

ANNUAL REPORT

LIBERIA

2004

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ACRONYMS

ACP	Africa, Caribbean, Pacific
ADB	African Development Bank
AU	African Union
BWI	Bretton Woods Institutions
CAP	Consolidated Appeals Process
CPA	Comprehensive Peace Agreement
CSP	Country Strategy Paper
DDRR	Disarmament, Demobilisation, Reinsertion, and Reintegration
DFID	United Kingdom Department for International Development
EC	European Commission
ECHO	Humanitarian Aid Directorate General of the European Commission
ECOMOG	ECOWAS Military Observer Group
ECOWAS	Economic Community of West African States
EPA	Economic Partnership Agreement
EU	European Union
GoL	(ex) Government of Liberia
HIPC	Heavily Indebted Poor Countries
IC	International Community
IDPs	Internally Displaced Persons
IMF	International Monetary Fund
INGO	International Non-Governmental Organisation
IRCL	Inter-Religious Council of Liberia
JNA	Joint Needs Assessment
LRRD	Linking Relief, Rehabilitation and Development
LURD	Liberians United for Reconciliation and Democracy
MF	Ministry of Finance
MODEL	Movement for Democracy in Liberia
MPEA	Ministry of Planning and Economic Affairs
NPFL	National Patriotic Front for Liberia
NPP	National Patriotic Party
NTGL	National Transitional Government of Liberia
NIP	National Indicative Programme
PRGF	Poverty Reduction and Growth Facility

RIMCO	RFTF Implementation and Monitoring Committee
RTFT	Results-Focused Transition Framework
UK	United Kingdom
UNMIL	United Nations Mission in Liberia
UNOHCHR	United Nations Office of the High Commissioner for Human Rights
UNDP	United Nations Development Programme
UNFPA	United Nations Population Fund
UNHCR	United Nations High Commissioner for Refugees
UNHDI	United Nations Human Development Index
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
WB	World Bank
WFP	World Food Programme
WHO	World Health Organisation

1 Executive Summary

The Transition Government inherited a dysfunctional economy and society when it was installed in 2003. Corruption and bad management had resulted in a GDP only 30% of the 1980 level (\$140 per capita) and a \$2.9 billion external debt. The economic situation was exacerbated by the UN sanctions on timber, diamonds and gold exports. Inflation is 29% and unemployment 85%. Over 800,000 are either displaced or are refugees. Liberia is ranked 174 out of 175 countries on UNDP's aggregate Human Development Index. The majority of the population has no access to health or educational facilities. Infrastructure has been largely destroyed by the war.

In response to this situation, the Government's development agenda is based on the priorities for peace, identified in the Accra Peace Agreement, and translated into a Results Focused Framework in collaboration with the Donors to ensure funds are used as efficiently as possible. Until elections on 11 October 2005, an appointed National Transitional government is in place, comprised of leaders of the various factions under the Chairmanship of Gyude Bryant.

During 2004 the Government began to take steps to redress the economic situation, in collaboration with the Donor community. To improve public finance management it centralised revenue collection and initiated audits of several state owned enterprises. Rice importation was liberalised. But progress is slow, and the international community is concerned about the commitment to financial transparency. Revenue losses might total as much as \$7m per month. The political process also remains dominated by personalities associated with the former regimes or rebel movements, and a preoccupation with the trappings and perquisites of public office.

Liberia is still subjected to six-monthly political reviews as foreseen in the Council Decision of 25 August 2003 adopting measures concerning Liberia under the above-mentioned Article 96. .

Assistance from ECHO and Food Aid made a very substantial contribution to alleviating the immediate humanitarian crises. During 2004 ECHO provided integrated humanitarian assistance on the basis of its Global Plan and the EDF 9 B-Envelope totalling €25.3m. The Regional Global Plan for West Africa includes €12m for integrated assistance in Liberia and €4.15m for the repatriation of Liberian refugees from neighbouring countries. The strategy is now evolving towards resettlement of IDPs and providing essential social services through implementing partners.

Funds from the 8th EDF, through a €25m Article 255 programme, provided a bridge between humanitarian and development assistance. Activities focused on Infrastructure (water and electricity); Health (drug supply and primary health care); and Community Development (108 small projects in the income generation, water and agriculture sectors). The Programme was extended by one year and the budget increased by €6.5m.

Balances from previous EDFs were made available for a programme of support to the Peace Process (€8m) and a Post Conflict Rehabilitation and Capacity Building programme (€40m). The first provided support to the ECOWAS secretariat in Liberia, while the Post Conflict programme aims to underpin the transitional phase. The first component is providing institutional support for the national elections and the Government's efforts to improve the management of public finance by restructuring key ministries and State-owned enterprises and creating oversight Commissions. At the

request of government, five financial audits of key institutions were carried out. The second component is based on the recognition that reintegrating ex-combatants is essential for peace. A total of €9.15m was contributed to the UN Trust fund and €3.25m for vocational training for 3,940 through two NGOs. The third component will complement the 8th EDF programme and ECHO interventions by financing the rehabilitation of social infrastructure in the most affected counties and other community based initiatives. A rider to increase ceiling by €8m is awaiting approval.

The European Commission worked closely with the International Community and Government to ensure political and developmental complementarity and collaboration. This close collaboration resulted in progress in the preparation of the CSP and a draft of the 9th NIP during the year. The NIP identifies two focal areas – County Development and Education. Funds from the NIP will also be used to continue support to Government to improve the management of public finances and the provision of basic services.

2 Update on the political, economic and social situation

2.1 Domestic Politics - Update of the political situation

The regime of Charles Taylor ended in August 2003. This marked the end of a period of war since 1989 and subsequent bad governance during which one-tenth of the pre-war population of 2.5 million people died, one-third became refugees, and nearly everybody else was displaced at one time or another. Moreover, during his tenure infrastructure was not rebuilt, basic services were not reinforced, the security forces were not reformed, the rule of law was not respected, the democratic principles of governance were not observed and hundreds of thousands of refugees and internally displaced persons were not repatriated. He increasingly centralised government around the Office of the President and reinforced his decisions by his personal militias and special units of the security services. Positions of power and influence were awarded to members of his clan, his supporters in the war and his political party, the NPP, while any opposition was ruthlessly suppressed, tortured, harassed or abused. Most of the opponents fled the country or became silent.

By the beginning of 2002, with the political and economic system in Liberia in collapse, LURD and MODEL intensified their armed campaign to oust Taylor. In parallel, Archbishop Francis of the Inter-Religious Council of Liberia (IRCL) kept up efforts inside and outside Liberia to foster a peace initiative. Due to the continued pressure from the IRCL and the international community, a peace conference was held in Accra in June 2003, resulting in the signing of the Comprehensive Peace Accord (CPA) To avoid a continuation of the war, Taylor was persuaded to go into exile. In his place, the International Community supported the approach of an all-inclusive transitional government – the three warring factions, eighteen political parties, civil society and County representatives. Government positions were allocated on a proportional basis. A non-aligned technocrat, Mr. Gyude Bryant, was nominated as the Chairman of the National Transitional Government of Liberia (NTGL) which took office on the 14th of October 2003.

The UN led disarmament and demobilisation exercise, which commenced in April 2004, disarmed 103,000 rebel forces and government militia, and the former warring factions ceased to exist as military entities on the 3rd of November 2004. This number

considerably exceeded the original estimate of 40,000, and increased the demands on reintegration and rehabilitation programs, for which there is currently a shortfall. The United Nations Mission in Liberia (UNMIL), which took over from the ECOWAS forces in October 2003, operates under a Chapter VII mandate and has reached its full strength of 15,000.

The NTGL is experiencing strains, particularly with respect to the former warring factions' continued focus on furthering personal interest rather than working as a cohesive unit with a united approach. This problem is most evident within LURD, who has always felt that, since it 'liberated' Liberia, it should be the legitimate government. Key individuals within LURD, such as the speaker of the National Transitional Legislative Assembly of Liberia (NTLA) and the Minister of Justice, continue to challenge the peace process. Actions among various alliances of key players, within as well as outside Government, work counterproductively to the peace process.

Within this political perspective, 2005 will largely focus on the upcoming elections, scheduled for 11 October 2005, under the supervision of the UN. The National Elections Committee (NEC) is the lead body for organising the elections, with the support of the UN, EC and other donors. The ongoing preparation still has a long way to go, with the voter registration to be conducted and the political campaigning to commence in September.

However, the indications are not promising. The capacity of the existing 18 political parties is poor; there is a plethora of presidential candidates as well as aspiring new political parties. Concerns are raised that many of the politicians are of the same educational, professional and moral background as Taylor. People's knowledge of democracy and elections are limited and infrastructural constraints will have a negative impact on the election process. The political climate will likely harden as elections approach and candidates position themselves. Canvassing for votes has begun unofficially, to a large degree by vote buying, and ethnicity will increasingly become a campaigning platform. Ministers, prevented from contesting the elections, will increase their efforts to influence the outcome of the elections. Spoilers and hardliners will continue to attempt to delay and disrupt the democratic process. The reintegration and rehabilitation of the ex-combatants will continue to be a problematic area, as will the lack of political will within the transitional Government.

2.1.1 Regional Politics

There is a significant regional dimension to the political situation in Liberia. The Liberian conflict has its roots partly in regional political and economic instability, the effects of which have spilled over the porous borders in the region. Ethnic groups straddle both sides of national boundaries, there is a natural movement of peoples across these borders and ethnic allegiances transcend national identities and can become the basis of militia or mercenary forces.

Consequently, the neighbouring countries have been involved in the Liberian crisis, either as the target of political and military intrigue, as for example indirectly the case of Mr. Taylor's involvement in Sierra Leone, or because they actively support opposition factions against the Government. In the recent crisis, LURD was supported by Guinea and Sierra Leone and MODEL received support from Cote d'Ivoire.

This regional dimension added to the complexity of the situation and led to a worsening humanitarian crisis. The UN estimates that there are 57,000 refugees from Sierra Leone and Côte d'Ivoire in Liberia, and over 364,000 Liberian refugees, mainly in Guinea, Sierra Leone and Côte d'Ivoire. As the Liberian crisis deepened between 2002 and 2003, the international community became increasingly preoccupied with Liberia, so much so that the International Contact Group on Liberia (ICGL) was established. This informal organisation held several meetings with regional heads of state and with the then President Taylor to try and avert the crisis.

Recognising the importance of the regional dimension, The NTGL makes consistent efforts to improve its relation with neighbouring countries. It actively supports ECOWAS initiatives and efforts have been made to revitalise the Mano River Union. Similarly, the UN works to strengthen cooperation between UNMIL, UNAMSIL and UNOCI to develop joint plans and modalities for more effective border control and information sharing.

The deteriorating situation in Cote d'Ivoire could have a negative impact on Liberia. Approximately 10,000 refugees arrived during November 2004. Rumours have also circulated that ex-combatants in the Southeast have joined forces in Cote d'Ivoire.

2.2 Update of the economic situation

Liberia (with a population of 3.3 million) is one of the poorest countries in the world, with a GNP per capita estimated at around US\$157 in 2003 and 76% living below the poverty line.¹ It ranks 174 out of 175 countries on the Human Development Index.

Prior to the 1980's a high level of foreign direct investment, mainly in rubber and iron-ore mining, led to two decades of economic growth and a GDP per capita of \$500 by 1981. Since this time, the economy has been in decline due to the mismanagement of State affairs and the civil conflict. The present value of the external debt is \$2.9 billion, of which the government services only 0.6%. The conflict also stimulated human and capital flight: the net outflow of capital was \$65m in 2002 and many qualified Liberians now live overseas. It is premature to say whether peace is reversing the overall economic trends: while the estimated inflation rate in 2002 was 29.4%, down from over 3,000% in 1998, GDP growth fell to 3.3%, down from 4.9% in 2001. Much of the recent improvements are also due to the large aid inflows associated with relief and the peace process (aid per capita is \$15.9), which are transient. With GDP only 30% of its 1980 level, unemployment currently stands at 85%. Many depend on remittance incomes and safety nets, as well as informal services. With a high dependency on imported foodstuffs (especially the rice staple) a large percentage of the population people are vulnerable to even small price rises.

No reliable data is available on the sectoral contributions to the economy. With the extractive industries under sanctions (timber, iron ore, diamonds) the formal economy is limited to service industries. The contribution from 'flags of convenience' is falling. Formerly agriculture provided employment for 80% of the working population through either the formal sector (rubber and logging) or subsistence, but the conflict has severely dislocated both. However, there are some encouraging signs. Rubber prices on the world market are buoyant, Firestone is negotiating an extension to its lease, and local owners are

¹ Survey of household expenditure, conducted by the UNDP in August 2000

rehabilitating family plantation. There are also prospects for significant FDI in the mining sector- several large companies have also expressed interest in taking over iron ore concessions, notably the EU based RTZ, BHP-Billiton and LNM.

Figure 1: Key Socio-Economic Indicators (2003)²

Indicator	Value	Year
Human Development Index	174 th (Out of 175)	2003
<i>Demographic</i>		
Population	3.3 million	2003
Annual population growth rate	2.8%	2003
Urban population (estimated)	40%	2003
Life expectancy	47.7	2002
<i>Economic</i>		
Real GDP per capita	US\$140	2003
Inflation rate	29.4%	2002
GDP Growth	3.3%	2002
External public debt	US\$ 2.9 billion	2003
Total External Debt/GDP	679.7	2003
Imports from EU	\$630.0m	2003
Exports to EU	\$600.6m	2003
Proportion of population below \$1/day	76.2%	2002

2.3 Trade

No overall trade statistics are available. Trade with the EU during 2003 registered a deficit of only €30m in 2003, with total exports of €600.6m and imports of €630m (see Figure 2). This compares with imports from the EU of €2,075m in 2000, and a trade deficit of €1,644m.

Shipping registered in Liberia accounts for 85% of exports, but does not benefit the local economy. The balance is from timber (7%), and rubber (4%). With regard to imports from the EU, vehicles and other transport equipment accounts for 92%, with the remainder a variety of foodstuffs, consumer goods and industrial products

Figure 2: The Liberia Trade Balance with EU – €m (1990-2003)³

€M	1990	1995	2000	2001	2002	2003	1990/2003
Exports to the EU							
Agriculture	7.4	0.1	5.5	1.4	1.4	3.1	-103%
Total Exports to EU	702.4	637.4	431.2	737.0	465.7	600.6	-14.4%
Imports from the EU							
Agriculture	14.4	20.9	32.1	26.0	20.3	21.1	+46.5%
Total Imports from EU	965.6	1240.2	2075.7	1555.3	900.6	630.3	-34.8%
Trade Balance	-263.2	-602.8	-1644.5	-818.3	-434.9	-29.7	
Exports/Imports	72.7%	51.4%	26.2%	47.4%	51.6%	95%	

² Source: World Bank, Liberia at a glance, September 2002, IMF, Article IV March 2004, UNDP, Millennium Development Goals Report 2003

³ Source: EUROSTAT, December 2004

2.4 Macro-Economic and structural reform performance

During 2004, the NTGL made some progress in implementing measures to improve macroeconomic management and revenue collection. A partnership between Government and the International Community resulted in several concrete measures that produced tangible improvements in public finance management.

The NTGL worked closely with the IMF and the World Bank to develop a fiscal management programme as a prerequisite to a Staff Management Programme. It also worked with the US Government Treasury Department to put in place improvements in public finance management in the Ministry of Finance and the Central Bank. Revenue collection was centralised and Government accounts transferred to the Central Bank. Rice imports were liberalised⁴ and similar measures planned for petroleum.

Fiscal management was central to the Article 96/97 EU Consultation Process as part of Good Governance. The European Commission assisted the government to make progress in this area by funding audits of five state institutions – the Forestry Development Agency, the Liberia Petroleum Corporation, The Bureau of Maritime Affairs, Robertsfield International Airport, the National Port Authority and the Central Bank of Liberia. In addition, management reviews of government ministries and departments managing public funds were prepared. The Contracts and Monopolies Commission also began to review public procurement procedures. The key fiscal accomplishments have been:

- Domestic Revenue collections exceeded estimates for the period ending June 30, 2004.
- The FY 2005 (1 July 2004 – 30 June 2005) budget was approved by the National Transitional Legislative Assembly (NTLA) within the parameters agreed with International Financial Institutions.
- Domestic revenues fund the entire FY 2005 budget, without resorting to domestic or foreign borrowing. It is conservatively drawn to be resilient to possible revenue shortfalls.
- Line Ministries have prepared cash management plans to manage spending in a pattern consistent with revenue flows.
- A Cash Management Committee reviews pending revenue and spending on a weekly basis to make sure that expenditures do not exceed the cash resources available.
- The contract to improve compliance with customs liabilities has been extended with an international company (BIVAC).
- The Ministry of Finance established a Large Taxpayer Unit.
- A revenue inspectorate has the responsibility for conducting spot-checks of taxpayers records to ensure compliance.
- A Physical Audit unit ensures transparency in public procurement.

⁴ Although subsequent prices increases have provoked calls for government intervention

- A Macro Fiscal Unit in the Ministry of Finance undertakes qualitative analyses of revenue and expenditure trends, as well as to enhance improvement of relations with multi-lateral institutions.

Currently the government generates 77% of its revenues through the activities of four State owned Enterprises that manage the ‘commanding heights’ of the economy: Forestry; Maritime and Shipping; Ports and Airports (customs and excise); and Petroleum products (duties and taxes). However, since timber and diamond exports remained banned under UN Sanctions, the state did not achieve its full potential revenue. Revenues from maritime registry (\$7.5m, or 31% of the total) continue to fall.

In this context, actual aggregate expenditure for the period February-June 2004 (see Annex 5) reached \$27.8m. This represented an increase of 41.8% over actual expenses of \$19.6m for the previous fiscal period (the October 2003-January 2004 “mini-budget”). The budget projection for this same period was \$23.5m. Actual cash expended exceeded the budget by \$4.3m or 18.2 per cent, as presented in the table. The approved budget also included an addendum, “Contingency Expenditure Plan”, showing priority expenditures in the event that revenues exceeded estimates. This was also approved and provides the basis for these additional expenditures.

Moreover, revenue loss is still high, perhaps as significant as \$7m per month. Although it has started to pay all civil service salaries, there are significant arrears. It must grapple with losses in revenue due to bad management and corruption, continuing sanctions, and a massive foreign debt. By the end of 2003, the estimated Liberia external debt was US\$ 2.9 billion (US\$ 2.6 in arrears, 49% multilateral - half of this to IMF, 28% bilateral). Reactivating multilateral finance requires the implementation of an arrears clearance plan. Some bilateral donors have already shown willingness to renegotiate the Liberian debt.

The exact 2004-2005 budget breakdown is not easy to come by. However, the NTGL is working on an amount of \$73m, which indicates a projected deficit of \$12m.

Despite some progress, fiscal management remains a problem, and will require particular attention for the foreseeable future. While the system of public finance management needs to be modernised, the significant number of officials who believe they are entitled to use their positions to benefit themselves and their associates worsen the problems. Consequently, for macroeconomic management to improve, Liberia will continue to need technical assistance, training, equipment and management support, particularly in areas where there is a perception of irregularities and a need to realign institutional responsibilities, for instance by placing fiscal management under the Ministry of Finance. The political support of the International Community will need to underscore this technical support, in particular those institutions, such as the IMF, World Bank and European Commission, which traditionally provide support in this area.

2.5 Update of the social situation

The conflict displaced one third of the population and separated tens of thousands separated from their families. 500,000 people are currently Internally Displaced (with 261,000 in settlement camps) and an estimated 340,000 Liberians live in Guinea, Sierra Leone, Côte d’Ivoire or Ghana. Conversely, 2,000 Sierra Leone and 19,000 Côte d’Ivoire refugees shelter in Liberia. Unaccompanied children continue to be identified in Liberia and neighbouring countries. Since 1991 the USA accepted some 20,000 Liberians

under a temporary protection programme, joining the 300,000 Liberians already resident in the USA.

With UNMIL now present in force, the country is becoming more and more accessible but humanitarian access is not yet possible all over the territory. In regions beyond UNMIL's control insecurity remains a concern, with some villages around the camps suffering sporadic attacks by ex-combatants looking for food, shelter and valuables. While there is evidence of spontaneous return, the majority retain a foothold in the towns, camps or in neighbouring countries. Security is still the main concern.

Although the humanitarian situation has improved since the end of the war in 2003, particularly due to the intervention of the donors and humanitarian organisations, access to basic services such as primary and secondary health care, nutrition, water and sanitation, food and shelter as well as basic education is still limited. Access to basic social services and economic opportunities will determine the pace of repatriation activities.

Only limited reliable and recent statistical data is available, but it reveals how far Liberia lags behind the Millennium Development Goals and how poverty has deepened further (see Fig 1).

Figure 3: Millennium Development Goals Indicators

Type	Indicator	1998	1999	2000	2001	2002	2015
Impact	i) Proportion of population below US\$1 per day. (1)	-	-		76.2%	-	27.5%
	ii) Percentage of underweight children <5 yrs. (2)	-	-	26		-	7.4%
	iii) Under five years mortality rate per 1,000 live births (3)	-	-	235	-	235	55
Outcome	iv) Net enrolment percentage in primary education.	43.9	69.9	-	-	34.7%	60%
	v) Primary education completion percentage.	56.0	24.0	-	-	31.2%	80.6%
	vi) Ratio of girls to boys in: Primary education Secondary education Tertiary education	0.74 0.65	0.73 0.69 0.76		40.8-59.2% 41.0-69.5% 27.6-72.4%		100%
	vii) Percentage of births attended by skilled health personnel.(4)	-	-	-	-	89.1	97.0%
	viii) Percentage of 1 year-old children immunised against measles.	-	-	-	78	57	100%
	ix) HIV prevalence amongst 15 – 24 year-old pregnant women.	-	-	12.9%	-	-	12.9%
	x) Proportion of population with sustainable access to an improved water source. (1)	-	-	26%	-	-	63%
	xi) Child Mortality rate per 1000 survivors to age 1 yr.	-	-	157	-	157	36
	xii) Proportion of people with access to basic sanitation. (1)	-	-	45%	-	-	67.9%

(1) UNDP Household Expenditures Survey, 2000, MDG, 2004

(2) Year of survey in 1999-2000

(3) Same figure in 1990 and 1995

(4) Data refer to the most recent year available during the period 1995-2002

The Liberian education system is one of the weakest in Sub-Saharan Africa. More than 50% of children are out of school, and the differential between boys and girls primary enrolment rate has increased considerably because of gender-based violence and sexual exploitation. The drop out rate is high: only 35% of boys and 27% of girls reach grade five. Government has made modest progress with the development of an education policy: an Education for All action plan, a Free and Compulsory Primary Education in Liberia policy paper and a National Policy on Higher Education has been developed over the last months.

Likewise, the Liberian health sector is performing poorly. Less than 10% of Liberians have access to health care and only 26% of the population have access to safe drinking water. Malaria, acute respiratory infection, sexually transmitted infections and skin diseases are the most prevalent problems. Under-five mortality rate is 235/1,000, five times the MDG target, and infant mortality 157/1,000, four times.

The poor performance of social services is due to widespread destruction of infrastructure, the displacement of large sections of the population, and staff attrition (caused by low salaries and morale). Moreover, revenues or cost recovery schemes do not meet recurrent expenditures for essential drugs, educational materials and trained personnel costs.

2.6 Cross-cutting issues

With regard to gender, women associated with the fighting forces in Liberia constitute a vulnerable group with special needs in the DDDR process. These special needs stem from a number of factors such as the stigma attached to association with the fighting forces and the close bond many of these women have to the fighting forces as wives and mothers. At the conference, UNIFEM identified four priorities for the NTGL and UNMIL, namely the provision of security for all women, the re-establishment of the rule of law, good governance that promotes Liberian women in all sectors, and economic security and rights for women.

The UN is making provisions for female ex-combatants by providing reintegration programs with specialized NGOs. It developed an outline for the formal training programs, including sexual and gender based violence. The Ministry of Gender and Development has completed a work plan to strengthen capacity for gender mainstreaming and has deployed 22 gender coordination focal points. The National Assembly has established a sub-committee of legislators on Protection, Gender and Human Rights. On 22 September 2004 Liberia signed the Optional Protocol to the Convention on the Elimination of All Forms of Discrimination against Women.

With regard to the environment, the breakdown in civil order has led to an intensification of illicit poaching for the bush meat market, which is endangering many species. Uncontrollable logging used to be a problem. However, the UN sanctions regime in combination with the proposed review of the forestry concessions should lead to better regulation of the sector. Alluvial mining poses a threat to water quality and riparian habitat, as does industrial spillage and poor waste management in the areas around Monrovia.

3 Development agenda of the partner country

3.1 Transition Process and Strategy

A National Transitional Government of Liberia (NTGL), led by Chairman C. Gyude Bryant and made up of the previous government members, warring factions, opposition leaders and civil society groups, was appointed in October 2003. Under UN Security Council resolution 1497, ECOWAS deployed peace force in Liberia in August 2003. On 19 September 2003, the UN Security Council adopted a Chapter 7 mandate establishing a stabilisation force - UNMIL.

The NTGL set out a transition strategy creating an enabling environment for sustainable development and a return to democratic government. It is based on security; good governance and respect for the rule of law; humanitarian needs; the reintegration of ex-combatants; the repair of basic socio-economic infrastructure; and economic growth. There are 10 goals:

1. Maintain peace;
2. Disarm, demobilise, rehabilitate and reintegrate ex-combatants;
3. Enable refugees, IDPs and third country nationals to return to their places of origin;
4. Establish governance institutions that promote rule of law;
5. Set the scene for democratic elections;
6. Increase access to primary health care, education for all and community water and sanitation;
7. Restore production capacity and livelihoods;
8. Rebuild national infrastructure;
9. Create an environment of private sector confidence;
10. Establish a coordination mechanism for government, donors and other stakeholders.

Based on the Results-Focused Transition Framework (RFTF), a Joint Needs Assessment to identify the priority requirements of Liberia was undertaken by United Nations and World Bank under the guidance of the NTGL and in coordination with the community of Donors and other stakeholders (see Annex 1). The JNA is not a long-term development strategy but it is the only development reference paper for Liberia. It documents Liberia's highest priorities from humanitarian needs to economic recovery, enabling the country to embark on sustainable development. However not all the transition strategy goals can be fulfilled in two years, the period foreseen for RFTF implementation.

The JNA covers 13 priority sectors grouped into nine clusters - including national elections that must be held no later than October 2005 - and giving attention to seven crosscutting issues. The crosscutting themes are Gender, HIV/AIDS, Environment, Human Rights, Shelter, Forestry and Media. Annex 2 gives a breakdown of the clusters. The RFTF estimates the total financial requirements for the biennium 2004-2005 at US\$488m. This does not include security: the UN peacekeeping budget finances the UNMIL deployment. The restructuring of the Armed Forces is currently under assessment by the US Government.

An international conference on the reconstruction in Liberia took place in New York on 4 and 5 February 2004. The objective of this conference, jointly organized by the United Nations, the World Bank and the United States, was to mobilise financial support for the reconstruction of Liberia based on the Needs Assessment Report. Donors pledged US\$ 522 million covering humanitarian and recovery activities. In addition, the UN World Food Programme requested, through the West Africa Appeal, US\$40m for food requirements in Liberia.

At the end of 2003 the UN launched a Consolidated Inter-Agency Appeal for 2004, involving 12 UN agencies in Liberia. The CAP appeal amounts to US\$ 137m covering humanitarian aid and support for early recovery in 2004. Donors acknowledge that there is a certain overlap between the needs assessment and the CAP, but cannot quantify it.

In accordance with UN Security Council resolution 1497 and subsequent to the deployment of the ECOWAS mission in Liberia (ECOMIL), the UN deployed a stabilisation force (UNMIL). UNMIL has compulsive powers (Chapter 7) and currently has approximately 15,000 peacekeepers and more than 1,000 international civilian police in the country.

UNMIL has an extensive mandate, which extends its authority over an important part of the national infrastructure, including airports and ports. National and civil security, the reestablishment of the rule of law and the disarmament of combatants are fundamental for the consolidation of peace and are some of the major roles of UNMIL. UNMIL also addresses regional security, human and children rights, democracy/elections and war crimes.

Despite the laudable goals and an inclusive institutional architecture, the transition process remains a challenge. Government is weak, and civil servants poorly remunerated and motivated, putting limits on absorptive capacity. In some cases there is an absence of real political will, and more interests in the perquisites of office and travel. In the absence of a strong government, inter-agency co-ordination mechanisms struggle to be effective and coherent. Above all, there is considerable uncertainty about the post-election future.

4 Overview of past and ongoing co-operation

In 2004, assistance to Liberia from the European Commission was not formulated on the basis of an NIP. Consequently, this report cannot present an analysis in terms of focal areas. From 1990 the European Commission discontinued normal EDF assistance to Liberia because of violations of international human rights, corruption, failure to respect the rule of law, and non-adherence to democratic principles and institutions. In 1994 the powers of the National Authorising Officer (NAO) were handed back to the Chief Authorizing Officer (CAO). The EC, however, kept its office in Monrovia open throughout the conflict period. The EC maintained formal contacts with the Government of Liberia through a political dialogue as provided for under Article 8 of the Cotonou Agreement. In 2001, the EU opened consultations with Liberia in accordance with the provisions of Article 96 of the Cotonou Agreement. The consultations were concluded in March 2002 and the Government undertook a number of commitments aimed at restoring democracy and improving respect for human rights and fundamental freedoms as well as good governance. Liberia is still subjected to six-monthly political reviews as foreseen in the Council Decision of 25 August 2003 adopting measures concerning Liberia under the above-mentioned Article 96.

The instruments that were available to Liberia were:

- EDF 8 and 9
- ECHO
- Food Security Budget Line
- Tropical Forest Budget Line

4.1 EDF 8

Reintegration Programme for Returnees and Displaced People (8-ACP-LBR2) €25m (increased to €M31.5): June 2001-March 2005 (extended to March 2006)

To complement humanitarian assistance in response to the civil war, a €M25 rehabilitation programme and post-humanitarian aid was funded in 2001 under Article 255. The EC signed the financing agreement on 13 July 2001 and in 2004 extended the implementation until 31 March 2006. At the same time an additional €6.5m from the 9 EDF B-envelope was earmarked to increase the financial envelope of this programme to allow for the rehabilitation of the electricity transmission and distribution grids servicing Monrovia. Commitments increased from €14.2m to €19m during 2004.

A PMU manages the Programme. It consists of the three components: Support to the Health Sector; Community Development and the Water and Electricity Supply Programme for Monrovia and Rural Areas. The programme targeted the following sub-sectors: humanitarian assistance; the restoration of basic health services and the provision of essential drugs; food security; improved access to clean water and sanitation; and repairs to essential infrastructure. The strategy stresses sustainable approaches to service provision.

It is important to note that from its outset the programme has suffered from disjointed planning and implementation, mainly due to late arrival of the project management team (in January 2003, 18 months after signature of the Financing Agreement) and the civil crisis (necessitating evacuation in June 2003), when the EC had to put activities on hold. 2004 saw the full resumption of activities under this programme. Changes to the organisational structure of the programme also caused delays, but the rate of implementation is now increasing.

Support to the Health Sector (€8m). This component was originally implemented through grant contracts with International NGOs. With the exception of the Phoebe hospital project, all the Health NGO projects were suspended during the war.

Currently the support consists of provision of technical assistance (TA) to Phoebe hospital and to the National Drugs Service to set up a revolving fund for the supply of essential drugs. The main drawback throughout the year was the inability to identify effective TA to supervise the activities and provide policy guidance to the Ministry of Health and the NGOs. It also adversely affected the preparation and launching of drug supply tenders, which contributed to a national shortfall in the availability of medicines. €5.7m has been committed, representing 71.5% of the budget.

Local Community Development (LCD). Prior to 2004 this component relied on the medium of International NGOs to provide community services and infrastructure rehabilitation, with mixed success. In mid 2003 a dedicated TA team was recruited to manage the LCD. It adopted a new approach, working through private sector 'interface partners', which assessed micro-project proposals (upper limit €20,000) submitted by beneficiary communities or individuals (with assistance from the interface). Seventy projects have been awarded, for a total of US\$1m, in the field of agriculture and food security, social services and infrastructure, in nine of the fifteen counties of Liberia. The use of net cash flow to assess project sustainability and sector specific TA could offer a relevant model for future interventions in the country development focal sector. As the

methodology becomes established, project submission and approval is intensifying, with new project awards running at 15 per month.

Water and Electricity. During 2004 the component was reoriented. Previous assistance to the Liberia Water and Sewer Corporation (LWSC) had had mixed results: although it met water needs, the EC was supporting unsustainable recurrent costs, such as salary payments and other incentives. The same applied to the electricity sector, where attempts to resuscitate production through the government-owned Liberia Electricity Corporation (LEC) failed because of lack of commitment, corruption and the mismanagement of funds and assets. Government made the decision to de-nationalise the water and electricity sectors and the European Commission was asked to assist with TA and some investment to prepare for possible privatisation. Consequently, the principal activities in these areas throughout 2004 concerned the financing of service contracts to help prepare a liberalisation policy for the companies providing water and electricity to Monrovia. The willingness of government to accept privatisation in the water sector has allowed the programme to promote innovative and culturally appropriate responses to the problem of financial mismanagement in service delivery. Current commitments amount to approximately €4.7m.

The rider to 8.ACP.LBR.02 provides for an increase of €6.5m for infrastructure investments in the electricity sector. An additional €3m will be made available from 9.ACP.LBR.03 for infrastructure investments in the water sector.

A Programme Management Unit (PMU) for the 8.ACP.LBR.02 programme (consisting of four staff: Team Leader, Finance & Contracts Expert, Accountant, and Administrator) was established in January 2003 and will continue through March 2006. The total commitment to date is €1.6m.

External consultants carried out a Mid-Term Review in late 2003, with results and report published in early 2004. The main recommendations related to the need for establishing a monitoring & evaluation (M&E) system and to ensure project management was in place early.

4.2 EDF 9

A Council decision of 25 August 2003 made available a total of €50m to support of the peace process in Liberia (Support to the Peace Process in Liberia (9.ACP.LBR.02/1) from the balances of previous EDFs. The EC allocated €40m for a Post Conflict programme and €8m to a programme of support to ECOWAS, leaving an unallocated balance of €2m.

4.2.1 Support to the Peace Process in Liberia 9.ACP.LBR.02: €8m: August 2003–August 2004

This programme provided support to ECOMIL, through logistical support to non-military costs and the ECOWAS secretariat in Monrovia. ECOWAS only used approximately half of the funds made available. This was due to delays in the arrival of the funds and poor management of the funds allocated to the secretariat, and the EC asked for an audit in order to improve financial management. In 2004 action was begun to decommit the estimated €4m balances in order to make them available for an increase in the ceiling of the Post conflict programme Financing Agreement.

4.2.2 Post-conflict Rehabilitation and Capacity Building Programme 9-ACP-LBR 002: €40m: November 2003-November 2006.

The EC signed a €40m Financing Agreement for the Post-conflict Rehabilitation and Capacity-Building Programme on 25 November 2003. The programme's objective was to provide resources to implement certain activities prioritised in the CPA. The programme is comprised of three components: Institutional Support (€9m); Disarmament, Demobilisation, Reinsertion and Reintegration (€16m); and Community-Based Rehabilitation (€8m). Activities implementation and disbursements began in early 2004.

Support to the institutional capacity of the NTGL (€9m). The component has three target groups. First, it is supporting the preparation and execution of the October 2005 national elections. A legal expert was seconded to the National Elections Commission (NEC) for six months to advise on the drafting of the new electoral law, which the National Transitional Legislative Assembly (NTLA) adopted on 14 December 2004. Furthermore, UNDP signed a €3m contribution agreement, making the EC the single largest contributor to the election trust fund. The EC bilateral electoral programme also consists of a voter education programme and a capacity-building project for the legislature, both implemented by INGOs (for a total indicative commitment of €3.75m).

Secondly, the aim is to strengthen the capacity of key financial and revenue-generating institutions, including parastatals and Commissions, thereby boosting revenues for national poverty alleviation efforts and tackling endemic corruption. At the request of the NTGL, the EC funded audits of the Central Bank of Liberia and selected state-owned enterprises (forest development authority; bureau for maritime affairs; national port; airport; Liberia petroleum refining company). The draft reports are in the process of being received and reviewed by Commission services. The recommendations will set the stage for subsequent capacity-building projects. A tender was launched to provide technical assistance to assist three ministries (Planning and Economic Affairs, Finance, and the General Audit Office) with their strategic development. A Programme estimate is being prepared for the four Commission established under the CPA: Contracts and Monopolies, Trust and Reconciliation, Governance Reform and Human Rights. It includes long and short term TA and limited operational support. Commitments under the institutional support component totalled €5.8m in 2004.

Disarmament, Demobilisation, Reinsertion and Reintegration (DDRR) (€16m). In recognition that a successful DDRR programme is crucial to the country's future stability and prosperity, the EC committed a total €9.15m to the United Nations DDRR Trust Fund through two contribution agreements, making the EC the largest contributor. Furthermore, €3.2m was committed for a vocational training and job placement programme for 2,940 ex-combatants implemented by the two local organisations (Community Empowerment and Skills Development Inc and Liberia Opportunities Industrialization Centres). A separate contribution agreement was signed with UNDP to provide financial and management supervision of the two NGOs. The EC recruited TA to manage the component and programme the €3.24m balance.

Community-Based Rehabilitation (€8m). The third component is a community-based rehabilitation programme. Located in decentralised offices in three counties, it will concentrate on the planning and implementation of larger public infrastructures with local stakeholders, including the administration. It will have clear linkages with the Local Community Development (LCD) of Article 255 and ECHO projects and priorities. This

devolution of decision making to lower levels, the involvement of the administration and approval criteria that factor in sustainability should result in more a coherent programme of works with a significant impact on local development, and act as a precursor to EDF 9. A tender for the recruitment of the TA team was approved in December. No other activities were undertaken under this component, apart from one identification mission, which was deemed unsatisfactory.

TA To the NAO Office (€M0.95). A Technical Assistance Office to the NAO was established in November 2004, with the purpose of facilitating the dialogue between the ministerial counterparts and the EC, and improving coordination, monitoring, and financial administration of programmes.

4.3 ECHO

In 2003, in response to the humanitarian crisis caused by the on-going war, ECHO reopened an office in Monrovia. Initially the aim was to provide humanitarian aid to internally displaced people in the area of health, nutrition, water and sanitation. During 2004 ECHO started shifting focus from pure emergency assistance to post emergency operations. With the improvement of security and access up-country, ECHO faced evolving needs associated with the return process of thousands of IDPs and refugees, and its response became three-fold: 1) restoring access to basic services in areas of return or where humanitarian aid was previously inaccessible; 2) supporting the return and resettlement of IDPs, refugees and ex-combatants to their place of origin; and 3) continuing to assist those IDPs who live in the camps and are not yet able to return home.

Through implementing partners, ECHO supported activities in 10 of the 15 Counties of Liberia (five first priority; two second-priority and three third priority counties). Seven hospitals were rehabilitated and assistance provided to 62 clinics (which recorded 793,783 consultations) and 8,396 malnourished children. In the Watson sector, 89 new water points were constructed and 116 rehabilitated, and 3,717 VIP latrines built, improving access to water and sanitation to about 99,000 Internal Displaced People (IDP).

To strengthen regional programme and emergency operations, ECHO also supports an epidemic division, a regional air transport for personnel, medivac and small cargo and the development of a sub-regional mechanism that reinforces children protection at the national level (€3.4m in 2003-2005).

ECHO will reduce support to IDP camps to care and maintenance in 2005, and where feasible, ECHO partners are developing local ownership and management. Nevertheless, phasing out cannot be foreseen before the end of 2006, and then only if the humanitarian situation keeps improving. Regarding health, as the country totally lacks operational public services and trained staff in that sector, substitution operations will be necessary for a considerable time until the government can find a sustainable solution.

In 2003 and 2004 ECHO's integrated humanitarian assistance totalled €25.3m. It was made up of contributions from the 2003 Global Plan (€4.43m); the 2003 emergency decision (€8m); the 2004 Global Plan (€8.65m); and the EDF 9 B-Envelope (€4.3m). The 2005 the Regional Global Plan for West Africa includes €12m for integrated assistance in Liberia and €4.15m for the repatriation of Liberian refugees from neighbouring countries.

A complete table with ongoing projects and programmes financed by the Community is attached as Annex V.

4.4 Food Security

The Food Security budgetary line allocated €7m in food aid to Liberia through the WFP in 2003 and another €7m in 2004. The EC integrated this in the UN inter-agency Consolidated Appeal Process covering urgent humanitarian needs.

The Food Security and Co-financing budget lines financed important projects focusing on humanitarian assistance, food security and rehabilitation.

4.5 Tropical Forest Budget Line

The Tropical Forest budget line financed a project aiming at the re-assessment of forest cover, the updating of the protected forest system and the improvement of environmental information for Liberia. Implemented by Fauna and Flora over four years with a budget of €0.8m, it ended in October 2004. The organisation has made a further submission to the same budget line for a second phase.

4.6 European Investment Bank (EIB)

There is no EIB activity in Liberia at present.

5 Programming perspectives for the following years

The Country Strategy Paper (CSP), which will form the basis for the approval of the NIP, was developed during 2004. The Office plans to submit it to Headquarters at the beginning of January 2005. The NIP has an A-envelope with an allocation of €44.4m. The two focal sectors are county development (€25m) and education (€12m), with €7.4m allocated for non-focal sector activities (mainly support to financial sector reform and civil society).

5.1 Policy objectives and priorities

In order to consolidate peace and enable the development of the country, it is fundamental that Liberia addresses the root causes of the successive conflicts. The present Country Support Strategy for Liberia takes into account the following factors:

- Despite growth before 1980 and its rich natural resources endowment, Liberia has fallen, through a long period of conflict, mismanagement and an abusive exploitation of its natural resources to the very bottom of the UN Human Development Index.
- The roots of conflict are mainly based in the marginalisation of a large part of the population and the concentration of influence and wealth in the elite based in Monrovia. It has an ethnic and a regional dimension. The democratic processes and state institutions need to be reformed, including the devolution of decision-making. Progress will also require economic growth and political will.

- International cooperation is resuming. With government institutions weak and the country recovering from conflict, moving towards longer-term development, led and managed by local institutions, must be a gradual, transitional process.
- The needs and priorities for Liberia's reconstruction jointly identified by the NTLG and the donor community, and as presented in the Joint Needs Assessment presented at the Liberia Donor Conference in New York.

5.2 Coherence and complementarity

The selected sectors represent a logical continuation of the current Community-funded programmes, both thematically and geographically:

- The humanitarian support provided by ECHO through its Global Plan for 2004, targeting vulnerable populations in the areas of greatest insecurity in Liberia and abroad;
- The food security actions financed by the Commission's food security budget line through the World Food Programme and NGOs;
- The Disarming, Demobilisation, Rehabilitation and Reintegration Programme, co-financed by the Commission and implemented by UNMIL, under the guidance of the National Commission for DDDR (NTGL, rebel movements and international community involved in the peace process including EC);
- The Reintegration Programme for Returnees and Displaced People in Liberia targeting local community development, health, repairs to electricity infrastructure and support to water supply;
- The Post Conflict Programme supporting social infrastructure rehabilitation, social service recovery and good governance.

The strategy was conceived in full co-ordination and complementarity with programmes of other donors and NGO community. It also builds on comparative advantages acquired by the Community's co-operation in Liberia and the lessons learned – principally the need for economic growth to to limitations of parallel systems, the success of to select partners with the appropriate competence; and, most important, that without political stability and economic growth, no project will have any lasting benefits. The latest version of the proposed strategy was discussed with the actors concerned at two consultative meetings organised in November 2004. Minutes of the meeting are attached as Annex VII. The strategy was also outlined to the Member State representatives in Monrovia. Continued co-ordination is foreseen through the RFTF Implementation and Monitoring Committee (see point 5.4). The 9th EDF planned interventions will be implemented with specific technical support to, and partnerships, with international organisations principally the UN, NGOs, private sector and civil society organisations.

The United States is taking a lead on the security sector reform in Liberia. An assessment team has drafted recommendations for a reform plan. The details and budget are not yet available.

5.3 1st Focal Sector – County Development

The first focal sector of the present strategy addresses clusters 6, 7, 8 and 9 of the Results-Focused Transition Framework. The aim is to tackle both the consumption and social caused of poverty in rural areas. The activities and approach are meant to overcome the policies of exclusion carried out by previous governments that has led to marginalisation and discontent.

The approach reflects the need to move progressively from transitional implementation arrangements towards normal cooperation by building up institutional capacity to improve state service provision, whilst at the same time continuing to deliver tangible benefits to meet immediate needs and stimulate sustainable economic growth. Through technical assistance, this sector will build the capacity of county administrations to manage a decentralised administrative system and provide basic socio-economic services to the population. It will aim to rehabilitate public infrastructure, including primary health care: primary, secondary and vocational education; community water and sanitation infrastructure; and access roads. It will also undertake measures to improve the performance of public services by supporting institutional reform of management systems and policies to make service provision more responsive to consumers. The revitalisation of local economic activities and productive infrastructures will be given special attention, especially the promotion of agriculture, such as smallholder rubber plantations or rice cultivation, given the growth and employment possibilities of this sector.

In order to avoid dependency and the rupture in systems after the completion of the projects, special attention will be paid to the sustainability of each activity. It will be addressed by supporting the design and implementation of cost recovery and innovative management systems appropriate to the local context.. Mechanisms to involve local level stakeholders and actors in decision-making are inherent in the approach. The private sector will participate in implementation. Cross-cutting issues (the environment, HIV, gender, land tenure) will be monitored.

5.4 2nd Focal Sector - Education

The Liberian education system is one of the weakest in Sub-Saharan Africa. Violence, widespread destruction of infrastructure, displacement of large sections of the population and the continued degradation of the institutions has had a devastating effect on the education sector. More than 50% of children do not attend school and the differential between boys and girls primary enrolment rate has increased considerably because of gender-based violence and sexual exploitation. Only 35% of boys and 27% of girls who go to school reach grade five. Given the high illiteracy rate, the importance of non-formal education is underscored.

The proposed strategy aims at laying the foundation for a sector wide approach. It builds on emergency activities carried out in the education sector in the framework of the DDRR programme and ECHO's humanitarian aid operations to facilitate the return of vulnerable people to their place of origin in Liberia. It complements the first focal sector, which will also include the construction of primary and secondary education facilities. In line with the EU's commitment to pay special attention to child soldiers, the latter programme provides for specific assistance to children affected by the conflict, such as non formal education and training.

The strategy aims to increase access to education by constructing more schools and training more teachers, based on coherent overall planning for the sector, which will be assured by institutional links/support to the Ministry at national level and by playing a lead role in donor coordination mechanisms. In particular, the EC will collaborate with UNICEF, the lead UN agency in the sector. It will also address the gender differential and seek to close the gap between boy and girl attendance rates. Local expertise (architects, contractors, works supervisors) will be used where possible.

The strategy also aims to improve the quality of educational outcomes. The Ministry of Education will be assisted with the strengthening of its policy and institutional framework. The primary, secondary and vocational education curricula will be reviewed. Teachers and education officers training activities will be expanded, essential teaching and learning materials reviewed and printed, and school management and monitoring systems upgraded and reinforced.

5.5 Macro-economic support

Liberia is presently ineligible for international macro-economic support. The country is in arrears with the Bretton Woods institutions, has a failing economy and lacks a macro-economic recovery plan and a mechanism to ensure sound public finance management. In December 2003, the NTGL and the IMF agreed that carrying out audits of four State-owned enterprises would strengthen cooperation, which were financed by the EC at the request of the Chairman. The IMF and the US Embassy have already indicated that the NTGL should tackle corruption in the Port as a condition for further assistance.

However, Liberia potentially qualifies for Debt Relief under the Heavily Indebted Poor Countries (HIPC) Initiative. One of the pre-conditions for a country to qualify for the HIPC initiative is to have cleared the multilateral arrears, and the arrears with the European Investment Bank stemming from EDF financed special loans and risk capital will be cleared from funds available under the B-envelope. Once the country actually reaches its decision point, **interim relief** will be provided on its debt service falling due from the horizontal envelope.

5.6 Non Focal Sectors

The CPA clearly identified bad governance and corruption as being amongst the main causes that led to crisis and civil war. Transparency, accountability, performance and reliability of public administration are crucial to economic recovery, delivery of social services, and confidence into government institutions. Therefore, a set of institutional support activities is envisaged that will build on interventions financed from Component 1 of the ongoing Post Conflict Rehabilitation and Capacity Building Programme targeting democracy and improved governance in the institutions managing public funds. Close co-ordination with other donors acting in this area will be ensured in order to achieve maximum impact and coherence of the programme, in the context of ongoing economic and structural reforms.

There are over 30 Civil Society “pressure” groups in Liberia with interests in freedom of the media, women’s rights, religious rights and human rights. Most did not flourish during the Taylor years because of the systematic victimisation of anyone who attempted to champion these issues. The most influential at this time were the Inter Religious Council, (IRCL), WIPNET, Mano River Women’s Peace Network and the Press Union of

Liberia. Despite members of most of these institutions being arrested, tortured and abused, they kept the pressure up on both Taylor and the International Community to resolve the crisis. They continued their work at the Accra peace talks. They have remained influential during the Transition period, taking part in the Needs Assessment exercises (on which the CSP is based), the various donor meetings and mediating between the various factions in Government. In an environment where civil society does not act as a counterweight to government, strengthening the capacity of these groups to articulate and promote discussion, comment and action will be an objective of the non-focal sector.

In order to complement Liberia's initiatives under the Optional Protocol to the Convention Against Torture, the EC can consider addressing issues related to torture such as human rights training for prison/police/legal/judicial officials. Special initiatives or actions in support of the regional peace process or conflict prevention are also eligible for funding under this heading.

In addition, other instruments of Community-funded cooperation may provide opportunities for further support of activities in Liberia. This applies particularly to: ECHO humanitarian aid programme that is nevertheless scheduled to gradually phase out in the medium term; the Human Rights, NGO Co-financing and the Food Security budget lines of the Commission. Finance from these instruments will however be decided in accordance with the Community's procedures for the budget-lines concerned and will depend on the availability of funds. Activities financed should be in line with relevant government policies.

The ECOWAS Region intends to establish an effective free trade area and to determine a common external tariff. ECOWAS has been mandated to negotiate an Economic Partnership Agreement (EPA) with the EU, negotiations started in November 2003 and a roadmap is already set. Further efforts are required with a view to implementing Liberia's commitments towards ECOWAS regional integration process and the strategy will therefore provide support to relevant authorities in formulating and implementing trade policies, both at regional and multilateral levels in the context of the EPA. In particular, the creation of ECOWAS customs union and common market, convergence of macro-economic policies and regional sector policies, are all essential elements to see through the conclusions of the Economic Partnership Agreement as well as the integration of Liberia in the world economy.

Community assistance will also support regional integration matters and certification schemes of exporting goods, notably the new European Forest Law Enforcement Governance and Trade initiative for logs and timber. It also comprises financing of studies, evaluation and audits not related to the focal sectors or of general interest for the EC - Liberia co-operation.

5.7 European Investment Bank

The Investment Facility (IF) managed by the EIB is the instrument of the Cotonou Agreement for long-term finance. It is structured as a revolving fund aiming at long-term financial sustainability and disposing of an array of instruments, such as loans, equity or quasi-equity participation, and the provision of guarantees. The IF targets borrowers in the private sector or the commercially run public sector and foresees only a couple of well-defined cases where a subsidy element might be granted. The extent to which the

Bank will be able to commit long-term resources therefore largely depends on the establishment of a positive investment climate in the country.

As long as the issue of arrears has not been resolved with the government of Liberia, the Bank will not be in a position to resume operations in the public sector. However, private sector operations would be eligible for financing by EIB.

6 Dialogue in country with the NAO and NSAs, and Donor co-ordination

6.1 Dialogue in country with the NAO and non-State actors

The Chief Authorising Officer presently maintains the signatory powers in place of the National Authorisation of Liberia until the political and governance conditions permit the transfer of these responsibilities to the Government of Liberia. Such a decision may be taken through a common agreement between the Government of Liberia and the European Commission in the context of a joint assessment.

A TA to the NAO unit provides support in-country to the Delegate in Ivory Coast who has sub-delegation of NAO powers. The TA to NAO also serves as liaison between Ministry of Planning (which would normally act as NAO), the line Ministries and with NGOs working in EC sectors of interest and funded by the EC.

6.2 Donor coordination

6.2.1 Coordination mechanism

The implementation of the Community's strategy will be based on co-ordination mechanisms existing in the country, particularly the RFTF Implementation and Monitoring Committee (RIMCO) and support to the MPEA. RIMCO will provide general policy guidelines and ensure co-ordination on the RFTF implementation at the highest level of Government, Donor representatives and Civil Society Organisations.

A close relationship is maintained by the EC Office in Liberia with the US Embassy in Monrovia and with representatives of EU Member States who are on the ground in Monrovia (UK Political Officer, Swedish Political Officer, French Attaché). The EC Office provides support to missions of EU Member States, which are very regular and usually consist of both Embassy staff from Abidjan or Accra and officials of national Ministries of Foreign Affairs or Development Agencies.

A matrix summarising donor activities in Liberia is provided as an annex. The US and EC will disburse most funding through bilateral projects and programmes, rather than through United Nations Trust Funds. No funding will be disbursed through Government directly. Not all priority outcomes identified in the JNA and RFTF are covered by pledges. It is clear, for instance, that cluster 8 ("infrastructure") will remain largely under funded, as no other donors have come forward with pledges and commitments in support of large-scale investments in restoring electricity supply, improving the transportation and road network system or the country's water supply and sanitation systems.

7 Conclusions

2004 saw a return to a more normal operational situation with the consolidation of the security situation by UNMIL. The Government, in the face of limited resources, implemented a programme of reconstruction based on the Accra Peace Agreement. Donor contribution both to support the political process and humanitarian situation were integrated into a Results Oriented Framework aimed at maximizing the efficiency of mobilization of funds.

The 8th EDF funds, made available through the Article 255 Reintegration Programme for Returnees and Displaced People intensified its activities in response to an improved security situation. Support to the Electricity and Water sectors continued to assist the Government in the privatization process. In terms of the Health component, progress was limited due to problems in identifying a TA to provide support to the Ministry of Health, the National Drug Service and the NGOs. The Community Development component, which had been the subject of continued delays increased in momentum, with the completion of the TA support and the mobilization of funds to the communities on the basis finance to small scale projects.

The 9th EDF programmes, funded from the balances of the previous EDF funds, in support of the Peace Process and Post Conflict Rehabilitation and Capacity Building were implemented. Approximately 50% of the funds earmarked for support to ECOMIL were used due to administrative delays. Moreover, the effectiveness of the financial support to the Monrovia ECOWAS secretariat was negatively affected by the lack of familiarity with EDF procedures of the staff of the secretariat. To remedy the situation an audit was carried out and a TA was recruited to monitor the use of funds.

The Post Conflict Rehabilitation and Capacity Building Programme was implemented. 85% of the funds allocated to the component Support to DDDR were committed through several contribution agreements with the UN and two grant contracts with NGOs. Technical and Financial reporting by the UNDP was and remains a serious issue. Moreover, the supervision of the grant contracts by UNDP was superficial and required proactive interventions from EC personnel.

The Institutional Support component was also developed. Several audits of state owned enterprises were initiated aimed at improving the management of public funds. Through this component assistance was also provided to the National Elections Commission. There was close collaboration between the three main donors – the UN, US and E.C. to ensure that the budget exercise by NEC/Government was realistic and that donor funds were allocated to ensure maximum complementarity.

The Community Development Component did not advance significantly. A consultant recruited to identify immediate impact activities did not meet the terms of reference, resulting in a major delay to the component.

ECHO provided financial support in the face of a serious humanitarian situation in a timely and flexible manner. The Food Security support was also mobilized quickly and effectively in response to food shortfall which manifested itself very quickly.

Although the Donor response to the Joint Needs Assessment resulted in approximately \$520m, DDDR and the rehabilitation of infrastructure and services far exceeded the funds available. The initial DD and RR costs were significantly exceeded during the year, resulting in further calls for funds. At the end of 2004 the estimated shortfall for RR was

\$48m. In addition, throughout the year, other areas of funding shortfalls were identified, particularly in the infrastructure area – the port, roads, electricity and water. The E.C. came under pressure to provide additional funding, in particular for Electricity and Water where the allocated funds were not sufficient to develop a holistic response to the situations.

In response to these demands for additional support, the Commission began to process riders to the 8.ACP.LBR.02 and 9.ACP.LBR.03 programmes and to use the B envelope of the 9th EDF to increase the allocations to Electricity, Water and Institutional Support.

The programming of the 9th EDF allocation was also started with the preparation of the CSP. In response to the experiences from the previous funding, projected demands in the areas of Education, Community Development and Institutional Support, the NIP was developed along those lines.

The implementation of the 9th NIP will be conditioned by the success of Transitional Period, which will end with the return to democracy following the elections in October 2005. Apart from the impact of politics on the implementation of the NIP, it will be affected by the capacity of the Liberian institutions – both Governmental and non-governmental – to utilize the funds efficiently.

Country Profile Data

THE WORLD BANK GROUP

A World Free of Poverty



HOME

Liberia Data Profile

Click on the indicator to view a definition	1998	2001	2002
People			
Population, total	3.0 million	3.2 million	3.3 million
Population growth (annual %)	2.7	2.6	2.5
Life expectancy (years)	..	..	47.1
Fertility rate (births per woman)	..	..	5.8
Infant mortality rate (per 1,000 live births)	..	..	157.0
Under 5 mortality rate (per 1,000 children)	..	..	235.0
Births attended by skilled health staff (% of total)	..	..	..
Child malnutrition, weight for age (% of under 5)	..	..	..
Child immunization, measles (% of under 12 mos)	..	78.0	57.0
Literacy total (% of ages 15 and above)	50.6	54.8	55.9
Literacy female (% of ages 15 and above)	33.7	38.1	39.3
Net primary enrollment (% relevant age group)	43.9	..	..
Environment			
Surface area (sq. km)	111.4 thousand	111.4 thousand	111.4 thousand
Forests (1,000 sq. km)	..	..	..
Deforestation (average annual % 1990-2000)	..	..	..
Freshwater resources per capita (cubic meters)	..	..	70,409.7
CO2 emissions (metric tons per capita)	0.1	..	..
Economy			
GNI, Atlas method (current US\$)	339.7 million	437.9 million	475.5 million
GNI per capita, Atlas method (current US\$)	110.0	140.0	140.0
GDP (current \$)	359.6 million	534.4 million	561.8 million
GDP growth (annual %)	29.7	4.9	3.3
GDP implicit price deflator (annual % growth)	3,789.2	11.6	29.4
Current revenue, excluding grants (% of GDP)	..	..	..
Overall budget balance, including grants (% of GDP)	..	..	..
Technology and infrastructure			
Fixed lines and mobile telephones (per 1,000 people)	2.4	2.8	..
Internet users	100.0	1,000.0	..
Paved roads (% of total)	6.2	..	..
Aircraft departures	..	..	..
Trade and finance			
Trade in goods as a share of GDP (%)	248.9	151.6	159.3
Trade in goods as a share of goods GDP (%)	..	..	..
Net barter terms of trade (1995=100)	101.3	..	..

Foreign direct investment, net inflows in reporting country (current US\$)	190.3 million	-20,100,000.0	-65,100,000.0
Present value of debt (current US\$)	..	..	2.5 billion
Total debt service (% of exports of goods and services)	..	0.6	0.6
Short-term debt outstanding (current US\$)	693.5 million	870.6 million	955.7 million
Aid per capita (current US\$)	24.3	12.2	15.9

Source: World Development Indicators database, April 2004

Financial Summary: Reintegration Programme for Returnees and Displaced People in Liberia - 8 ACP LBR 0:

Contractor	Commitment	Euro	Disbursement	% Disbursed	Period (Month)	Closing Date
Health Component						
Handicap Int - Belgique	Physical rehabilitation of people with disability in Liberia	475.000	380.000	80%	12	10-mars-03
ACF	Nutritional progr, in Montserrado, Bong, Grand Bassa and Nimba	292.000	205.039	70%	9	24-mars-03
Mission Pharma	Supply of drugs	300.000	299.972	100%	2+1	19-juin-03
MSF-B	Support to primarily and secondary health care in Monrovia	648.000	447.841	69%	12+4	24-avr-04
MERLIN	Primary health care in Grand bassa County	600.000	332.018	55%	18	26-sept-03
MERLIN	Primary health care in River Cess County	595.000	316.104	53%	18	26-sept-03
MERLIN	Primary health care in Sinoe County	689.000	374.794	54%	16	17-nov-03
SCF	Access to Primary Health Care for women and children	603.816	231.536	38%	24	10-nov-04
LWF	18 months operation of Phebe hospital	73.700	317.775	43%	18	10-déc-03
AEDES	Technical Assistance to Health sector	474.498	254.817	54%	24	25-sept-04
AT PMU	NDS running costs	28.500	25.053	88%	2+3	30-juin-04
Missionpharma	Supply of drugs/ 2nd procurement	291.157	291.157	100%	2	9-mai-04
ECORYS NEI	CRS Management Study	41.790	25.074	60%		
	Health/Total commitments	5.775.761	3.501.180	61%		
	Total Budget (after rider)	8.000.000				
	Uncommitted Balance	2.224.239				
Local Community Development						
ELRA	2nd logistic support project for EC funded NGO programmes	698.000	534.658	77%	12	4-juin-03
VSF	Livestock development project in Central Liberia	422.000	279.737	66%	12	6-août-03
LWS	Relocation of the blind from Bomi county	55.300	38.364	69%	3	21-nov-02
GTZ	Assistance to establishment of NAO technical service	71.600	49.791	70%	6	18-mars-03
CONCERN	Emergency watsan programme in Bomi and Gbarpolu Counties	399.943	315.226	79%	12	14-avr-03
IRCL	Peace building and reconciliation project	38.300	16.881	44%	3	4-sept-02
EQUIP	Community Health Programme	300.000	173.702	58%	14	21-mars-04
GEOMAR	Interface Partner	220.000	114.987	52%	6	29-sept-04
AGRISYSTEMS	Interface Partner	220.000	85.320	39%	6	13-oct-04
TA PMU	Essential Complementary Activities	297.000	295.259	99%	6	19-sept-04
TA LCD	Interface partners - Operational costs	144.717	93.591	65%	12	9-déc-04
TA LCD	Small scale projects	1.752.388	876.194	50%	9	31-déc-04
DRN	Technical assistance to LCD sector	875.600	386.936		17,5	31-mars-05
	LCD/Total commitments	5.494.848	3.260.647	59%		
	Total Budget (after rider)	8.200.000				
	Uncommitted Balance	2.705.152				

Water and Electricity Component						
Water						
Geoscience	Management of the Monrovia and rural areas water supply	270.180	194.203	72%	24	15-oct-03
Geoscience	Water Imprest Account	2.700.000	1.858.018	69%	24	15-oct-03
TA PMU	Water "Stop gap" IA	374.208	343.000	92%	6	15-avr-04
HYDROPLAN	LWSC management study	64.940	58.446	90%		30-mars-04
SPIRA	Leak detectinon and Theft	54.434	44.874	82%	2	7-juin-04
ADE	Water authority + legal act	109.860	65.916	60%		
HYDROPLAN	Transitiona Suport to the Water privatization process	137.093	18.342	13%	8,5	25-janv-05
Quest	Market study water	69.425	0		3	20-oct-04
SHER	Water Resources	93.562	0		3	20-oct-04
BCEOM	Engineering Study	114.593	0		3	20-oct-04
	Sub-total Water	3.988.295	2.582.799	65%		
Electricity						
TA PMU	LEC War Damage Repair	83.955	75.840	90%	3	31-déc-03
GEPCO	Gasoil purchase	50.100	41.899	84%		1-déc-03
LPRC	Gasoil purchase	92.400	75.610	82%		
ECO	LEC management study	29.990	17.994	60%		12-mars-04
SWECO	Transitional support to the Electricity Privatization process	136.741	51.499	38%	8	13-déc-04
POHL	Electricity Act	69.326	32.955	48%		30-mai-04
ECO	Electricity Regulatory	50.953	30.752	60%		30-mai-04
BCEOM	Electricity Distribution	60.824	36.494	60%		30-mai-04
ECO	Rural Electricity Study	73.680	72.580	99%		30-juin-04
GEPCO	Gasoil purchase	88.000	0	0%	3	14-sept-04
	Sub-total Electricity	735.969	435.624	59%		
	Total Commitments	4.724.264	3.018.423			
	Total Budget	11.700.000				
	Uncommitted Balance	7.711.705				
PMU						
Transtec	Technical assistance to PMU sector	988.700	702.667	71%	24	18-janv-05
TA PMU	PMU Imprest Account	34.385	33.624	98%	3+2	31-mai-03
TA Health	Health Imprest Account	34.385	23.371	68%	3+2	31-mai-03
TA PMU	PMU imprest account 2003	530.083	472.311	89%	7	31-oct-04
	PMU/Total commitments	1.587.553	1.231.974	78%		
	Total Budget (after rider)	2.400.000				
	Uncommitted Balance	812.447				
Studies and Evaluations						
AGRIFOR	Mid Term Review	158.530	95.118	60%		9-janv-04
GABELLE	8002 Institutional Support prog prep	74.210	24.648	33%		
DeBRAC	DDRR progr prepr	79.980	14.937	19%		
B & S Europe	Support for the election process	37.644	22.586	60%		
	AT for Contract& Monopolies Commission	38.404	18.469	48%		
	AT for donor conference	29.390	27.821	95%		
	Studies/Total commitments	418.158	203.579			
	Total Budget	700.000				
	Uncommitted Balance	281.842				
Contingencies						
	Total Budget	500.000				
	Uncommitted Balance	500.000				

	Budget	Committed	Disbursed	Balance Uncommitted
EDF 8				
8 ACP LBR 02	31.500.000	18.000.584	11.215.803	13.499.416
Health	8.000.000	5.775.761	3.501.180	2.224.239
Water and Electricity	11.700.000	4.724.264	3.018.423	6.975.736
LCD	8.200.000	5.494.848	3.260.647	2.705.152
Studies	700.000	418.158	203.579	281.842
PMU	2.400.000	1.587.553	1.231.974	812.447
Contingency	500.000	0	0	500.000
EDF 9				
9 ACP LBR 02 (Support to the Peace Process)	8.000.000	3.652.090	2.958.011	4.347.910
ECOWAS				
9 ACP LBR 03 (Post Conflict Programme)	40.000.000	20.522.583	13.552.016	19.477.417
Institutional Support	9.000.000	4.436.036	2.903.180	4.563.964
DDRR	16.000.000	12.754.985	9.686.330	3.245.015
Community Rehabilitation	8.000.000	1.000.000	500.000	7.000.000
Technical Assistance	4.500.000	2.331.562	462.506	2.168.438
M&E, Audit, Contingency	2.500.000	0	0	2.500.000
9 ACP LBR 04 (Humanitarian Aid - ECHO)	4.300.000	3.274.999	2.139.999	1.025.001
9 ACP LBR 05 (Increase of Ceiling for 8002)	6.500.000	0	0	6.500.000

EDF 9 Financial Summary

Commitment	OLAS No	Commit Euro	Disbursement Euro	Start Date	Period (Month)	Closing Date
Support to ECOWAS 9 ACP LBR 02		8.000.000	2.958.011	11.09.03	15	31.12.04
Support to peace process	1	3.500.000	2.805.921	29.08.03	12	29.08.04
ECOWAS Audit	2	42.916	42.916	22.03.04	12	22.03.05
Audit of ECOWAS accounts	3	109.174	109.174	15.05.04	7,5	31.12.04
Total		3.652.090	2.958.011			
Uncommitted Balance		4.347.910				
Post-Conflict Rehabilitation Capacity Building Programme 9 ACP LBR 03		40.000.000	20.522.583	25.11.03	36	25.11.06
Component 1: Institutional Support		9.000.000				
Contribution to UNDP - NEC Trust	19	2.999.669	2.399.735	22.12.04	24	02.06.06
Audit of Maritime Affairs	12	304.396	0	07.09.04	3	10.11.04
Audit of National Port Authority and Roberts Int. Airport	9	281.775	77.782	09.08.04	10	17.03.05
Review of Forestry Development Authority	11	128.005	76.803	10.08.04	9	09.05.05
Liberia Petroleum Refining Company	10	327.808	241.746	09.08.04	8	09.04.05
Audit of the Central Bank	16	394.383	107.114	23.09.04	12	09.09.05
Total		4.436.036	2.903.180			
Uncommitted Balance		4.563.964				
Component 2: DDDR		16.000.000				
UN Contribution	1	4.150.000	4.150.000	01.01.04	36	25.11.06
UN Contribution	14	5.000.000	4.000.000	10.09.04	9	24.03.05
CESD Vocational Training	5	1.793.805	717.522	24.06.04	12	30.04.05
LOIC Vocational Training	7	1.575.340	630.136	16.07.04	6	22.12.04
UN Supervision (CESD and LOIC)	15	235.840	188.672	10.09.04	12	09.09.05
Total		12.754.985	9.686.330			
Uncommitted Balance		3.245.015				
Component 3: Community Rehabilitation		8.000.000				
Imprest for PCRCBR	4	1.000.000	500.000	01.05.04	12	14.03.05
Total		1.000.000	500.000			
Uncommitted Balance		7.000.000				
Programme Long and Short Term TA						
TA to NAO (P. Truchot - GOPA)	8	144.966	86.979	18.07.04	10	15.05.05
TA Elections Identification	6	158.790	133.807	23.06.04	10	23.04.05
TA Programme Identification (Arcadis - M. O'Leary)	13	167.240	100.344	25.06.04	7	06.04.05
TA RR Identification (S. Gerrado)	2	48.000				
DDRR Operational Imprest	3	405.186	141.376	15.03.04	6	30.09.04
TA to RR Programme (Agrisystems)	18	262.038	0	03.12.04	24	20.12.06
TA to NAO (GFA Terra Systems)	17	953.250	0	19.11.04	5	22.02.05
TA NAO Imprest (Start Up WP)	20	192.092	0	01.01.05	12	31.12.05
Total		2.331.562	462.506			
Total Budget		4.500.000				
Uncommitted Balance		2.168.438				
Contingency, Audit, M&E		2.500.000				
Total Committed		0				
Uncommitted Balance		2.500.000				
9 ACP LBR 04 Humanitarian Aid (ECHO)		4.300.000				
German Agro Action	1	400.000	200.000	01.11.04		31.12.06
Save the Children	2	199.999	99.999	01.10.04		31.03.06
UNHCR	3	1.000.000	800.000	05.10.04		04.08.05
ICRC	4	1.000.000	800.000	01.09.04		31.12.04
UNICEF	5	175.000	140.000	22.09.04		21.03.05
Artsen Zonder Grenzen	6	200.000	100.000	01.10.04		31.03.05
MSF Swiss	7	300.000	0	01.10.04		31.03.05
Total		3.274.999	2.139.999			
Uncommitted Balance		1.025.001				

FY 2004 (Feb 1-June 30) Preliminary Results			
(USD 000)			
	Budget	Actual	Variance
Revenue, Total	23,500	28,370	(4,870)
Tax of Income and Profits	3,680	6,333	(2,653)
Property Tax	250	206	44
Domestic Tax on Goods and Services	8,100	7,278	822
Tax on International Trade	9,360	12,562	(3,202)
Fees and Charges	2,110	1,991	119
Foreign Grants		0	0
Expenditures, Total	23,500	29,200	5,700
Personnel Expenditures	9,670	13,295	3,625
Goods and Services	8,198	10,605	2,407
Transfers and Subsidies	3,445	1,977	(1,467)
Capital Expenditure	1,388	1,855	467
Domestic Debt	800	1,268	468
External Debt		200	200
Operating Surplus (Deficit)	0	(831)	(831)

FY 2005 (July 1, 2004-June 30, 2005) Budget Proposal			
(USD 000)			
	FY 2004 Annualized ¹	FY 2005 Budget	% change
Revenue, Total	68,087	80,000	17%
Tax of Income and Profits	15,199	17,280	14%
Property Tax	494	800	62%
Domestic Tax on Goods and Services	17,468	24,980	43%
Tax on International Trade	30,148	33,350	11%
Fees and Charges	4,779	3,590	-25%
Foreign Grants	0		--
Expenditures, Total	70,080	80,000	14%
Personnel Expenditures	31,909	23,719	-26%
Goods and Services	25,451	19,339	-24%
Transfers and Subsidies	4,745	15,015	216%
Capital Expenditure	4,451	11,077	149%
Domestic Debt	3,044	9,850	224%
External Debt	480	1,000	108%
Operating Surplus (Deficit)	(1,993)	0	

¹ The five month actual amounts time 12 divided by 5.

DONOR MATRIX

AS OF 5TH DECEMBER 2004

Cluster	Donor	Contribution in \$US [1]	Comments/ Earmarking	Date Rec'd	Funding Mech.	Classification[2]
Cluster 1: Security Request in CAP 2004: 0 Request in RFTF: NA		35.000.000 C = 1,000,000 FP = 34,000,000 P = 0 Of total, funds for Humanitarian: 0 Of total, funds for Reconstruction: 35,000,000				
Armed Forces restructuring	USA	1.000.000	Support for programme design related to future assistance in restructuring Liberia's Armed Forces			C
Armed Forces restructuring	USA	34.000.000	Military reform			FP
	Kenya		Technical assistance in security sector (may refer to Cluster 4)			P
UNMIL Deployment [3]						
Cluster 2: DDDR Request in CAP 2004: 24,285,985 Request in RFTF: 43,000,000		78.332.428 C = 55,030,024 FP = 22,802,404 P = 500,000 Humanitarian: 26,806,372 Reconstruction: 51,526,056				
	UNDP	1.000.000		déc-03	Trust Fund (TF)	C
	The Netherlands/Norway	612.500		déc-03	UNDP / SADU	C
	Sweden	527.009		déc-03	CAP/TF	C
	Sweden	1.333.333			CAP/TF	FP
	EC	4.129.353		févr-04	CAP/TF	C
	EC	7.122.471	(1,032,338 is the remaining 20% of the first tranche + 6,090,133 for the second tranche		CAP/TF	FP
	EC	111.020	Technical assistance (55,510 contributed)		EC	FP
	USA	2.900.000		févr-04	CAP/TF	C
	UK	1.865.671		févr-04	CAP/TF	C
	Norway	185.476		mars-04	CAP/TF	C
	Switzerland	797.063		mars-04	CAP/TF	C
	Japan	3.639.510	ICCs	mars-04	CAP/UNICEF	C
	France	340.908	ICCs	mai-04	CAP/UNICEF	C
	Global Thematic (Japanese National Committee)	500.000	ICCs	mai-04	CAP/UNICEF	C
	German National Committee	342.858	ICCs	mai-04	CAP/UNICEF	C
	UK	739.200	ICCs and Community Education Initiative	juin-04	CAP/UNICEF	C
	Allocations of un-earmarked funds	160.000	Medical Screening	juin-04	CAP/WHO	C
	EC	7.790.476	Reintegration (1,908,602 for LOIC, 2,173,374 for Community empowerment and Skills Development, 1,303,012 for Synergies International, 2,914,392 un-committed)	janv-04	EC	C

DONOR MATRIX

AS OF 5TH DECEMBER 2004

Cluster	Donor	Contribution in \$US [1]	Comments/ Earmarking	Date Rec'd	Funding Mech.	Classification[2]
	USA	19,000,000	Reintegration (Liberia Community Infrastructure Programme)	avr-04	DAI/CARE	C
	USA	10,000,000	Reintegration of Women and Children Associated with the Fighting Forces	avr-04	SCK UK/IRC	C
	USA	500,000	Reintegration / Agro-based livelihoods	avr-04	World Vision International	C
	Germany	4,300,000	Reintegration			FP
	Denmark	3,300,000	Reintegration	août-04	UNDP LEGF	FP
	UK	3,570,780	Reintegration		CAP/TF	FP
	UK	3,064,800	Reintegration	avr-05		FP
	Ireland	500,000		juin-04	CAP/TF	P
Cluster 3: Refugees, Returnees and IDPs Request in CAP 2004: 52,868,491 (+ 40,000,000 for food) Request in RTTF: 112,400,000		116,009,583 C = 90,208,757 FP = 22,759,196 P = 3,041,900 Humanitarian: 113,360,838 Reconstruction: 2,649,015				
	Multi (Canada, Denmark, EC, France, Germany, Ireland, Japan, Rep of Korea, Netherlands, Norway, Privtae, Switzerland, UN, USA)	20,000,000	Food		WA CAP/WFP	C
	Japan	including 1,640,000	Food for refugees, IDPs, ex-combatants		WA CAP/WFP	C
	USAID (FFP)	including 12,500,000	Food		WA CAP/WFP	C
	EC	including 8,540,000	Food		WA CAP/WFP	C
	Italy	1,250,000	Food for refugees, IDPs, ex-combatants		WA CAP/WFP	P
	UK	1,791,900	Food		WA CAP/WFP	P
	UK	240,560	Emergency Targeted Food Distribution	août-03	Action Contre le Faim	C
	UK	447,975	Food Security		Action Contre le Faim	C
	UK	1,027,785	2004 Appeal	mars-04	ICRC	C
	UK	460,875	Emergency Health and Nutrition	avr-04	MSF-F	C
	UK	501,809		août-04	Oxfam	C
	USA (BPRM)	12,200,000	Liberian Refugees/IDPs	avr-04	CAP/UNHCR	C
	USA (BPRM)	6,300,000	Basic social services for returnees		NGOs (World Relief, SCF, Mentor, IRC, CHF, IMC, ARC)	C
	USAID (OFDA)	23,500,000	Life-saving interventions targeting the most vulnerable populations		20 NGOs	C
	Japan	1,166,000	Shelter (Lofa) (762,000 in Apr, 404,000 in Sept)	Sep-04, Apr-04	Japanese NGO (PWJ)	C
	Canada	602,142			CAP/UNHCR	C
	Finland	497,512			CAP/UNHCR	C
	The Netherlands	556,000			CAP/UNHCR	C
	Norway	708,215	Liberian Refugees/IDPs		CAP/UNHCR	C
	Sweden	686,813			CAP/UNHCR	C
	Denmark	1,153,213			CAP/UNHCR	C
	Japan	2,000,000	Refugees/Host-Communities	juin-04	CAP/UNHCR	C

DONOR MATRIX

AS OF 5TH DECEMBER 2004

Cluster	Donor	Contribution in \$US [1]	Comments/ Earmarking	Date Rec'd	Funding Mech.	Classification[2]
	Japan	226.000		août-04	ICRC	C
	USA (BPRM)	1.200.000	Refugees/Host-Communities	avr-04	CAP/UNHCR	C
	USA (BPRM)	1.000.000	Transport/IDPs	avr-04	CAP/IOM	C
	USA (BPRM)	5.700.000	Family tracing/NFIs	avr-04	ICRC	C
	USA (BPRM)	1.500.000	Care and protection to children and youth in 6 IDP camps	sept-03	IRC	C
	USA (BPRM)	1.300.000			IRC	C
	USA (BPRM)	2.400.000	Water and sanitation in camps/way stations	avr-04	CAP/UNICEF	C
	Germany	612.745	Protection and multi-sectoral assistance	juin-04	CAP/UNHCR	C
	Ireland	500.000	Liberian Refugees	juin-04	CAP/UNHCR	C
	Spain	19.963		juin-04	CAP/UNHCR	C
	Private	24.970		juin-04	CAP/UNHCR	C
	EC	20.110.181			ECHO	FP
	France	72.144	Food aid in displaced camps		Action Contre le Faim	C
	Sweden	2.649.015	Resettlement and community-driven initiatives (linked to Cluster 6)			FP
	Allocations of un-earmarked funds	3.604.036			CAP/UNHCR	C
Cluster 4: Governance, Democratic Development & Rule of Law Request in CAP 2004: 4,659,318 (for Protection, excluding CAFF) Request in RFTF: 48,200,000		64.320.251 C = 21,071,746 FP = 43,004,505 P = 244,000 Humanitarian: 0 Reconstruction: 64,320,251				
Public Sector Capacity	UNDP Core Resources	1.870.000	Governance Reform Commission (500,000), Capacity Support (750,000), National and International Technical Experts (500,000), Operational Support (120,000)	janv-04	UNDP	C
Public Sector Capacity	USA (OTI)	7.000.000	Basic equipment kits to government authorities and CSOs, capacity-building of media		CAI	C
Public Sector Capacity	World Bank	2.000.000	Public Sector Reform	sept-04	WB Grant	C
Public Sector Capacity	Denmark	900.000	Governance Reform Commission, Elections		UNDP/LEGF	FP
Public Sector Capacity	EC	316.746	Institutional support through programme development, technical assistance (119,894 contributed)		EC	C
Public Sector Capacity	EC	10.980.000	Institutional support programme		EC	FP
Public Sector Capacity	EC	8.540.000	Technical assistance, monitoring and evaluation		EC	FP
Public Sector Capacity	UK	1.216.620	Governance and Judicial Reform	avr-05	EC	FP
Local Government	USA	1.100.000	Establishment of peace constituencies at community and district level		CHF International	C
The Judiciary	USA	6.200.000	Developing a criminal justice system, restarting courts, training judges			FP
Police Service	China	1.200.000	Police equipment in-kind			FP

DONOR MATRIX

AS OF 5TH DECEMBER 2004

Cluster	Donor	Contribution in \$US [1]	Comments/ Earmarking	Date Rec'd	Funding Mech.	Classification[2]
Police Service	USA	13,000,000	Police Academy, police stations (500,000 contributed to LEGF)		UNDP/LEGF	FP
Police Service	Italy	244,000		end 2004	UNDP/LEGF	P
Corrections System						
Development of Civil Society	Denmark	200,000			UNDP/LEGF	FP
Human Rights	UNDP Core Resources	735,000	Training, technical assistance to TRC, advocacy, monitoring		UNDP	C
Human Rights	Denmark	500,000			UNDP/LEGF	FP
Human Rights	USA	50,000	Capacity building of 5 CSOs to strengthen democracy and human rights		CSOs	C
Local Media	USA	8,000,000	Community-radio stations, Community Development Committees, peacebuilding activities	oct-02	AED/Mercy Corp	C
Media	UK	267,885	(Independent) Star Radio		Fondation Hironnelle	FP
Un-earmarked	Bangladesh		Technical assistance to NTGL & civil society			P
Un-earmarked	Morocco		Training			P
Un-earmarked	Tunisia		Technical assistance to NTGL			P
Cluster 5: Elections Request in CAP 2004: 0 Request in RFTF: 4,300,000		17,000,000 C = 900,000 FP = 16,100,000 P = 0 Humanitarian: 0 Reconstruction: 17,000,000				
	UNDP Core Resources	80,000	Preparatory assistance in civic/voter education, capacity-building of local NGOs, development of database	janv-04	UNDP/LEGF	C
	USA	820,000	Strengthening political parties, includes 170,000 for Muslim Advocacy Groups		International Republican Institute, IFES	C
	USA	10,000,000	Strengthening the NEC and political parties, training polling officials, NGO monitors, equipment and materials			FP
	EC	6,100,000				FP
	UNMIL	TBC				
Cluster 6: Basic Services Request in CAP 2004: 47,172,867 Request in RFTF: 76,700,000		99,318,891 + or - C = 42,327,626 FP = 56,261,994 P = 1,000,000 Humanitarian: 24,461,224 Reconstruction: 75,098,396				
Health	ECHO	255,758	Measles		CAP/UNICEF	C
Health	Sweden	500,000			CAP/UNICEF	C
Health	Norway	578,035			CAP/WHO	C
Health	Spanish National Committee	262,499			CAP/UNICEF	C
Health	Norway	103,617	Measles		UNICEF	C

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Cluster	Donor	Contribution in \$US [1]	Comments/ Earmarking	Date Rec'd	Funding Mech.	Classification[2]
Health	Norway	289.020			CAP/UNICEF	C
Health	Global Thematic (Norway, USA, UK)	530.302			CAP/UNICEF	C
Health	UK	454.654	Emergency Health in Sinoc and Grand Gedeh	févr-04	Merlin	C
Health	UK	921.750	Emergency Health	avr-04	MSF-B	C
Health	Ireland	115.000	Yellow fever	juin-04	CAP/UNICEF	C
Health	French National Committee	100.000		juin-04	CAP/UNICEF	C
Health	France	165.513	Cholera in Montserrado		Action Contre la Faim	C
Health	African Dev Bank	500.000	Inter-Agency Contingency Plan		WHO	C
Health	Finland	169.241	SGBV		WHO	C
Health	China		Medical equipment in-kind			C
Health	UNDP Core Resources	529.000	Capacity-building of NACP, HIV/AIDS Advocacy	janv-04	UNDP	C
Health	USA	7.500.000	PHC, Malaria Prevention		Africare	C
Health	USA	700.000	Construction of 4-6 clinics		US Dept of Defense	C
Health	USA (USAID)	500.000	Reproductive Health		USAID	C
Health	USA	900.000	Global Polio Eradication Initiative		WHO	C
Health	UK	635.690	Reproductive Sexual Health	juil-04	SCF UK	C
Health	EC	4.512.105	Phebe Hospital, NDS, technical assistance, restoration of basic services in clinics and hospitals (804,053 contributed)		EC	C
Health	EC	7.045.546			INGOs	FP
Health	GTFATM	24.300.000	For 2004 & 2005; 7,650,00 – HIV/AIDS 4,4,366,610– tuberculosis 12,153,727 – malaria		GTFATM/UNDP	FP
Health	USA	1.500.000	HIV/AIDS testing, tracking, counseling of ex- combatants and other high risk groups			FP
Health	France	126.252	60,120 for resumption of support for centralizing drug purchase; 66,132 for strengthening medical testing laboratories			FP
Nutrition	Germany	200.000	School-feeding (Montserrado County)		German Agro Action	C
Nutrition	USA (FFP)	5.100.000	School-feeding, supplementary rations for malnourished women, children, chronically ill persons and adults		CRS	C
		Total for Health and Nutrition: 58,493,982				
Education	Netherlands	556.000			CAP/UNICEF	C
Education	Finland	373.134			CAP/UNICEF	C
Education	UK National Committee	453.615			CAP/UNICEF	C
Education	Sweden	1.058.441			CAP/UNICEF	C
Education	Multi/Regional Thematic	110.364			CAP/UNICEF	C
Education	UK	1.155.000	Includes CAFF	juin-04	CAP/UNICEF	C
Education	USA (USAID/OTI)	5.000.000	Youth Education for Life Skills		CAI	C
Education	USA (USAID)	5.000.000	UNICEF/MOE Accelerated Learning Programme - training teachers, printing books, renovate schools		CAI	C

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Cluster	Donor	Contribution in \$US [1]	Comments/ Earmarking	Date Rec'd	Funding Mech.	Classification[2]
Education	UNESCO	1.050.000	6 areas: 'Education for All' activities; printing of curriculum, textbooks, exams; teacher training; HIV/AIDS Education; capacity-building of education officials; network support for Peace and Human Rights Education	juil-04	UNESCO (Partners: International Institute for Educational Planning, International Institute for Capacity-Building in Africa)	C
Education	EC	14.640.000			EC	FP
		Total for Education: 29,396,554				
Community Water & Sanitation	USA (USAID)	600.000			CAP/UNICEF	C
Community Water & Sanitation	ECHO	614.888			CAP/UNICEF	C
Community Water & Sanitation	Japan	***	(Lofa)		Japanese NGO (PWJ)	C
Community Water & Sanitation	Japan	384.000	(Nimba)	avr-04	Japanese NGO (ADRA-Japan)	C
Community Water & Sanitation	UK	450.000	(113,000 in Apr, 271,000 in Sep)	juin-04	CAP/UNICEF	C
Community Water & Sanitation	ECHO	1.323.944			INGOs	FP
Community Water & Sanitation	France	126.252	Resumption of WatSan for health training projects in Monrovia			FP
		Total for WatSan: 3,499,084				
Un-earmarked	USA	****	JFK Hospital, watsan		ICRC	C
Un-earmarked	Norway	400.000			CAP/WFP	FP
Un-earmarked	Ireland	3.800.000	For 2004 & 2005			FP (tbc)
Un-earmarked	Switzerland	3.000.000				FP (tbc)
Un-earmarked	Nigeria	1.000.000	Technical assistance through qualified Nigerian personnel			P
		Total Un-earmarked: 8,200,000				
Cluster 7: Restoration of Productive Capacities Request in CAP 2004: 4,393,900,900 Request in RFTF: 50,300,000		100.224.432 C = 90,624,432 FP = 9,600,000 P = 0 Humanitarian: 3,491,913 Reconstruction: 96,732,519				
Agriculture	USA	450.000			CAP/FAO	C
Agriculture	Sweden	670.328	Emergency provision of agricultural inputs and training to war-affected farmer households and ex-combatants		CAP/FAO	C
Agriculture	Allocations of un-earmarked funds	174.585	Emergency provision of agricultural inputs and training to war-affected farmer households and ex-combatants		CAP/FAO	C
Agriculture	Allocations of un-earmarked funds	173.000	Emergency support to war-affected blacksmiths in rural towns and villages		CAP/FAO	C
Agriculture	Japan	624.000	Seeds and tools (Grand Cape Mount)	avr-04	Japanese NGO (WVJ)	C
Agriculture	Germany	800.000	Seeds and tools (Bomi County)		German Agro Action	C
Agriculture	USA	1.000.000	Resuscitation of smallholder agricultural production, particularly rubber sector			FP
Fisheries						
		Total for Agriculture and Fisheries: 3,891,913				

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Cluster	Donor	Contribution in \$US [1]	Comments/ Earmarking	Date Rec'd	Funding Mech.	Classification[2]
Community Development	UNDP Core Resources	1.289.560	Capacity-building, Transitional Recovery Teams, Rehabilitation	janv-04	UNDP	C
Community Development	UNDP Non-Core Resources	899.547	CDD Network, Rapid Social Assessment, capacity-building of local NGOs and CBOs	janv-04	UNDP	C
Community Development	EC	48.283.412	(804,052 contributed)	janv-04	EC	C
Community Development	USA (BPRM)	600.000	QIPS		CAP/UNDP	C
Community Development	USA	4.000.000	Social Service Infrastructure/Agricultural income-generating activities, water and sanitation activities			C
Community Development	USA	19.000.000	Liberia Community Infrastructure Programme (roads, bridges, water systems, clinics and schools) / Provision of non-formal education and skills development activities	avr-04	DAI/CARE	C
Community Development	USA	600.000	Local community initiatives in education, income generation, water and sanitation, agriculture and homes for orphans		US Embassy	C
Community Development	World Bank	1.177.670	Rapid Social Assessment and pilot CDD projects (599,950 disbursed)	mai-04	LICUS Trust Fund (Executed by the WB), Mery Corps	C
Community Development	World Bank	10.000.000	CDD projects	sept-04	WB Grant/LACE	C
Social Safety Nets-Groups with Specific Needs	Denmark	1.400.000	Health services to vulnerable groups, reconstruction of a rural district hospital	mai-04	MSF, ADRA Denmark, Danish Ethiopian Mission	C
Social Safety Nets-Groups with Specific Needs	USA	500.000	Support to physical rehabilitation of centre for disabled children		USAID	C
Social Safety Nets-Groups with Specific Needs	Germany	8.600.000	Employment activities for youth (including ex-combatants), Labor-intensive infrastructure reconstruction			FP
		Total for CDD and Social Safety Nets: 96,325,519				
Cluster 8: Infrastructure		18.500.000				
Request in CAP: 0		C = 18,500,000				
Request in RFTF: 130,900,000		FP = 0				
		P = 0				
		Humanitarian: 0				
		Reconstruction: 18,500,000				
Power	EC	9.267.604	LEC management study, support to privatization process, technical assistance, rehabilitation (458,295 contributed)		EC	C
Transport						
Communications						
Urban Water & Sanitation	EC	5.066.234	Institutional support, operational support, technical assistance to LWSC, rehabilitation (620,901 contributed)		EC	C

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Cluster	Donor	Contribution in \$US [1]	Comments/ Earmarking	Date Rec'd	Funding Mech.	Classification[2]
Un-earmarked	China	10,000,000 (these funds are pledged outside of the RFTF and should be considered outside of the funding requirements)	Renovation of SKD stadium, Min Foreign Affairs		NTGL (MFA)	FP
Un-earmarked	World Bank	9,000,000	Multi-Sector	sept-04	WB Grant (Multiple partners)	C
Cluster 9: Economic Policy & Development Strategy Request in CAP: 0 Request in RFTF: 18,600,000		40,290,000 C = 25,290,000 FP = 15,000,000 P = 0 Humanitarian: 0 Reconstruction: 40,290,000				
Financial Management and Audit						
Development Strategy, Budget	World Bank	465,000	Revenue and expenditure management (465,000 disbursed)	sept-04	LICUS Trust Fund (Executed by the WB)	C
Development Strategy	USA	15,000,000	Leveraging IFI loans and grants			FP
Public Sector Procurement and Statistical System	World Bank	1,035,000	Procurement reform	sept-04	LICUS Trust Fund (Executed by the WB), Ministry of Finance	C
Financial Sector	USA	4,600,000	Resident Advisors for budget, banking and intermittent tax and debt advisors (2,100,000 contributed)		US Dept of Treasury	C
Financial Sector	Pakistan		Training			FP
Public Enterprises						
Forestry/Natural Resources Management	World Bank	570,000	Forestry Development Authority and multiple NTGL Agencies (570,000 disbursed)	sept-04	LICUS Trust Fund (Executed by the WB)	C
Forestry/Natural Resources Management	USA	4,000,000	Capacity building of Forestry Development Authority (1,000,000 contributed)		Conservation International/US Forest Service	C
Un-earmarked	EC	10,620,000			EC	C
Un-earmarked	World Bank	2,000,000	Multiple technical assistance	sept-04	WB Grant	C
Un-earmarked	World Bank	2,000,000	Global Distance Learning Network	sept-04	WB Grant	C
Cluster 10: Coord. Implem. of Transition Framework Request in CAP 2004 (for Humanitarian Coordination): 3,042,921 Request in RFTF: 2,900,000		28,148,727 C = 5,583,907 FP = 22,206,440 P = 358,380 Humanitarian: 26,988,727 Reconstruction: 1,160,000				
Coordination	UK	357,180	Air Ops		CAP/WFP	C
Coordination	Sweden	389,674			CAP/OCHA	C
Coordination	Canada	37,828			CAP/OCHA	C
Coordination	EC	348,259	Humanitarian Information Centre		CAP/OCHA	C

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Cluster	Donor	Contribution in \$US [1]	Comments/ Earmarking	Date Rec'd	Funding Mech.	Classification[2]
Coordination	Norway	144.509			CAP/OCHA	C
Coordination	USA	650.000			CAP/OCHA	C
Coordination	USA	350.000			CAP/OCHA	C
Coordination	EC	2.024.457	Programme Management Unit of the EC (433,892 contributed)		EC	C
Coordination	EC	22.206.440	Humanitarian aid coordination		INGOs/UN	FP
Coordination	USA	122.000			CAP/WFP	C
Coordination	UK	358.380	Humanitarian Information Centre		CAP/OCHA	P
		Total for Coordination: 26,988,727				
M & E Implementation of RFTF	UNDP	250.000	RIMCO Support Office	juil-04	USAID	C
M & E Implementation of RFTF	USAID/OTI	150.000	RIMCO Support Office	juil-04	UNDP LEGF	C
M & E Implementation of RFTF	World Bank	760.000	RIMCO Support Office (500,000 disbursed)	sept-04	LICUS Trust Fund (Executed by WB/UNDP)	C
		Total for M and E Implementation of RFTF: 1,160,000				
Total: Request in CAP 2004: 179,091,482 Request in RFTF: 487,700,000		Total: 602,266,819 C = 355,388,000 FP = 241,734,539 P = 5,144,280	Total for Humanitarian (includes DRR (but not RR), CAP, INGOs, etc.): 195,139,074 Total for Reconstruction: 407,127,745			
Compiled by the Office of the UN Resident Coordinator						
Monrovia, Liberia						
<u>[1] All figures subject to verification in US</u>		<u>[3] Contributions to the peace-keeping component are not included here</u>				
<u>[2] C = Contribution (Money actually received)</u>		HUMANITARIAN - no fill				
FP= Firm Pledge [confirmed by the media/declaration/official correspondence]		RECONSTRUCTION				
P = Follow-up to countries' that announced pledge at LRC in February 2004		Other pledges: Greece 40,000				