the "guns-for-jobs" programme and the support provided for the 1997 elections. The new government has a limited capacity for policy development or implementation and consequently the EC and other donors have of necessity had to take the lead in developing the policy agenda.

Initially, the policy dialogue has had to be built up outside of the normal framework of inter-governmental relations. Relations were built up between staff at Headquarters, TAs and a number of interlocutors in Liberia. In some cases, there was confusion as to whether or not individuals were speaking officially on behalf of the EC. Since the installation of the new government, the ACO has been careful to consult the government on policy issues, including Presidential speeches. It has also developed links with local government, which will assume more importance in the future.

### C. Sectoral Policy Dialogue

As was noted above, there is an emerging sectoral policy dialogue based around those sectors where the EC is providing assistance. The issues being addressed reflect the transition in EC funded activities from emergency aid to rehabilitation assistance. The EC is currently supporting the rebuilding of government utilities, social services, agriculture and infrastructure. In the public utilities sectors, where the EC has built up considerable in-country expertise, the policy dialogue has already achieved the removal of the water utility from government control, with a consequent improvement in financial sustainability and a reduction in staff. In the health sector, the policy dialogue is resulting in more reliable drug supplies through the strengthening of the operation of the National Drug Service revolving fund. Discussions on improved incentives for health professionals are now under way. TAs are to be placed in the Ministries of Health and Education.

#### D. Policy Coordination with Other Donors

The EC has developed close relations with a large number of aid partners in Liberia. These include the USA, the UN agencies, NGOs and the ECOMOG forces in which Nigeria has been the dominant player. Until now, the BWIs have played a relatively small role, but this will soon change. An effective and supportive relationship has been built up between the EC and Member States.

Initially, the effectiveness of the international assistance to Liberia may have been reduced by its focus on supporting *ad hoc* interventions. For example, large amounts of food aid were supplied with limited understanding of the food economy and of targeting mechanisms that could minimise adverse impacts on local markets. This situation has now improved markedly with better coordination and regular meetings between the different donors and food aid advisers involved. The EC has played an influential role in this dialogue.

##### *Cooperation With UN Agencies*

The relationship between the UN and the EC in the field is clearly important. Co-ordination between the UN and the EC has been made difficult by the UN's internal problems with its Liberia programmes, and by the absence of a full time EC Delegate. Coordination should improve with the reorganisation of UN efforts based on the model of the strategic framework used in Afghanistan. Where the UN and EC worked together at an operational level, the relationship has often been mutually supportive. A good example of this is their joint work on the demobilisation and disarmament programmes and on the 'jobs for guns' project on which UNOPS cooperated with the MPP team.

##### *Cooperation With NGOs*

The EC works with a number of international and local NGOs. Co-ordination at project level is good. In particular, NGOs were extremely appreciative of the EC's efforts to build a transport network in Liberia. NGOs also cooperate well together. In 1996, after many of the agencies suffered from looting during the fighting, they produced an agreed set of working principles for those involved in humanitarian assistance.

The health sector has been a key area for cooperation between the EC and NGOs and is one where NGOs will continue play an important role in the health services delivery until the Government is able to rebuild its operations. The NGOs are also closely involved with EC contractors and local communities, in the resettlement programme. The EC will therefore need to maintain and strengthen its interaction with a diverse group of NGOs. Some NGOs in Liberia have good analytical and policy development capacity, and the EC could benefit more from this.

##### *Policy Coordination with EU Member States*

A feature of the Liberia programme has been the very close and successful coordination and cooperation between the EC and the Member States. This has resulted in the Member States placing resources from their own assistance programmes under the management of the ACO. The most active Member State has been the Netherlands, while the UK, Denmark and France have also made substantial contributions. The policy dialogue with Member States has mostly been carried out in Abidjan and Brussels. Member States in Abidjan were kept closely informed of developments by the Desk Officer for Liberia. This was particularly important because Member States did not have a presence in Liberia. The Desk Officer made a point of getting feedback from the Member States in Abidjan when going to Liberia and of debriefing them on the way back, to ensure constant dialogue at a regional level. More recently, the EC Co-ordinator in Monrovia has been attending the monthly meetings of Member States in Abidjan. In addition, the Member States have been able to use the ACO when visiting Monrovia.

Co-ordination in Brussels primarily takes place at the monthly Africa Working Group meetings. In these meetings, representatives of the African divisions of the foreign ministries discuss issues relating to the EC's relationship with Africa. The Desk Officer was frequently called to discuss Liberian issues and to provide information about the aid strategy and the programme's progress.

With a good information flow, transparency and mutual respect, there has been a firm basis for policy co-ordination between the Desk Officer and Member States. Discussions with MS representatives in Abidjan showed that they appreciate the role of the EC in Liberia. They also appreciate the quality of the technical programme, which they regard as meeting humanitarian needs, working at a community level, and being executed by competent TA.

The Member States' support for EC programme has been reflected in their financial and operational support. This was critical in allowing the EC to go forward with the election and "jobs for guns" projects where the Netherlands government was able to complement EC assistance through its political and financial support, and by providing trucks for the EC transport operation. Both the Netherlands and the Danish governments contributed US\$ 1.2 million to the election process and chose to channel that donation through the EC-ACO. The German government cooperated with the EC in supporting the Monrovia water supply programme, while DANIDA is cooperating on the development of a rehabilitation programme for the electricity sector.

#### **E. The Evolving Agenda**

Donor co-ordination in post-conflict situations is critical. In some countries, the lack of such coordination has undermined the recovery process. The absence of coherence and common purpose in donors' interventions can accentuate divisions within the Government and weaken ownership of the rehabilitation programme. In Liberia, there is already a divide between the ministries responsible for finance and economic planning. Government officials are also conscious of the extent of donor rivalry.

The EC has a large operational and analytical capacity, and has good working relations with most stakeholders. In the World Bank's sponsored reconstruction conference for Liberia, held in Paris on 7 April 1998, the EC pledged a significant proportion of the total appeal. The EC clearly has a strong interest in ensuring an effective system for donor coordination and in playing a key role within this system. Increasingly this will need to involve dialogue with the BWI as the focus of external aid to Liberia switches to from rehabilitation support to broader economic assistance and the need to address the substantial arrears in debt payments to the IMF and other international bodies<sup>7</sup>.

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<sup>7</sup> This debt is equivalent to US\$ 1,200 per head of population.



## CHAPTER IV. AID MANAGEMENT

### A. Introduction

The management of the aid programme in Liberia has been based both on the request by the NAO that the Chief Authorising Officer of the EDF act on behalf of the Government of Liberia in the management of the EDF, and on the close coordination with the assistance programmes of other Member States. This has facilitated the use of the available relief and development aid instruments in a coherent and coordinated way<sup>8</sup>. A number of factors have been responsible for the overall success of EC aid management in Liberia, including:

- delegated management within an accountable framework, including a strong operational capacity in the ACO and a largely supportive institutional environment;
- decentralisation of much of the operational authority of the Desk Officer to the ACO;
- recruitment of a high quality professional staff;
- good co-ordination, and provision of comprehensive and timely information to all parties; and
- efficient management and administration, including a TA 'iceberg' contract structure which combined TA fees and operational budgets within one contract.

Although it is too early to determine whether the programme was a success, preliminary evidence is positive. However, the problems of delayed payment and the timeliness of procurement procedures were still present. Many of these problems were alleviated, though not always eliminated, by the Desk Officer. At the time of the visit, for reasons which are further explained below, implementation of a significant proportion of the microprojects had stopped because of cash flow problems. Nevertheless, the fact that the operation for all its problems appears successful is an indication that the EC system can be made to work.

### B. Programme Management

The EC system is highly centralised, with very limited spending and decision making powers devolved to Delegations. That is one reason underlying delays in project and programme execution, as is widely accepted. As there was no Delegation in Liberia, different ways of working were required. It was not therefore so much a case of a decentralised system, as an absence of some of the centralised structures which in most parts of the EC system cause delays in programme execution.

Once the Desk Officer had been appointed, he was accorded sufficient authority to develop the programme, and was widely accepted as accountable for the outcomes. In some ways decentralisation was a function of the fact that the Desk Officer was as much a part of the ACO as of Headquarters, and had a stronger incentive than most desk officers to push financial and other decisions through the system. This situation led also to greater ownership on the Liberian side as the ACO staff felt they had a direct link with Headquarters, and that everyone was on the same side. Decentralisation was also a function of the inclusion of operational budgets in the TA contracts, so quick decision making was possible when required.

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<sup>8</sup> This aid management strategy is spelt out in the Financing Conditions to the First and Second Rehabilitation Projects which replaced the standard Financing Agreement.

Nevertheless, although there appears to have been a good deal of operational independence, the controls and accountability of the activities of the ACO appear to have been tight, in terms of local management, and control of all expenditures.

### **C. Recruitment and Staffing**

The technical quality of the staff in the ACO is generally outstanding, with many of the consultants possessing considerable Liberian experience and commitment to the country. Staff were selected to provide a mix of emergency relief management and technical development skills. The operation did not require EC officials or NGO staff who may not have had key specialist skills. The ACO has become a large technical operation, housing a well-coordinated multi-disciplinary staff. This can be contrasted with the operation of a normal EC Delegation where staff are required to focus on extensive administrative procedures rather than the technical and operational aspects of programme design and implementation. This technical competence has been an important factor in permitting the EC to engage in a comprehensive dialogue with other donors from a position of strength.

### **D. Coordination and Information**

The Desk Officer has been scrupulous in disseminating information on the Liberian programme widely. This has done much to create good relations with Headquarters. It has also reinforced the accountability of the staff involved for outcomes. Within the ACO, there were good communications, including a newsletter and information sheet prepared by a specially recruited Information Officer. Within Headquarters there were fora for communication and liaison such as the Task Force which involved all parties including financial control, ECHO, the food aid unit and the health advisers. The Africa Group also played an important role.

The result has been good coordination in the use of different aid instruments and an aid programme that has been able to meet emergency needs while addressing longer-term requirements. An example is the restoration of Monrovia's water supply which was financed from both ECHO and EDF/255. The assistance addressed both the urgent need to avoid disease and keep cholera under control as well as the longer term institution-building requirements. Emergency rehabilitation and measures for strengthening management and improving financial viability were planned and executed concurrently.

### **E. Management of TA Contracts**

Perhaps the most critical ingredient of the success of the Liberian operation has been the consistent ability of the EC to deliver on its commitments. Good management implies a clear purpose and resources to back that purpose. Several people interviewed considered that the absence of the normal NAO system had been an advantage.

The management of the ACO itself is also very similar to that of a private sector office. There are well-managed procedures to support visiting missions (including Member States representatives) and consultants. Correspondence is processed promptly, and disputed items are referred separately rather than used as a reason to hold up processing undisputed items.

Because of the absence of a Delegate and of a functioning NAO, normal procedures could not be put in place, such as double signatory accounts and work programmes. This necessitated finding different ways of working. The most important aspect of the management set-up in the ACO was the inter-linking of the TA contracts into a mutually supportive network.

Two of the TA firms<sup>9</sup>, have 'iceberg' contracts which combine the provision of TA with responsibility for managing operational budgets for the programme, and include systems for covering procurement costs. These operational budgets were covered by bank guarantees, which were fairly large in relation to the size of the firms. The reimbursement of expenditures generally takes at least two months for Headquarters to process with vigorous paper chasing by the Desk Officer. This leaves the cash flow of the firms exposed, the extent of such exposure depending on the level of activity taking place which tends to be greatest during the dry season. This has necessitated the consultants prioritising their activities and at times halting disbursements on some projects pending reimbursement from Headquarters. For example, during the election period priority had to be given to the implementation of the election support assistance with the result that implementation of a number of other projects had to be delayed. Work on a number of micro-projects also had to be suspended on several occasions pending reimbursement of the consultants.

Despite the considerably simplified procedures for aid management, much staff time is spent on seeking the best way to operate a very cumbersome administrative system. An example is the seeds and tools programme. The placement of a contract for farm tools was subject to two months delay while the winning tenderers bid was re-examined and final specifications agreed. The purchase of seeds has created further problems. The most suitable supplier is in Guinea, and uses outgrowers who need to be paid in advance of delivery. However, EC procedures do not permit prepayments and special arrangements are having to be put in place to get around this problem which are expected to involve the use of Euronaid and of counterpart funds. These problems are not unique to Liberia: other countries, such as Angola, have experienced the same protracted procedures, with those tasked with purchasing working under enormous pressure, resulting in significant delays. However, the consequences of delays in the arrival of seed can be critical for the families involved.

On balance the system has so far delivered, but there is a general view that the situation is not sustainable. The operation also faces the dilemma of moving to the standard EC systems and procedures which are widely perceived by both EC staff and TAs as less efficient and effective. The challenge will therefore be to seek ways of maintaining the impetus and push through mainstream procedural reforms that build on the successful experience of programmes like Liberia.

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<sup>9</sup> Agrisystems and Geoscience.





## Annex A

### List of People Interviewed

#### *Brussels - DGVIII*

Mr B O'Neill - Desk Officer

#### *Monrovia EC Aid Coordination Office*

Mr A Lorkeers

Mr B Brewer

Mr C Smith

Mr A Losseau

Ms P Fritsch

#### *Monrovia - Ministry of Planning and Economic Affairs*

Mr J Howard - Deputy NAO

Mr C Gabelle - TA

#### *Monrovia - Ministry of Public Works*

Mr J Richardson - Minister for Public Works

#### *Monrovia - Other Donors*

Mr J Baumann - Deputy Chief of Mission, United States Embassy

Mr R Thomas - USAID

Mr A Breivik - WFP

Mr F Downes-Thomas, Special Representative of UN Secretary General

Mr E Camara - UNHCR

Mr L Manneh- UNDP

#### *Monrovia - NGOs*

Ms N Ernout - Action Contre le Faim

Mr E van der Borgh - Medecin sans Frontieres

Mr S Arthy - Merlin

Mr J Hare - Save the Children Fund (UK)

#### *Abidjan*

HE Mr A Spekenbrink - Ambassador of the Netherlands

Mr A Richmond - First Secretary British Embassy

Mr J Silva - Counsellor French Embassy



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