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Liberia: World Bank Country-Level Engagement on Governance and Anticorruption

IEG Working Paper 2011/8



David DeGroot, Antti Talvitie and Uktirdjan Umarov



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Abbreviations

AAA	Analytical and advisory activities
AfDB	African Development Bank
APL	Adaptable program loan
CAS	Country Assistance Strategies
CASCR	CAS Completion Report
CDD	Community Driven Development
CFAA	Country Financial Accountability Assessment
CGAC	Country Governance and Anticorruption
CPAR	Country Procurement Assessment Report
CPIA	Country Policy and Institutional Assessment
CPS	Country Partnership Strategy
CRN	Country Reengagement Note
CSA	Civil Service Agency
CSO	Civil society organization
DAC	Development Assistance Committee
DfID	Department for International Development (UK)
DPL	Development Policy Loan
EGRIP	Economic governance and institutional reform
EITI	Extractive Industries Transparency Initiative
ESAF	Enhanced Structural Adjustment Facility
ESW	Economic and sector work
EU	European Union
FY	Fiscal year
GAC	Governance and anticorruption
GAVI	Global Alliance for Vaccines and Immunization
GDP	Gross domestic product
GEF	Global Environment Facility
GEMAP	Governance and Economic Management Program
GPF	Governance Partnership Facility
HRMIS	Human resources management information system
IBRD	International Bank for Reconstruction and Development
ICA	Investment Climate Assessment
ICR	Implementation Completion and Results
IDA	International Development Association
IEG	Independent Evaluation Group (World Bank Group)
IFAD	International Fund for Agricultural Development
IFC	International Finance Corporation
IFMIS	Integrated financial management information system
IIU	Infrastructure implementation unit
ILO	International Labor Organization
IMF	International Monetary Fund
INT	Department of Institutional Integrity
IRC	Internal Review Committees
ISN	Interim Strategy Note
LACC	Liberia Anticorruption Commission
LACE	Liberia Agency for Community Empowerment
LECBSP	Liberia Emergency Capacity Building Support Project
LEITI	Liberia extractive industries transparency initiative
LIBRAMP	Liberia Road Asset Management Project
LIL	Learning and Innovation Loan
LIPA	Liberian Institute for Public Administration
LPERP	Liberia Primary Education Recovery Program
LRTF	Liberia reconstruction trust fund

MTEF	Medium Term Expenditure Framework
NGO	Nongovernment organization
ODA	Official development assistance
OECD	Organisation for Economic Co-operation and Development
PEFA	Public Expenditure and Financial Accountability assessment
PER	Public Expenditure Review
PETS	Public Expenditure Tracking Survey
PFM	Public financial management
PIC	Project Implementing Committee
PIP	Public Investment Program
PIU	Project implementation unit
PPCC	Public Procurement and Concessions Commission
PRGF	Poverty Reduction and Growth Facility
PRSP	Poverty Reduction Strategy Paper
SAF	Structural Adjustment Facility
SES	Senior Executive Service
SWaP	Sectorwide Approach
TOKTEN	Transfer of knowledge through expatriate nationals
TTL	Task team leader
UNAIDS	United Nations Program on HIV/AIDS
UNDP	United Nations Development Program
UNFPA	United Nations Population Fund
UNHCR	United Nations High Commissioner for Refugees
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
USD	United States Dollar
VAT	Value added tax
WDR	World Development Report
WFP	World Food Program
WTO	World Trade Organization

Preface

This case study summarizes the findings of desk reviews and a field visit carried out in January 2011 as part of IEG's evaluation of the 2007 Governance and Anticorruption (GAC) Strategy. The case study sought to evaluate the relevance and effectiveness of Bank support for GAC efforts over the FY2004-10 period, to assess the contributions of 2007 strategy implementation, and to identify early outcomes and lessons.

The Liberia case study was prepared by David DeGroot (lead), Utkir Umarov, and Antti Talvitie as a background paper for IEG's GAC evaluation. The report was prepared under the supervision of Navin Girishankar and the overall guidance of Cheryl Gray and Ali Khadr.

This Background Paper is based on findings of the mission that visited Liberia in January 2011. The team is particularly grateful for informative meetings with officials from the Government of Liberia, Bank staff, and members of civil society. The inputs provided by Ohene Owusu Nyanin, Country Manager, Raymond Muhula, Public Sector Specialist, Sergiy Kulyk, Country Program Coordinator, Jariya Hoffman, Senior Economist, and other members of the Country Team are greatly acknowledged. The authors are also grateful to for comments from the IEG's GAC Evaluation team members. Barbara Balaj provided editorial support and Aimée Niane provided administrative support.

The findings, interpretations, and conclusions expressed in this paper are entirely those of the authors and do not represent the views of the World Bank, its Executive Directors, or the countries they represent.

Summary

The Bank reengaged in Liberia in 2004, following more than a decade of conflict during which a quarter of a million people perished, per capita GDP contracted from \$890 (1980) to \$190 (2007), virtually all public infrastructure and services were decimated, and the country's 3.6 million citizens faced a national debt exceeding \$4.7 billion. That debt was finally resolved in 2010, the country's economy has grown steadily since 2004, and two national elections have

The Bank's effectiveness in addressing GAC issues at the country level in Liberia has been limited by a number of factors. First, the absence of an overall state-building strategy ensures that Bank support for GAC remains disjointed. An initial focus on quickly building PFM capacity was justified to expedite emergency funding, but a more coherent and effective approach to GAC across the country portfolio has not emerged in the six years since the new government came to power. Second, the Bank's approach to building capacity for governance is dominated by "inward looking" sectoral support, especially since 2007. Incentives have not been provided to induce cross-sectoral approaches.

The Bank's strategic engagement with Governance and Anticorruption (GAC) elements in Liberia over the period 2004-10 was substantially relevant at the country and sector levels. The effectiveness of Bank support at both levels was found to be moderate. Engagement with GAC elements through projects was found to be moderately relevant and moderately effective, with clear achievements in community based initiatives, core public sector reform, and support to selected accountability institutions. However, by 2011 the Bank's selectivity had significantly diminished as only 5 of 13 projects approved since 2007 focused on key GAC entry points.

The Bank's implementation of the 2007 GAC strategy in Liberia was found to be moderately relevant, but less than moderately effective. The evaluation noted that despite Liberia's designation as both a Country Governance and Anticorruption (CGAC) and Window 1 country, little progress has been made in the Bank's overall GAC strategy since the 2005 Country Reengagement Note. The absence of a comprehensive, medium-term GAC strategy continues to constrain the overall effectiveness of Bank support in Liberia.

Table S-1 Liberia— Summary IEG Assessment

GAC Elements	IEG Ratings	
	Relevance	Effectiveness
1. GAC at Country Level	■■■	■■
2. GAC in Sector Level	■■■	■■
<i>Core Public Sector</i>	■■■	
Public Financial Management and Civil Service Reform	■■■	■■■
Non-Executive Accountability Institutions	■■	■■
Decentralization	■	■
<i>Basic Service Delivery</i>		
Roads	■■■	■■
Land Management	■■	■■
Primary Education	■■	■■
<i>Investment Climate</i>	■■	■
3. GAC at Project Level		
Project Management Units	■■■	■■
Basic Governance Reforms and Capacity Building	■■	■■
Use of Country Systems	■	■
4. 2007 GAC Strategy Implementation		
Staff attitudes towards GAC issues	■■■	■■
Enhancing quality of operational response	■■	■

Ratings: ■ negligible || ■■ moderate ||■■■ substantial ||■■■■ high

Source: IEG

1. Introduction

Background: 2007 GAC Strategy and Implementation Plan

1.1 The 2007 strategy—a corporate strategy—set forth several objectives relating to the development of capable and accountable states and committed the Bank to seven principles of engagement on GAC issues (Box 1.1). In response to shareholder concerns about the perceived arbitrariness of senior management decisions to cut off lending to certain countries, the strategy reiterated the Bank’s use of rules-based criteria for allocating resources, as well as its aim to stay engaged even in poorly governed countries to ensure that the “poor do not pay twice.” At the same time, the strategy placed considerable emphasis—more than earlier strategies—on safeguarding Bank funds from fiduciary risks. Early on, it was acknowledged that, to achieve its “vision of success,” the strategy required a more detailed implementation plan.

Box 1.1 The Multiple Objectives and Guiding Principles of the 2007 GAC Strategy

1. The GAC strategy had several objectives:
 - “to support poverty reduction...”
 - “...[by] developing capable and accountable states ...[undertaking] sound policies, improving service delivery, [establishing] rules for markets, combating corruption,” and
 - “...to ensure that its funds are used for their intended purposes.”
2. In addition, the “GAC guiding principles” were as follows:
 - Focus on “[a] capable and accountable state to create opportunities for poor people, provide better services, and improve development outcomes.”
 - Country ownership and leadership are key. Country government is the principal counterpart.
 - Remaining engaged so the poor do not pay twice.
 - Consistent approach across countries, even though one size does not fit all.
 - Engage broad set of stakeholders with focus on transparency, accountability, and participation.
 - Strengthen rather than bypass country systems.
 - Harmonization (the Bank will not act in isolation).

Source: World Bank documents.

1.2 The implementation plan (IP) sought to define concrete steps for “what the World Bank itself will do to support the GAC agenda, and how it will work with governments, domestic stakeholders, and development partners to support country-level governance improvements and regional and global initiatives.” The plan’s success was to be measured by (i) a significant and growing number of countries seriously addressing key governance impediments to development effectiveness and poverty reduction; (ii) Bank-supported projects and programs increasingly addressing GAC impediments; and (iii) countries and

global partners valuing and respecting the Bank's capacity in this area (World Bank 2007a). It was envisaged that these objectives would eventually be reflected empirically in improvements in country governance performance.

1.3 To this end, the IP proposed to deliver guidance materials, tools, training, incremental resources, and strategic staffing to help deepen Bank engagement in the following areas:

- *GAC-in-Countries.* These initiatives sought to enhance Bank-country engagement on governance and anticorruption issues. Initially, country-GAC (CGAC) processes – comprising joint workshops, peer-to-peer learning events, clinics, and upstream assessment activities – were launched in 27 countries to help Bank teams systematically diagnose governance challenges and identify ways of addressing them through CAS design, sector strategies, and project preparation. The CGAC processes were intended to deepen the Bank's understanding of what can be done to strengthen GAC in CASs and help identify governance entry points (for example, core public management and accountability institutions, private sector engagement, and demand-side capacities and frameworks). Following the CGACs, a more targeted effort involving 18 countries sought to enhance GAC responsiveness with the help of considerable support provided under the Window One facility of the Governance Partnership Facility (GPF).¹
- *GAC-in-Sectors and GAC-in-Projects.* These efforts aimed to strengthen incentive and accountability frameworks in sector dialogue and project design, as well as systematic risk assessment and management (for example, through the use of political economy analysis, actionable governance indicators, and demand-side measures). Guidance notes and toolkits were designed to advise Bank teams on how to address GAC issues in the sectors and to support cross-cutting concerns, such as social accountability (World Bank 2008b and 2009c). Also included were handbooks, tools, and training to support efforts to prevent fraud and corruption in projects.² A 2009 Quality Assurance Group (QAG) survey of projects approved in FY08 aimed to establish a baseline for incorporation of "generic" GAC elements in projects (World Bank 2009f).
- *Global GAC Efforts.* The Bank proposed to increase its involvement in peer learning networks and collaborative governance initiatives. These included the Extractive Industries Transparency Initiative (EITI) and global and regional legal conventions such as the Stolen Asset Recovery (StAR) Initiative,³ Medicines Transparency Alliance (MeTA), and Construction Sector Transparency (CoST) Initiative. In addition, the Bank sought to harmonize GAC policies (for example, on cross-

¹ World Bank (2008a); IEG, Back-to-Office Report, October 2010.

² Recent efforts included the introduction of new procurement and financial management risk management systems (P-RAMS and PRIMA).

³ Closely related were efforts to help strengthen the integrity of financial sectors in developing countries through a sound Anti-Money Laundering and Combating the Financing of Terrorism (AML/CFT) regime. More recently, the Bank helped launch of the International Corruption Hunters' Network to facilitate closer cooperation among enforcement agencies around the world.

debarment) with other multilateral development banks, and to establish common response principles for high-risk countries under the auspices of Gov-Net.

1.4 *Internal Reforms.* Other important internal reforms were carried out as complements to the GAC agenda, including implementation of Volcker Panel recommendations on strengthening the Integrity Vice Presidency,⁴ launch of a new WBI strategy emphasizing multistakeholder engagements (World Bank 2009a), update of the Bank's disclosure policy, launch of a new Operational Risk Assessment Framework (ORAF) for investment lending,⁵ the recruitment of a Chief Risk Officer, an annual integrated risk monitoring report, and other efforts to modernize investment lending (World Bank 2011a).

1.5 *Resourcing the Strategy.* Significant incremental budgetary and donor resources were deployed over the FY08–12 period to support GAC implementation. This comprised \$54 million in incremental Bank budget as well as \$61 million in donor funds allocated through the GPF. The GPF was supported by the United Kingdom, the Netherlands, and Norway.

1.6 *Change Management.* GAC implementation was viewed as a significant change management agenda. Institutional arrangements to support this Bank-wide initiative prominently featured a GAC Council, consisting of the Vice Presidents and chaired by the Managing Directors. The Council was supported by a GAC Secretariat, various other partnership secretariat units, and GAC focal points in Regional and network units. The Bank also periodically sought the advice of a Group of External Advisers, an Independent Advisory Board (that advises the President and Audit Committee on Integrity Vice Presidency performance), and an International Technical Advisory Group (that advises on the Use of Country Systems pilot).

IEG GAC Evaluation and Country Case Studies

1.7 The evaluation aims to help enhance the Bank's approach to governance and anticorruption and to improve its effectiveness in helping countries develop capable and accountable states that create opportunities for the poor. Pursuant to this objective, the evaluation assessed the relevance of the 2007 GAC strategy and implementation plan, as well as the efficiency and effectiveness of implementation efforts in making Bank engagement with countries and other development partners more responsive to GAC concerns. It also sought to identify early lessons about what works and what does not in helping to promote good governance and reduce corruption.

1.8 A key component of the evaluation involved case studies of six country programs over the FY04-10 period: these case studies assessed the quality of Bank country engagement on

⁴ Recommendations included the establishment of an Independent Advisory Board; appointment of an external member of the Sanctions Board as the chairperson; development of a confidentiality protocol; transfer of the responsibility for staff misconduct from the Integrity Vice Presidency to Bank's office of Ethics and Business Conduct; enhancement of selected staff rights to improve fairness of internal investigations; expansion of the Preventive Services Unit; strengthening of communication between the Integrity Vice Presidency and the Regions; and refinement of Integrity Vice Presidency results metrics. See Volcker and others (2007).

⁵ Four out of 11 ORAF risks relate to GAC: country risk, sector/multisector institutional, implementing agency governance risks, and implementing agency fraud, and corruption risks.

GAC issues, and identified what has worked and what has not in implementing GAC efforts. Case studies were selected from a quasi-random sample of twelve candidate countries, which sought to ensure representation across geographic regions and countries that received special GAC support over the FY07-10 period. Based on IEG's desk review of GAC responsiveness, country programs with *documentary evidence of some degree of GAC-responsiveness* over the pre- and post-GAC periods were selected for case studies. Accordingly, case studies were conducted in Azerbaijan, Bangladesh, Cambodia, Guatemala, Liberia, and Moldova. Field missions to these countries were undertaken between December 2010 and February 2011. Case studies were reviews from World Bank country teams and comments were duly incorporated.

1.9 The Liberia case study is based on an extensive desk review as well as a field visit to Monrovia from January 17-22, 2011. It evaluates the relevance and effectiveness of Bank support for governance and anticorruption efforts since the launch of the Bank's Governance and Anticorruption (GAC) Strategy in 2007. It elaborates on a desk review of the GAC responsiveness of the Bank's Liberia program and reviews the following GAC entry points: core public sector reform (public financial management and decentralization); demand for good governance (including social accountability issues); GAC in the road sector; and the investment climate. The case study also examines the extent to which the Bank's GAC Strategy has made a difference in staff attitudes toward addressing GAC issues in their operational work. The mission interviewed government, Bank, donor, and nongovernmental organization (NGO) staff based in Washington and in Monrovia.

2. Liberia Country Context

2.1 After more than a decade of conflict, the Comprehensive Peace Agreement of August 2003 brought a fragile peace to Liberia. By March 2004, 11,000 United Nations peacekeepers under the United Nations Mission in Liberia (UNMIL) had been deployed throughout the country, and the National Transitional Government for Liberia was in place. The Bank's Country Reengagement Note (CRN) of March 2004 estimated that 250,000 people had died during the conflict and that 800,000 people were classified as refugees or as internally displaced. About 1.3 million of the country's estimated 3.6 million population were living in and around Monrovia, and public services and infrastructure throughout the country had collapsed. In 2002, government spending on health and education had fallen to \$2.7 million and \$2 million, respectively, and public spending of about \$40 per capita in 2006/7 was among the lowest in the world.

2.2 Liberia's economy contracted severely during the years of conflict, with per capita gross domestic product (GDP) declining from \$890 in 1980 to \$190 in 2007 (IMF 2007). Nearly 2 million people were living below the poverty line in 2007. Although rubber production and exports have improved in recent years, the mining sector is only beginning to recover. Liberia's forest industry also plays an important role in the economy. Following the lifting of UN sanctions in 2009,⁶ the formal forestry industry made payments to the government of less than \$2 million for the reporting period ending June 30, 2009 (Liberia Institute of Statistics and Geo-Information Services 2007; LEITI 2009). Informal employment remains by far the main source of employment and income for most Liberians. Informal agriculture offers the largest portion of employment—40 percent of men and 53 percent of women work in this area (Common Welfare Indicator Questionnaire 2007).

2.3 The country emerged from conflict with a serious debt overhang totaling more than \$4.7 billion in 2007, including more than a billion dollars in arrears to the World Bank Group and the African Development Bank (AfDB). A lengthy process finally culminated in debt relief for Liberia in mid-2010.

2.4 In 2005, a democratically elected government took office and quickly adopted an interim Poverty Reduction Strategy—Lift Liberia—that focused on four pillars: (World Bank 2008) peace and security, economic revitalization, governance and rule of law, and infrastructure and basic services.

2.5 In 2008, the country's first full Poverty Reduction Strategy was adopted. Liberia Rising 2030 embraces a strategy of broad participation and inclusive growth, allowing Liberia to build the human resource capacity needed while forging a stronger sense of citizenship, national cohesion, and responsive governance. The goal is to develop and implement a vision and strategy for reaching middle-income status by 2030. More specifically, Liberia Rising 2030 aims at (Ministry of Planning 2010):

⁶ Imposed on December 22, 2003, by the United Nations Security Council (UNSC), resolution 1521 (2003) in relation to Liberia. It was in response to the fact that the ceasefire and the Comprehensive Peace Agreement remained unimplemented throughout Liberia, and much of the country remained outside the authority of the National Transitional Government of Liberia.

2.6 Transforming Liberia into a middle-income country by 2030 with per capita income of \$2000-3000;

2.7 Making public institutions and governing systems efficient, responsive, and accountable;

2.8 Ensuring that all Liberians have equal protection under the law regardless of ethnicity, affiliation, or socioeconomic background.

Public Sector Governance since 2005

2.9 After the newly elected government took office in 2005 it faced a daunting array of binding constraints across all key governance institutions. The immediate goal of the new government was to consolidate the fragile peace enforced by UNMIL by delivering “peace dividends” in the form of jobs and the restoration of basic services to as many citizens as possible. At the same time, sound macroeconomic management had to be established, including clearance of arrears and the attainment of milestones leading to debt reduction under the Highly-Indebted Poor Country initiative.

2.10 The newly-elected President assessed the situation as follows: “After 160 years of existence in an environment of low human development, we have no choice, but to now forge ahead towards modernizing our civil service to energize the rebuilding of our war-torn society.”(World Bank 2008). The Civil Service Agency asserts that during the conflict large numbers of unqualified persons were recruited into the public service based on allegiance to warring factions. Pervasive patronage and thousands of “ghost” workers, along with seriously deteriorated systems, facilities, and equipment, dictated that at least in the near term the civil service could not be an effective delivery mechanism.

2.11 As the Bank and other development partners—notably Europe, the United States, and the United Nations—began to reengage with Liberia, the new government almost entirely lacked capacity to manage large investments in infrastructure and service rehabilitation. Credible country systems for budgeting, procurement, financial management, and supervision did not exist— forcing the government and donors to establish parallel mechanisms staffed largely by expatriates. In essence, the government and development partners agreed that during the immediate post-conflict period fiduciary management of external aid flows must be expedited through management units while core country systems were being completely rebuilt. In particular, the Bank became the administrator and manager of the Liberia Reconstruction Trust Fund.

2.12 **Civil Service Reform.** Given the serious constraints facing the civil service, the government chose to use a number of commissions to drive the process of reengineering Liberia’s own public sector governance systems. The Governance Commission Act was approved in 2007 to lead this comprehensive process. The Governance Commission was given a broad mandate, including: political and legal reforms; public sector reforms; civic education, national identity, and national visioning; a national integrity system; and monitoring, evaluation, research, and publication. The commission has played a key role in defining policies and establishing special-purpose commissions, including those for Anti-Corruption,

Public Procurement and Concessions, Land, and the National Integrity Forum. The commission has also played a key role with the United Nations Development Programme (UNDP) in facilitating the emergence of a National NGO Council.

2.13 In 2005, Liberia's executive law was amended to make the General Auditing Commission an independent supreme audit institution as mandated in the 1986 Constitution, and an expatriate Auditor General assumed office in mid-2007. Audits of the five main ministries (Finance; Health and Social Welfare; Public Works; Lands, Mines, and Energy; and Education) were carried out in 2009 as required under the Highly-Indebted Poor Country initiative.⁷ The audits all revealed major problems with basic internal controls and their publication by the General Auditing Commission caused considerable consternation. The commission's detailed audit findings confirm and extend concerns raised in reviews of public expenditure and financial accountability carried out by the Bank in 2008.

2.14 The commission has recently completed audits of all 15 counties in Liberia revealing an almost total lack of control systems in all of the counties, raising serious concerns about implementation of the country's decentralization policy.⁸ The General Auditing Commission has additional responsibilities that are not typical for a supreme audit institution. For instance, it supports Parliament by providing analytical support during the budget preparation process, and it has been providing the equivalent of pre-audit services to the Ministry of Finance while the ministry's internal audit functions are clarified and strengthened.

2.15 The General Auditing Commission has identified 76 internal controls that should be implemented by all government entities. The Cabinet endorsed the commission's diagnosis and recommendations, and the Civil Service Agency (CSA) has incorporated these into its Reform Strategy, the implementation of which is underway.⁹ In addition to weak basic control systems and large numbers of unqualified and "ghost" civil servants, a key governance issue is that politically-appointed ministers and their deputies remain the accountable officers for their respective ministries. A key aspect of the CSA reform program is, in accordance with repeated recommendations by the General Auditing Commission, to clarify the administrative responsibilities of career civil servants in relation to political appointees. Liberia's civil service has never included the equivalent of Principle/Permanent Secretaries or Directors General, and steps are now being taken to introduce a system of this type to improve civil service management.

2.16 Prior to the Partners' Forum (United States, February 2007), the Government of Liberia prepared a preliminary paper on civil service reform. In 2007, with technical assistance from the U.K. Department for International Development (DfID), it established a Liberia Civil Service Capacity Building Project. The project, in addition to its capacity-building mandate, was given responsibility for supporting the CSA effort to coordinate the government's civil service reform program. With support from the project, the CSA held

⁷ Available at www.gacliberia.com.

⁸ A lively account of the county audits appears in "Bruises of Audit," *GAC Today*, November 2010.

⁹ 2008, including a detailed action plan budgeted at \$53 million.

extensive consultations among ministries, civil servants, worker unions (Civil Service Association), and development partners.

2.17 Liberia started developing a more professional and efficient civil service and completed a Civil Service Reform Strategy in June 2008. The strategy has six elements: restructuring and right-sizing, pay and pension reform, improving public service delivery, managing human resources, developing leadership, and gender equity (Civil Service Agency 2008). Implementation of the strategy so far has focused on pension reform, pay and grading reform, and the establishment of the Human Resource Management Information System. Progress to date includes: pay reform, human resource records and payroll management, capacity building, and functional reviews.

2.18 **Pay Reform.** The Cabinet adopted the Medium-Term Pay Reform Strategy as well as a new rationalized grading structure for civil servants. This step will allow the government to move into the new grading structure, reduce discretionary allowances (that make up to three-quarters of salaries), and target their salary increases in FY10/11. The adopted strategy links the wage bill ceiling to 40 percent of revenue and increasing up to 42 percent.

2.19 **Human Resources Records and Payroll Management.** The pay reform is supported by the ongoing Human Resources Management Information System. A primary objective of the information system is to create a registry of all civil servants and remove an estimated 3,500 remaining ghost civil servants from the payroll using biometric identification. The government completed the pilot phase of the information system and is expected to have a complete clean employee registry by March 2010. However, the IEG team was not able to verify that this objective had been achieved during the January 2011 field visit.

2.20 One challenge of decentralization is that the CSA has found that it has no records of an established (approved) number of employees for each ministry, especially in their decentralized affiliates. Also, the existing budget process does not require ministries to report the number of approved employees. Efforts are being made to address these challenges and the human resources management department has been strengthened as part of the CSA restructuring. The Ministry of Finance has increasingly been processing civil servant salaries through direct deposits—currently one-third of government payroll is paid through direct deposit.

2.21 **Capacity Building.** To alleviate the enormous capacity shortage, the government has successfully been implementing the Senior Executive Service (SES) program, the Transfer of Knowledge through Expatriate Nationals (TOKTEN) program, the Scott Fellows program, and the Public Financial Management Training Program. For example, 97 professionals have been recruited and placed in key positions across all ministries and agencies through the SES program. These professionals have already made a visible impact on the government's efficiency and the capacity to undertake reforms. The government is planning to align pay structures of the SES program along with the government salary structures and take over the SES-funded positions by mid-2011.

2.22 **Functional Reviews.** The CSA is about to complete its internal reorganization and restructuring and initiate the systematic Mandates and Functions Review exercise. The first

five ministries are currently implementing the reviews. Adam Smith International (funded by DfID) has been supporting the CSA reorganization and restructuring exercise. The reviews for five ministries—the Public Works, Labor, Planning and Economic Affairs, Agriculture, and Education—and the CSA should be completed by June 2011. Also, 10 ministries have established Internal Review Committees to oversee and guide their internal reform and restructuring process; these committees are technically supported by the CSA.

2.23 An important step forward was the adoption of the Public Financial Management Act in 2009, complemented by adoption of International Public Sector Accounting Standards (cash basis). However, the General Auditing Commission reports that these standards are not yet widely implemented.

2.24 The Public Procurement and Concessions Act came into effect in 2006, and the Public Procurement and Concessions Commission (PPCC) became autonomous in 2010 through the Amended and Restated PPCC Act. The PPCC publicizes government procurement and for 2008-10, ninety-six contracts worth \$21 million were reported. The PPCC has established a Complaint, Review, and Appeals Panel, and at least two complaints have been heard.

2.25 The Liberia Anti-Corruption Commission was established in 2008 and faces severe constraints on its effectiveness due to its lack of subpoena and prosecutorial powers. Cases are referred to the Ministry of Justice, which is chronically overworked. The commission also cannot enforce declaration of assets by public officials; to date, only the executive branch has complied.

2.26 Constraints within the judicial system are widely seen as serious impediments to improved governance and anticorruption efforts by the government. UNMIL/UNDP has supported the Chief Justice of the Supreme Court in drafting a 5-year judicial reform plan, and has established an associated trust fund to support the reform process.

2.27 The government, with the support of donors and civil society, has been improving governance and basic service delivery capacity using support programs. These include: the SES program, through which nearly 100 management professionals have been recruited on three-year performance contracts (funding for which will end in mid-2011); TOKTEN (since May 1, 2006) being implemented through UNDP; the Liberia Emergency Capacity Building Support Project; strengthening the Liberian Institute for Public Administration to train mid-level civil servants; and the Financial Management Training School to train certified financial accountants for key ministries and the Ministry of Finance's accelerated education programs for young adults. Progress in several governance indicators is shown in **Error! Reference source not found.1.**

Table 2.1 Liberia—Governance Indicators

<i>Indicator</i>	<i>2004</i>	<i>2005</i>	<i>2006</i>	<i>2007</i>	<i>2008</i>	<i>2009</i>
Government Effectiveness Index	-1.65	-1.31	-1.25	-1.19	-1.36	-
Failed States Index Score	-	99.5	99	92.9	91	91.8
Effective Use of Resources	3.0	3.0	3.0	4.5	4.5	5.0
CPIA-Total	...	...	...	...	2.7	2.8
Of which: CPIA-Governance	...	...	...	...	2.65	2.83

Note: Government effectiveness index ranks from -2.5 (lowest) to +2.5 (highest). Failed states index scores from 100 = failed to 1 = strongest. Higher scores indicate more Effective Use of Resources. See Annex 2 for more detailed descriptions of each indicator.

Note: CPIA= Country Policy and Institutional Assessment

2.28 The University of Liberia’s capacity was seriously damaged during the conflicts. New facilities are now nearing completion and a Masters Degree program in public administration has begun with more than 300 students enrolled. The chair of the University’s Business Administration College (which includes Public Administration) notes that a definitive plan to develop public administration capacity to meet Liberia’s needs over the medium term does not exist.

2.29 **Decentralization.** The Governance Commission, with support from UNDP, has developed a cabinet-approved decentralization policy, but supporting legislation has not yet been enacted. The 15 counties in Liberia’s local government system have historically been managed as deconcentrated administrations through superintendents and commissioners appointed by the President of Liberia. The Ministry of Internal Affairs (responsible for local governments) has begun implementing a 10-year decentralization plan that intends to establish locally-elected councils in all counties by the year 2021. To achieve the plan’s goal, amendment of the national constitution will be required. UNMIL/UNDP, with support from Sweden, managed a County Support Team project (\$3.9 million) that rehabilitated county offices and basic systems and provided training to staff and councilors. The Bank is working with the International Monetary Fund (IMF) on a fiscal decentralization review that may contribute to the governments’ long-term strategy in this area. As noted earlier, the General Auditing Commission’s recent audits of all 15 counties identified serious management and internal control system constraints.

Investment Climate

2.30 Most small businesses in the country operate informally, and large companies seeking concessions for land, forestry, and natural resources operate more formally.¹⁰ The Auditor General identifies the lack of coordination between the business registry (maintained by the Ministry of Commerce), tax identification numbers (by the Ministry of Finance), articles of incorporation (by the Foreign Ministry), and certificates of accreditation for NGOs (by the Ministry of Planning and Economic Affairs) as contributing to the persistence of informal and “ghost” businesses. The UN notes positive reforms in the investment code including transparent incentives for investors and reductions in the numbers of businesses reserved for Liberians. Corporate tax rates have been reduced, as have tariffs on many categories of

¹⁰ LEITI reports about seventy companies that have been granted or are seeking concessions.

imports (Government of Liberia, 2014). Deteriorated and absent physical infrastructure in the country continues to impede businesses.

2.31 Governance of extractive industries is important both to Liberia's economy and to the prevention of a recurrence of previous corrupt practices. The Liberia Extractive Industries Transparency Initiative (LEITI) was established in 2007 and was certified as EITI compliant in 2009, the first African country to achieve this benchmark. LEITI regularly issues independently-reconciled reports on extractive industries involving mining, forestry, oil, and agriculture. The 2010 report covers 65 companies that paid over \$35 million to government in taxes, royalties, and other fees. LEITI is now moving toward the EITI++ standards that will include monitoring of concession awards, extractive industry revenues and expenditures, and other monitoring. LEITI carries out extensive public awareness campaigns, visiting all 15 counties in the country for interactive presentations of its annual reports.

Basic Service Delivery

2.32 **Education.** The 2007 Demographic and Health Survey reported that one-third of Liberians have no formal education, and an additional 26 percent have not completed primary school. More than half of the population is, therefore, characterized as functionally illiterate. Tens of thousands of students were unable to attend school during the conflict years. A key post-conflict priority is to ensure basic literacy and numeracy throughout the population to expedite participation in a growing economy. The Liberia Primary Education Recovery Program funded construction and renovation of more than 250 schools, acquisition of furnishings and more than one million textbooks, and training for hundreds of teachers throughout the country. The Accelerated Learning Program supported more than 75,000 students in acquiring primary education not available during the conflict.

2.33 The Ministry of Education manages the public school system through county and district education officers. Schools are governed by boards and Parent-Teacher Associations. These local organizations are reportedly dysfunctional in many areas and do not exist in others (World Bank 2010). The Ministry of Education has created an Executive Management Team, the membership of which is currently limited to Ministry of Education staff. The Ministry of Education employs 13,000 of the 35,000 civil servants in Liberia, and education currently accounts for less than 15 percent of total public expenditure (General Auditing Commission).

2.34 The government adopted a Free and Compulsory Education Policy, and primary school enrollment increased by 82 percent between 2005-06 and 2007-08 (World Bank 2008). However, increases in the number and size of classrooms have not kept pace with enrollment, competent teachers remain in short supply, girls and persons with disabilities have disproportionately low enrollment rates, and human resource management in the Ministry of Education requires substantial improvements. Vocational training opportunities are extremely limited, and the University of Liberia remains overcrowded (with more than 20,000 students) and understaffed.

2.35 **Community-Driven Service Delivery.** The years of conflict decimated basic community infrastructure and services, leaving widespread unemployment and shattered social

structures, particularly in Liberia's rural areas. In 2004, the Community Empowerment Act was promulgated, and the following year the Liberia Agency for Community Empowerment (LACE) began implementing community empowerment and cash-for-work programs. Given the pervasive capacity constraints in the Liberian civil service following the conflict, LACE was established as an NGO with a board of directors appointed by and reporting directly to the President of Liberia. Unrestricted by civil service wage limits, LACE has built a professional staff and—with funding primarily from IDA and the European Union (EU)—now manages cash-for-work, community infrastructure, and community forestry projects. The initial round of cash-for-work reached 17,000 people, and the second round targets 45,000 around the country. Community infrastructure grants have reached 160 communities, with a total of 360 targeted through round three.

2.36 Land. The Land Commission Act was approved in 2009, mandating the commission it created to work with the Ministry of Lands, Mines, and Energy to develop policy, settle disputes, and establish a transparent and reliable deed registration system. Many registry records were destroyed or lost during the conflict, and “quack” surveyors continue to issue unregistered deeds, particularly in rural areas, leading to additional disputes. Much of the land in the country's interior is still held under customary arrangements and enforcing social compacts for concessions in those areas is challenging. The ministry faces a critical shortage of trained surveyors and other technicians, and the Land Commission is planning a national workshop to work on all issues related to governance of land.

2.37 Engagement with Civil Society. Although many NGOs—both international and national—are active in Liberia, public participation is not systematic in defining national strategies such as the Poverty Reduction Strategy and country assistance strategies with development partners. In March 2011, a national conference was held to establish the Interim Civil Society Council. This platform is supposed to create opportunities for improved consultation and more effective connections with NGO resources and programs on the ground, particularly in rural areas. Several of the NGOs interviewed placed a high priority on improving (currently nonexistent) judicial services in rural communities where—even though formally banned—traditional courts are often the only dispute resolution mechanism available. Public defenders are mainly absent where formal courts do exist, and women who are victims of violence rarely seek judicial recourse due to the lack of female advocates.

2.38 Infrastructure. The government's 2008 poverty reduction strategy envisages as its most important priority the reestablishment of basic infrastructure and services, primarily the rebuilding of the road network which was extensively damaged during the war years. Consequently, aided by a large donor community, the government undertook several actions, many of them on an emergency basis, to begin the restoration of important infrastructure including: roads, the airport, the port of Buchanan, water and sanitation, streets in Monrovia, and agricultural infrastructure. Two ministries supervised these works, the Ministry of Transport for the airport and ports, and the Ministry of Public Works for the roads, streets, and other infrastructure. A temporary Special Implementation Unit was initially set up in the Ministry of Public Works, and was later transformed to a free-standing Infrastructure Implementation Unit (IIU) with an internationally-selected Program Director. The plan is to evolve the IIU into a Road Agency. These changes, the expenditures on the road network and other infrastructure are all steps in the right direction. However, as discussed later,

procurement of road and infrastructure improvements needs to be pursued at a faster pace than in the past.

2.39 Roads and Other Transport Infrastructure. Information on the length, classification, condition, standards, and coverage of Liberia’s public roads and streets is limited. There is a common understanding and agreement that the road network needs to be rebuilt. Most of the country’s 10,000 kilometers of existing roads are in very poor condition and often impassable during the rainy seasons. Several donors are supporting rehabilitation of selected main roads and city streets and a bridge in Monrovia through the Liberia Reconstruction Trust Fund (LRTF), managed by the World Bank. There also is emerging donor support to local roads in rural areas to encourage and promote agriculture, an important industry as 70 percent of the Liberian economy is based on agriculture. The local roads are in very poor condition and impede farm-to-market transport.

2.40 The Monrovia airport has been restored to operation through a United States Agency for International Development (USAID) grant. A concession, for the Buchanan seaport, which includes substantial investments, has been recently awarded to a reputable international company. Ports at Monrovia and Harper are functioning, but they are in poor condition. The rail line from Ganta to the port of Buchanan, and potentially also serving mines in Guinea, is in the process of being concessioned to international mining companies. It is anticipated that the private mining companies will rehabilitate the rail line to support their operations. The underdeveloped transport infrastructure severely hampers international commerce and the attractiveness of Liberia for transit operations across the Western African corridor, as well as maritime access to landlocked neighboring countries. The supporting infrastructure—electricity generation, water and sanitation, urban infrastructure—requires significant investments and must be improved in tandem with the roads.

2.41 Institutional Framework. In addition to the two ministries, the Ministry of Transport for the ports and the airport, and regulation and enforcement, the Ministry of Public Works for roads and other infrastructure works, the PPCC is involved in granting and defining the terms of the eventual transport sector concessions (for example, the rail line from Ganta to Buchanan). The reasons for this fragmentation in authority and decision-making are unclear. A consolidation of functions would be desirable and should be a consideration when the prospective separation of the IIU from the Ministry of Public Works as an “arm’s-length” organization is implemented. As part of this reorganization, the IIU should also establish subordinate regional entities to provide a greater focus and funding for the rural local roads that now have no responsible and responsive entity for their management and improvement. Uncoordinated but important small works are carried out by LACE under restrictive rules. Such regional management offices are necessary for administrative decentralization and equitable development of infrastructure services.

3. Relevance of World Bank Engagement on GAC Issues

3.1 The Bank's reengagement in Liberia was initially guided by a Country Reengagement Note (2004), which clearly identified that the country's public service must be entirely rebuilt (World Bank 2004:4). The CRN lucidly addresses key political economy considerations, focusing on the need during the two-year transition period to national elections in 2005 to "deliver fast and visible results on the ground to an expectant population." (World Bank 2004:13) In order to achieve these results, the CRN candidly states that "transitional delivery mechanisms" will be required to create adequate absorptive capacity for significant aid flows. (World Bank 2004:11). The CRN focused on three key objectives for the transition period: community-driven, labor intensive infrastructure rehabilitation and reconstruction; the establishment and strengthening of state institutions and fundamental governance reforms; and establishment of an effective national coordinating and monitoring mechanism.

3.2 In mid-2007, IDA and the African Development Fund issued a Joint Interim Strategy Note. Significant progress was noted in core public sector reforms, supported by the multi-donor Governance and Economic Management Program. The strategy note continued to focus on infrastructure and basic services, economic revitalization, and governance.

3.3 In early 2009, IDA, the AfDB, and IFC issued a Joint Country Assistance Strategy for the FY09-11 period, the first full Country Assistance Strategy for Liberia. The CAS asserts that the Bank's program in Liberia will remain selective and focuses on three themes: rebuilding core state functions and institutions, rehabilitating infrastructure for growth, and facilitating pro-poor growth. By 2011, the portfolio included nine active operations under the rebuilding state functions theme, 13 under the rebuilding infrastructure theme, and five under the pro-poor growth theme (World Bank 2011). Fifteen of these operations are scheduled to close in 2011, and five projects are currently in the pipeline including one for additional finance and two of a regional scope.

3.4 At the Governance Partnership Facility (GPF) workshop on implementing country-level governance programs held in Cape Town in September 2010, a presentation on implementing GAC in low-income countries highlighted: (i) a focus on strengthening country systems; (ii) ensuring that CASs take fuller account of each country's history; (iii) a focus on cross-cutting issues, and less on silos; (iv) live in "real time," taking advantage of windows of opportunity; (v) paying attention to key elements of state formation by making Bank support on public financial management (PFM) more strategic and less inward looking, and by supporting broad public sector reforms; (vi) supporting improved accountability both internally and externally; and (vii) paying attention to the "swing vote," which in Africa means developing an urban agenda.

3.5 Three key change agents for GAC were also identified: decentralization, the private sector, and civil society. The presentation emphasized that implementation of the GAC Strategy must be adapted to each country's windows of opportunity, and that in many countries those windows may exist only within specific sectors or ministries.

3.6 The 2011 World Development Report (WDR) on post-conflict and fragile states offers analysis and strategies of potential import for Liberia. The WDR emphasizes, as have

many practitioners and academics that the transition from conflict to reasonably good governance takes a long time. Rebuilding citizen's confidence in government—especially in post-conflict states like Liberia where the civil service virtually collapsed—requires a long-term vision that focuses on what matters most to people emerging from conflicts: security, justice, and jobs.

Country-Level Relevance

3.7 IEG carried out desk reviews of country strategies and selected projects in the Bank's Liberia portfolio for the period 2004-10 to gain insight into the impact of the Bank's GAC Strategy implementation beginning in 2007. The results of this "pre-GAC" and "post-GAC" comparison for Liberia are not clear-cut. As shown in the Liberia country datasheet appended to this report, the pre-GAC country strategies appear to be more selective in focusing on governance and anticorruption issues than the current, post-GAC CAS.

3.8 In line with the original 2004 CRN, the Bank's portfolio initially had a clear focus on delivering infrastructure and services while overcoming the collapse of Liberia's civil service. Fiduciary management issues were addressed through establishing the IIU and a dedicated resource/financial management unit in the Ministry of Finance, Capacity building for procurement and PFM was to be addressed through the Governance and Economic Management Program and the Economic Governance and Institutional Reform Program (EGRIP). The Bank also supported recruitment of capacity from Liberian expatriates and the region through SES and TOKTEN.

3.9 Clearing Liberia's arrears proved to be a protracted process, and without access to regular IDA allocations, the Bank worked very creatively to access resources. By 2007, eleven operations were underway (other than clearing the arrears) supporting cash-for-work, infrastructure, and growth with about \$75 million mainly from trust funds. To date, \$65 million has been disbursed and seven projects have been closed. These projects responded to Liberia's immediate needs to support and jump-start the social and economic activities after the peace agreement.

3.10 The lending program grew quickly once arrears were cleared in early 2008, and the current Bank portfolio totals about \$285 million. Given the enormous need for investment in Liberia's infrastructure, it is probably natural that with the resumption of normal IDA lending and the availability of large trust funds and significant cofinancing from the European Union, the Bank's country-level focus has remained on service delivery.

3.11 The Bank's portfolio in early 2011 included 26 active operations, of which five are for additional or supplemental finance, and one is for a debt reduction grant. Since 2005, then, the Bank has managed 20 specific operations, of which 12 are focused on infrastructure (including all five of the additional or supplemental financing operations). Following the launch of the Bank's GAC strategy in 2007, the Liberia portfolio has grown by 17 operations, of which 4 are additional financing. Projects directly addressing governance issues since 2007 include the EGRIP, Liberia Judicial System Reform, Public Financial Management-Integrated Financial Management Information System, Land Sector Reform, and Support for Extractive Industries (with LEITI). Of the 13 new projects approved since

2007 (excluding the four additional finance operations for infrastructure projects), five projects are clearly focused on key GAC entry points. The other eight projects approved since 2007 support protected forest areas, girls and young women, debt relief, urban and rural infrastructure, sanitation in Monrovia, youth and employment, education, and electricity system enhancement.

3.12 The current CAS provides an adequate overview of the governance challenges facing Liberia, but the new governance-related projects do not appear to be guided by a specific, sequenced strategy describing how Bank support may be most relevant to the government's overall efforts to reconstruct the state. The five projects, taken in aggregate, do not appear to achieve a critical mass of support required to achieve transformation at the state level. Although EGRIP may be categorized as somewhat cross-sectoral (it includes support for the Auditor General, CSA, and technical assistance for several other agencies, including LACE), direct support for governance improvements remains in traditional sectoral silos.

3.13 The Bank's country program in Liberia has been only somewhat relevant with regard to the 2011 WDR recommendations that support in post-conflict countries must focus on security, justice, and jobs. UNMIL has brought a substantial level of security to most of the country. The Bank is, of course, prohibited by the Articles of Association from investing in key elements of security, including police, prosecution, and prisons. However, support to the Land Commission and ministry to improve deeds registration is also important, particularly in rural areas, to give citizens a sense of security on their own land. Bank support for LACE has been and will continue to be very relevant in creating temporary jobs for thousands of Liberians.

3.14 The third key element of the Bank's program for rebuilding post-conflict citizenry confidence in government—justice—has received very little Bank support to date, with a \$0.75 Low Income Countries Under Stress (LICUS) capacity-building grant being the single identifiable input. The Anti-Corruption Commission is unlikely to have much impact if the justice system does not act on its findings. The mere presence of such a commission is not sufficient to rebuild citizenry confidence in government. In fact, if the commission's findings are routinely ignored by the justice system, confidence could be further eroded.

3.15 NGOs report that the near total absence of formal judicial capacity and systems in rural areas directly undermines confidence in the Liberian government. Coupled with the absence of effective local/county governance structures, the inability to access local justice systems must limit citizens' perceptions of progress in the post-conflict era.

3.16 The Bank's country portfolio is rated as somewhat relevant with regard to GAC issues in Liberia. Since 2007, the portfolio has provided additional support directly addressing key governance issues. However, it has been done in a somewhat disjointed manner through largely traditional, sectorally-defined operations. The country portfolio has become less selective overall. While standard public expenditure, procurement, and financial management assessments have been carried out, broader analytical work that could contribute to a longer-term, more strategic approach at the country level has not been undertaken. The Window 1 GPF grant to Liberia, approved in October 2009, does include \$78,000 to undertake a political economy analysis of drivers of change and constraints to

development. The intended output is “a matrix highlighting the country-wide governance challenges, risks and mitigation measures prepared,” leading to an updating of the CAS during the midterm review, which has since been completed.

3.17 These terms of reference may have been relevant in 2009, but appear now to be outdated. Consideration needs to be given to amending the terms of reference to undertake a broader strategic assessment of opportunities to improve the relevance of the Bank’s portfolio with regard to GAC issues, to the extent possible with the limited available funding.

Sector-Level Relevance

3.18 **Public Sector Reform.** Initial donor support for civil service reform was provided for largely in an emergency mode, focusing on quickly installing capacity to absorb large aid flows. By creating project management units and parallel institutions, such as LACE, considerable progress has been made in achieving an impact on the ground.

3.19 The 2008 Civil Service Reform Strategy (supported by a LICUS trust fund grant), is a very ambitious program that aims to build foundations for (Civil Service Agency 2008):

- *Restructuring and rightsizing* (rationalization of institutional structures, clear mandates, approximate staffing and skills configuration);
- *Pay reforms* (introducing a package to attract/retain professionals);
- *Improving service delivery* (improving the quality and quantity of services and supporting a focus on the needs and expectations of the customers);
- *Human resources management and development* (developing competent and professional civil servants who meet the needs of government in delivering development plans);
- *Leadership development* (strengthening leadership skills in the civil service to improve the quality of basic service delivery).
- *Gender equity* (providing equal opportunities for men and women and protection for all employees from sexual discrimination and harassment).

3.20 In addition to funding for the SES program (\$2.3 million from the LRTF, scheduled to close in mid-2011), the Bank’s main support instrument for public sector reform has been EGRIP (\$11 million plus \$5 million additional finance). Starting in 2008, EGRIP was explicitly designed to provide “more holistic support for the PFM program to replace the previous piecemeal approach to reform.” (World Bank 2008:9). The project provides a wide variety of support to core reforms in the Ministry of Finance, the financial management training program, technical assistance to improve procurement capacity in a number of agencies, computerization of tax administration, strengthening of financial management in the mining sector, training and equipping auditors in the General Auditing Commission, a computerized human resource management system in the Ministry of Finance, and support to the Liberian Institute for Public Administration. The Bank has also provided significant support to LEITI, a capacity building grant for judicial services, and \$3.7 million for installation of an integrated financial management information system at the Ministry of Finance.

3.21 The Bank has not provided direct support for *decentralization* in Liberia. The Governance Commission, the Ministry of Internal Affairs, and the UNDP confirm that amendment of Liberia’s Constitution will be required to transform counties from deconcentrated administrative units accountable to the central government into locally-elected and accountable subnational governments. According to the Ministry of Internal Affairs, the cabinet-approved decentralization policy envisions this transformation taking place around the year 2020, focusing in the interim on building the capacity of county administrations. International experience has generally shown that building the capacity of centrally accountable local institutions often entrenches the upward accountability relationship, frustrating attempts to effect real decentralization.

3.22 *Relevance.* The relevance of the Bank’s engagement on core public sector reform, including PFM, procurement, and civil service reform, is substantial, but still fractionated. There is some evidence that sequencing of support to core reforms is not coherent. For instance, the GAC questions the utility of a centralized integrated financial management information system at this point in Liberia’s reconstruction, particularly given the continuing lack of basic internal controls, data, and reporting systems in most agencies. Again, absent a broader strategic approach to governance in Liberia, Bank support for core public sector reform may continue to be dominated by “inward looking,” sector-based operations that do not adequately address important cross-cutting issues.

3.23 Lack of direct Bank support for decentralization since 2005— other than the joint work with IMF on fiscal decentralization— is appropriate given the very early stages of that reform process, the Bank’s selective focus on mobilizing large investments in infrastructure, and the significant support already being provided by UNDP and the EU. However, effective decentralization is a very important entry point for establishing good governance, and preparing the groundwork for it should start earlier rather than later. If the new national government to be elected in late 2011 confirms its support for real decentralization, particularly through a clear commitment to enact the required legal/constitutional reforms, the Bank should support the establishment of effective, locally accountable county governments.

3.24 **Accountability Institutions.** The most important public accountability institution in Liberia is the General Auditing Commission. Direct Bank support to the commission has so far been limited to the provision of training, equipment, and vehicles through EGRIP. The EU has financed the Auditor General’s performance contract, which ends in May 2011. The General Accounting Commission has clearly identified a number of cross-cutting reforms that are incorporated in the Civil Service Reform Program, including (Civil Service Agency 2008):

- “Basics” of public resource management: numbered vouchers for budget appropriations to reduce misuse of funds; introduction of mandatory and regular reconciliation of bank accounts in all public institutions; and maintenance of regular expenditure reconciliation at the institution level (budget users).
- Improvement of recordkeeping of civil servants to avoid payments to duplicate or “ghost” employees.

- Support for the PPCC to reduce the number of “ghost” companies and bring more transparency to the procurement process.
- Development of an enforcement mechanism for findings of the audits of public institutions (judicial reforms).

3.25 Despite the General Auditing Commission’s clear enumeration of basic accountability reforms as endorsed by the Cabinet in February 2010, adoption by ministries and agencies is very uneven. Audits are most useful when agencies must face consequences for failure to implement identified reforms. The Bank and other donors could provide more coordinated support to implementation of these reforms very directly, by insisting upon their adoption by all implementing agencies receiving donor support.

3.26 Given the structural weaknesses faced by the Anti-Corruption Commission, lack of significant Bank support for that agency is appropriate. However, the challenges of the Anti-Corruption Commission are a subset of the much broader need for judicial reform in Liberia. The Bank has provided a \$0.795 million capacity building grant for judicial services that is due to close in March 2011. USAID has a rule of law project in the near-term pipeline, which may provide opportunities for Bank support.

3.27 The Bank’s program has not addressed *demand for good governance* through civil society to any significant degree. LACE has made important contributions in mobilizing communities, but on a project basis. A more systematic approach to civil society engagement should be possible now that the Bank’s governance advisor is resident in Monrovia.

3.28 *Relevance.* The relevance of the Bank’s engagement on accountability institutions has been moderate. Although the Bank’s strategy in the immediate post-conflict period of focusing on delivering infrastructure and service delivery was very justified, without broader donor support (including from the Bank), the government’s extensive efforts in establishing accountability institutions may not yield concrete results. A key issue is the degree to which sequencing of Bank support has been relevant to and supportive of accountability institutions.

3.29 **Basic Service Delivery.** Bank support to *education* initially focused on rebuilding and restocking school facilities, and training teachers. The substantial (\$40 million) Fast Track Initiative Grant for Basic Education became effective in December 2010. The project will establish a Catalytic Fund selectively focused on construction and outfitting of primary and junior high schools in remote regions of the country. The project’s design builds on numerous lessons learned in the sector, incorporating flexible implementation arrangements that explicitly support improvement of country systems in the Ministry of Education. Although a project management unit will still be used, the project’s midterm review will assess the ability of the Ministry of Education to take over project implementation.

3.30 The Bank’s engagement with *community-driven service delivery* through LACE has been very relevant in supporting the government’s primary goal of delivering results. By deciding early on to establish a high-capacity institution to deliver community-driven development (CDD), the government and the Bank built an effective mechanism capable of delivering real peace dividends to long-neglected communities. LACE follows well-

established CDD principles, with communities eligible for grants of \$75,000 every three years. Many communities have chosen to replace derelict or destroyed bridges to improve their access to markets and services. However, construction of a bridge usually takes a year or less and will typically exhaust a community's full three-year allocation, leaving those communities with two years to wait for their next allocation. This long waiting period may lead to dissipation of hard-won community organization and commitment. Absent effective local governments, consideration could be given to ways in which LACE could support communities to maintain momentum throughout the three-year cycles. In addition, several NGOs expressed concerns that cash-for-work programs may be "monetizing" work that would normally be carried out voluntarily by communities.

3.31 The Bank supported five projects in the *roads sector* between 2004 and 2010.¹¹ The projects include technical assistance components for good road management, which in turn include a governance development component to: (i) evolve the IIU into a road administration, at arm's length from the ministry, with regional offices to strengthen maintenance and rehabilitation of the rural roads and to bring local knowledge to help define priorities. The Corruption Mitigation Component of the Urban and Rural Infrastructure Rehabilitation Project also addresses corruption with a three-pronged strategy: IDA scrutiny (more intense supervision), transparency (project information in public domain), and reporting (a project-supported government complaint mechanism). These processes benefited all donor involvement in the transport sector. Although the projects do not have a dedicated anticorruption component, their financial management and procurement staff are trained and also receive timely supervision.

3.32 *Relevance.* The relevance of the Bank's engagement on GAC issues in *education* was potentially significant. The new Catalytic Fund could provide important experience for the next generation of nonemergency Bank support in Liberia. The Ministry of Education has produced a 10-year plan that is attracting broader donor support. Experience has already been gained with a pooled fund for education. The new Bank-supported Catalytic Fund incorporates selective targeting, flexible implementation arrangements, and significant steps toward potential use of country systems.

3.33 The Bank's engagement on GAC issues in CDD is also very significant. LACE is being carefully supported to gradually take on new responsibilities in, for instance, community-based forestry. LACE has a good record of coordination with other agencies, for instance, with the Ministry of Education in building schools. EGRIP includes support to LACE to take on other delegated sectoral delivery responsibilities. In countries with well-developed local government systems or effective line ministries, support for a parallel

¹¹ Liberia Infrastructure Rehabilitation Project, 2006. (\$8.5 million). Funded by the Trust Fund for Liberia (TFLIB), it included some roads and airport investments. Closed; Agriculture and Infrastructure Development Project, 2007 (\$68.5 million). Funded by IDA/EC/Food Crisis Trust Fund. Includes some road rehabilitation and Buchanan port concession. Ongoing; Emergency and Infrastructure Development Project, 2007 (\$38.2 million). Funded by IDA. Rehabilitation of low volume roads, water and sanitation projects. Closing soon; Urban and Rural Infrastructure Rehabilitation Project, 2009 (\$53.2 million plus additional financing \$47 million). Funded by IDA and Liberia Reconstruction Trust Fund (LRTF). Mostly arterial roads. Ongoing; Liberia Road Asset Management Project, 2011 Pipeline (\$113 million). Funded by LRTF. Rehabilitation of important arterial roads and their maintenance for 10 years.

delivery institution located firmly outside the civil service, as is the case with LACE, would be cause for concern. However, in the Liberian context, LACE is not competing with other, effective institutions. In this (and many other) respects, Liberia offers very interesting choices for promotion of effective governance and service delivery. Although some sectors, such as education, may develop well-governed delivery capacity, other sectors may be more effectively served through non-civil service entities such as LACE and, potentially, a Roads Agency.

3.34 In the *roads sector*, the technical assistance and road works programs supported by the Bank and other donors are substantially relevant. The past road sector projects have contained important sector governance components; this technical cooperation and assistance program needs to continue for progress in road administration and management. Some of the issues, decentralization and local road improvement programs, reach beyond the sector concerns.¹² With the Bank's effective support the IIU, competent though understaffed, has been established within the Ministry of Public Works. The centrality of the Bank's presence in the road sector owes not only to managing the road credits, but to the technical assistance and forward-seeking views about the sector organization, including funding.

3.35 The Roads Asset Management project (LIBRAM) continues technical assistance to the roads sector. The following activities are currently planned and relevant: a road classification system (arterial, collector, local); a road condition database; budget-constrained maintenance standards; establishment of regional IIU entities to program works and supervise them; and support for training of local engineers, technicians, foremen, and machine operators in the public and private sectors. The critical issue that underpins much of this activity is funding. The Bank, as the administrator of the LRTF, can take a leading role—but not as an unfunded implementation support mandate—in finding a sustainable funding framework for infrastructure rehabilitation and development. Some development partners (Germany and Sweden) are already engaged in improving rural local roads. This support and the decentralization of IIU management under the Ministry of Public Works oversight have overwhelming importance. One distinctly negative aspect in the road sector is the slowness in procurement of the urgently needed road works, which is partly due to the weaknesses in road design consultancies.

3.36 In sum, the past road sector projects have contained important sector governance components. As noted, this technical cooperation and assistance program must continue for progress in road administration and management to take hold with effects beyond the road sector. The technical assistance and funding issues were also noted above. The one issue that needs reiteration is the collection of road data. These data are indispensable to ascertain that project priorities are well-founded, that the local agricultural roads receive timely attention not only to support agriculture production and access to markets but also to improve the livelihoods and reduce poverty in the rural areas. In addition, the data can help ensure success—and avoid disputes—in the LIBRAM project's long-term maintenance program.

¹² Although the planned decentralization of road management is related to general administrative decentralization, it can be implemented independent of it. However, parallel administrative decentralization would tie local knowledge and local priorities more formally with the rural road priorities, which would be desirable.

Even with these reservations, the works in the road sector are consistent with the government priorities, and human resource and contractor capacity in the sector. Given the inauspicious starting blocks the road sector program's relevance is substantial.

3.37 **Private Sector Development.** The World Bank's efforts in private sector development have, to date, been limited. They consist of support to LEITI to provide due diligence in concessions for extractive industries, work-for-cash (LACE), CDD projects, and procuring infrastructure projects, which foster local construction industry development. As LEITI moves into the EITI++ regime, additional support will clearly be required to move beyond reporting to active monitoring of compliance with concession conditions.

3.38 *Relevance.* Given the country circumstances and priorities, the Bank's approach is selective and relevant.

Project-Level Relevance

3.39 The Bank's approach to GAC issues at the project level has, as originally envisaged in the 2004 CRN, focused primarily on mitigating fiduciary risks by contracting to bring in capacity to manage aid flows for near-term results. Significant improvements in broader public financial management have been achieved through project support to the Ministry of Finance. Support to the Ministry of Land, Mines, and Energy to establish a reliable deed registry is well targeted. Support to the Ministry of Education appears also to have been effective. Other ministries and agencies remain largely on the sidelines, mainly managing small government budget allocations mostly for recurrent expenditures.

3.40 It should be noted that the existing and ongoing Bank-supported projects have performed well in a very challenging operating environment. There have been no untoward findings in the projects, although corrupt practices in government continue to be widely evident according to audits done by the General Auditing Commission. Most troublesome is *the lack of enforcement of laws*. The lack of data and management systems and, most importantly, the absence of careful and reported observations by the donors to enable tracking trends and results besets most aspects of GAC concerns.

3.41 The Bank's portfolio management is determined by many factors. It can be inferred from the interviews the team conducted and the staff survey that the main portfolio management focus remains on the ring-fencing of Bank-supported projects, thereby effectively avoiding country systems and the demand side of governance. Despite the limited broader impact in governance and anticorruption, the Bank-supported projects have delivered tangible outputs, which have been consistent with the objectives of the government.

4. Effectiveness of World Bank Efforts

Country-Level Effectiveness

4.1 The Bank has fully recognized the severe governance, human resource, and economic constraints and limitations in Liberia, and has chosen to focus on those areas that have been urgently important to social and economic welfare, areas for which there was governmental support; and areas in which tangible results could be achieved, however limited. In this regard, the Bank was influenced by, among other factors, the urgent need to maintain peace and jump-start economic recovery. In addition, the Bank was influenced by support from other donors—notably the European Commission, United Nations, USAID, and multi-donor trust funds—for civil works, capacity-building assistance to government institutions, and in the development of safeguards to independent audit and accountability institutions.

4.2 The Bank’s effectiveness in addressing GAC issues at the country level in Liberia has been limited by a number of factors. First, the absence of an overall state-building strategy ensures that Bank support for GAC will remain disjointed. The initial focus on quickly building PFM capacity was justified to expedite emergency funding, but a more coherent and effective approach to GAC across the country portfolio has not emerged in the six years since the new government came to power. Second, the Bank’s approach to building capacity for governance is dominated by “inward looking” sectoral support, especially since 2007. Incentives have not been provided to induce cross-sectoral approaches.

4.3 Finally, some donors and civil society organizations (CSOs) expressed the view that the World Bank has not effectively engaged in coordination and information dissemination with civil society organizations. This lack of effective engagement with CSOs and NGOs may in part be due to the lack of an effective NGO/CSO apex organization, which is expected to be launched in early 2011.

4.4 In sum, the Bank’s effectiveness in addressing GAC at the country level has been modest, failing to achieve the critical mass needed to effect systemic change across key sectors.

Sector-Level Effectiveness

4.5 **Core Public Sector Reform.** Liberia is at a very early stage of building a professional civil service. The government has developed a civil service reform strategy and there have been much-needed salary adjustments. A large number of “ghost workers” have been eliminated from the civil service payroll, which has now decreased from 42,000 to 35,000 workers. The Liberia Institute of Public Administration is now operating in rehabilitated premises, the SES program has been launched, and several ministries have begun their own restructuring programs.

4.6 The SES program offered a total of 100 positions. These positions are at the level of coordinators, directors, or governance specialists. The assessment and selection procedures are handled by a private professional vetting firm. The CSA announces the positions and receives the application letters and resumes. These are passed on to the vetting company for

assessment and evaluation. When the vetting firm completes its evaluation of the application pool, a short list of candidates is developed for review by a Senior Selection Committee. This committee reviews the short list, conducts the interview, and concludes the selection.

4.7 The TOKTEN program was designed by the Government of Liberia and the United Nations Development Programme. The beneficiaries (expatriate nationals and local professionals) are contributing to capacity building by bridging the gaps in critical areas of service. The TOKTEN project is being implemented under special arrangement, through the UNDP Direct Execution (DEX) Service Centre. To ensure transparency and accountability in the implementation of the program, a Project Implementing Committee has been established.¹³

4.8 The Liberia Emergency Capacity Building Support Project has brought highly-qualified expatriate Liberians to key positions in the public sector, bringing new ideas, experiences, and professionalism to the reform process. The project (2006-08) consisted of two major components. The first component aimed at attracting competent expatriate Liberians to join the public sector in critical leadership positions by paying highly competitive remuneration; the project supplemented the salaries of these Liberians. Reportedly, 25 Liberians had been hired under this program. Under the second component, the government received support in launching and implementing priority reforms (public sector reform, aid coordination, and development management) through technical and logistical support to line ministries and agencies.

4.9 The Bank's support for the building and strengthening of accountability institutions has been limited and moderately effective. The General Auditing Commission has provided detailed audit findings and recommendations, but implementation of its recommendations has been slow. The civil service reform has taken important initial steps. However, sustainability of the SES and TOKTEN programs is uncertain due to funding. Improvements to the judicial system have not been completed. By contrast, the CDD projects under LACE do show positive results, for example, in increasing citizen empowerment and in improving community perceptions of infrastructure and service quality.

4.10 However, staffing shortages in the Country Office have limited Bank engagement with CSOs, as well as its ability to support institution building, education, and health initiatives in the counties. CSO officers (as well as some development partner representatives) interviewed for this evaluation, for example, reported that the Bank has missed opportunities to help build and support active communities, and to promote fiscal and administrative decentralization and tax sharing as part of fiscal reforms. Country Office staff note that the central government retains tight control over county officials and budgets and has been unwilling to devolve authority.

¹³ The committee is represented by the Civil Service Agency (CSA; Chair); UNDP (Co-chair); Ministries of Planning and Economic Affairs and the Liberian Reconstruction and Development Committee, Governance Reform Commission (members). The Secretariat of comprised of a Project Coordinator, with an Administrative Assistant.

4.11 **Education.** With the Education Program Development Fund, Bank support has been effective in assisting the Ministry of Education to address both immediate emergency needs, including a school feeding program for 62,000 students. The Bank also assisted in helping to formulate a 10-year strategy for the sector, including critical capacity to design and administer that strategy. A pooled fund financed by both official donors (Netherlands) and private foundations (the Soros Foundation and the Open Society Initiative) and managed by the United Nations Children's Fund (UNICEF), coupled with Bank and Liberia Education Trust funding through LACE, supported construction of almost 200 new schools, renovation of 58 schools, and the acquisition of one million textbooks. The Ministry of Education's new Education Sector Plan envisions about \$225 million in spending over 10 years, with the government committed to fund \$98 million, bringing education spending from 14 percent to 18 percent of the budget over the plan period. The Bank's new \$40 million Catalytic Fund will finance a slice (about 20 percent) of the larger program.

4.12 The Bank's involvement in the education sector appears to offer several key insights about effective support in post-conflict Liberia. First, the sequencing of Bank support seems, at least in hindsight, clear and effective. Initial Bank support focused on both emergency needs and on building institutional capacity required to scale up to a strategic, multiyear program. Second, selection of the delivery mechanism appears to have been very effective. Instead of initially focusing on a traditional sectoral investment loan directly to the Ministry of Education, significant Bank support for school construction was channeled through LACE, taking advantage of that institution's established delivery capacity. Finally, by funding a slice of a well-defined, thoroughly consulted, longer-term sector plan the new Catalytic Fund may provide an important road map for transitioning away from emergency relief to the type of programmatic support that will be critical to rebuilding the Liberian state.

4.13 **Community-Driven Service Delivery.** Bank support to and through LACE has been very effective in achieving results. By late 2010, LACE had assisted communities in implementing more than 200 projects, including schools, bridges, markets, clinics, and water and sanitation facilities. The third round of funding for LACE aims to bring the total number of communities served to 360. In addition, LACE's cash-for-work program reached 17,000 individuals in the first round, and targets an additional 45,000 in the second round.

4.14 Beyond these clearly effective service delivery accomplishments, LACE also plays an important role in preparing citizens for more effective participation in the post-conflict Liberian state. All participants in the cash-for-work program participate in an eight-day training program that addresses basic issues such as community identity, health, money management, and future opportunities for more effective participation in the state transformation process.

4.15 Very limited analysis of the perceived impact of LACE support has been carried out; 90 percent of communities indicate their satisfaction with LACE-supported projects, but the effectiveness of this approach in terms of broader impact on governance and anticorruption at the community level in Liberia has not been systematically analyzed. Anecdotal evidence suggests the individuals and communities that have received benefits from cash-for-work and community-driven infrastructure projects value the transparent and rules-bound method through which benefits are delivered. Presumably this satisfaction translates to some level of

satisfaction with governance more broadly. The general elections to be held in October or November 2011 may provide a more objective measure of effectiveness.

4.16 According to LACE officials and other interviewees, a longer-term social or community development strategy does not exist in Liberia. Although the Ministry of Internal Affairs (responsible for local governments) has a seat on LACE's board of directors, there does not appear to be any clear interface between the decentralization policy the Ministry of Internal Affairs is beginning to roll out and LACE's future work program. Thus, although Bank support to LACE has been very effective in terms of short-term results, the longer-term issues of effective, sustainable and accountable local service delivery institutions remain questionable.

4.17 **Roads.** The civil works in the road projects are being implemented satisfactorily and significant, but limited improvements, are taking place in the quality of the road assets. The presence of the Bank's co-task team leader (TTL) in Monrovia also represents an improvement toward implementation. Regarding the government, the IIU at the Ministry of Public Works is maturing to become a competent manager of the projects. There are procurement delays, especially in the LIBRAM project, which remains in the pipeline. There also are issues regarding contractor social responsibility, which have to do with the use of equipment, residents' convenience in the areas adjoining the road rehabilitation site, and the government's request for additional work not covered by the contract. These issues are typical in most developing countries and best negotiated between the contract parties as long as they do not extend to corruptive practice, and are beyond project management concerns of Bank implementation support.

4.18 From a GAC perspective, some governance changes may be desirable. These are likely to have effects on anticorruption as well. Regarding government and the infrastructure sector, staffing of the IIU is insufficient, especially in view of the importance of the expanding roads program. This includes program maintenance. The planned evolution of the IIU to evolve into an infrastructure administration and management organization with expanded staff and regional offices—part of the LIBRAMP technical cooperation component—is a good expansion. The LIBRAMP concept of long-term output-based road maintenance is also good and can help add to a local contractor presence, a competitive market in the sector, and the fostering of the development of local (sub-) contractors and a skilled workforce. On a larger scale, the roles of the Ministry of Transport, the Ministry of Public Works, and the PPCC need to be reconsidered in the transport sector. At the core of the problem are the diffuse decision-making authorities. Regarding the Bank, the limited decision-making authority and capacity for donor coordination—and even the cohesion and coherence of the Bank programs—in the Country Office is a constraint, although the management of the engineering issues has improved with the co-TTL arrangement.

4.19 The ongoing and planned projects and technical assistance activities have been appropriate and effective to begin the improvement of the road systems and its management. Given the undeveloped stage of the initial conditions, much remains to be done to improve road program focus and effectiveness. On the technical side, network-wide road and maintenance standards and specifications need to be adopted to ensure success and to avoid disputes in the forthcoming LIBRAMP long-term maintenance program. Road data need to

be collected to ascertain that project priorities are well founded, and local agricultural roads deserve sustained and timely attention not only to support agriculture production and access to markets but also to improve the livelihoods and reduce poverty in the rural areas. Finally, decisions need to be taken to put road sector financing on a predictable and sustainable basis.

4.20 With these reservations, and given the political realities and the inauspicious situation on the ground, and the available funding, the works in the road sector have had a positive impact on governance, on road conditions, and on probity. The road program is consistent with the government priorities, available human resources, and contractor capacity in the sector. The overall road sector effectiveness is moderately substantial.

4.21 **Private Sector Development.** The Bank’s most effective support for GAC issues in the private sector to date has been through LEITI. LEITI, through its regular and very well communicated reports on concessions for mining, commercial agriculture, forestry, and oil has very effectively brought a significant new level of transparency to extractive industries, which are key sources of revenue and employment. However, the overall business climate in Liberia does not appear to be significantly improving, as shown in the Doing Business indicators (Table 4.1).

Table 4.1 Liberia—Change in Doing Business Indicators

<i>Topic Rankings</i>	<i>2011 Rank</i>	<i>2010 Rank</i>	<i>Change in Rank</i>
Doing Business (overall ranking)	155	152	➕-3
Starting a Business	64	57	➕-7
Dealing with Construction Permits	135	135	No change
Registering Property	176	173	➕-3
Getting Credit	138	135	➕-3
Protecting Investors	147	146	➕-1
Paying Taxes	84	84	No change
Trading Across Borders	116	115	➕-1
Enforcing Contracts	166	166	No change
Closing a Business	148	148	No change

Source: Doing Business Indicators (2010)

4.22 It is widely reported that “connections” are still the most important requirement for successful investments in Liberia. The Doing Business methodology, focusing on formal-legal procedural aspects of the business climate, although informative and useful, may understate the pervasiveness of “connections” and of inconsistent application and enforcement of laws and regulations.

Project-Level Effectiveness

4.23 Delays have been pervasive in infrastructure, mostly due to slow procurement. The lack of contractors, foreign or domestic, is also a problem. Currently only two international companies are capable of undertaking substantial infrastructure projects. Interest in the 10-year maintenance project has been high (28 companies have bought the bidding documents for the LIBRAM project), and the situation may be improving. The delivery capacities of

domestic firms are limited. With respect to combating corruption, the Bank has been very cautious about collusion among the bidders to the detriment of timely delivery. Even when the GAC agenda is delivered through projects, the country context, the cost premiums contractors will consider in placing bids must be given more serious consideration in Liberia, where security and “social obligations” are of significant concern. The Bank-supported projects have been ring-fenced and no effort was made to use or develop the country systems.

4.24 An important issue that was not been addressed due to absence of road data is the choice of projects for donor funding, both via the LRTF and the LIBRAMP. This has both sector and project dimensions. It is not clear if the projects chosen for rehabilitation are the most important ones either economically or socially. The IEG mission traveled part of the road to Buchanan and found that the road clearly needed rehabilitation. The IEG mission did not travel the key arterial road from Monrovia to Ganta that is an important segment in the LIBRAM project. Information obtained indicated that it is in relatively good condition. Thus, it is unclear why was it chosen when most rural local roads are impassable for a large part of the year. It would seem that the resources expended over a 2-3 year period to sort out the procurement issues in the LIBRAM project would have been better spent in clarifying the choice process to ensure that that the chosen road segments are indeed the most important and beneficial.

4.25 The effectiveness of the road sector projects is rated as moderately substantial. An important GAC activity is to ensure unbiased project selection given the very poor condition of infrastructure, the high needs in capacity building and education, and the urgency for timely progress to meet the expectations of the population and provide benefits to them, and to support broad-based economic development. Another important activity is training and skills development, given the absence of data needed for engineering-economic judgments and assessment, and the meager availability of Liberian professionals with local knowledge of infrastructure conditions. All of these have been important and beneficial; the same applies to the LIBRAM project, now under preparation, including the project concept and its technical assistance component.

4.26 Nonetheless, the broad scope of the Bank’s GAC activity requires good local knowledge—especially when objective data are sparse and there is uncertainty about the political economy. GAC activity also needs to be managed locally by the Bank’s country management unit, at least initially, and not restricted to being a zealous, even if distant watchdog of procurement procedures. The ownership of the GAC agenda can be gradually transferred to the government, which has only a vague knowledge about it. Over the next few years, the Bank has to retain primary responsibility for the implementation the GAC agenda.

5. Impact of the 2007 GAC Strategy Implementation

5.1 This evaluation assesses the impact of the 2007 GAC strategy implementation on the Liberia country program. In particular, Bank staff were interviewed about their attitudes toward and awareness of GAC issues. The evaluation also sought to determine whether support provided under the GAC Strategy has made a difference in the Bank's responsiveness to GAC issues.

5.2 Governance and anticorruption issues have been at the forefront of the Bank's and other development partners' postwar engagement in Liberia. However, despite Liberia's designation as a CGAC and Window 1 country, direct evidence of impact from the GAC Strategy implementation on the country program is lacking. No explicit GAC-related economic and sector work or political economy analysis has been carried out. Window 1 funding has been limited to placement of a GAC advisor in the Monrovia office only in late 2010, and a full-time financial management advisor has been based in the Country Office for one year. Until recently, Monrovia's status as a "hardship" post with restrictions on accompanying family members, slowed the decentralization of TTLs, which may have impeded development of continuing interactions with broad constituencies in Liberia on GAC issues. This may explain the almost universal lack of awareness of the Bank's GAC Strategy among Liberian counterparts interviewed during the January 2010 field visit.

5.3 The impact of the GAC strategy on staff attitudes was rated as moderate. There is evidence of a somewhat heightened awareness of institutional development issues and how they might be better addressed in the challenging context of Liberia. However, Bank staff awareness of governance and anticorruption issues in Liberia has been very high since reengagement in 2004, and all Bank-supported operations have taken many steps to minimize GAC-related risks independent of the 2007 GAC launch.

5.4 There appears to be room for additional progress on GAC issues in operational responses within the Bank's portfolio. This does not emerge from the report. Although governance capacity constraints and fiduciary risks have been minimized through employment of external experts and project management units, opportunities exist to move beyond these mitigation measures in future operations.

5.5 For instance, adoption by implementing agencies of the prudent country systems improvements recommended by the Auditor General and approved by the Liberian Cabinet in February 2010 would be a very reasonable precedent for all future operations, even if Bank funds continue to be managed by project management units. However, two new operations approved in 2010 (Youth Employment and Skills, and the Education Catalytic Fund) both continue to use project management units, and neither requires implementing agencies to demonstrate compliance with the Cabinet-approved internal control priorities. Readily implementable internal controls could be required of all implementing agencies. These might include the use of registered, numbered vouchers; clarification of employee roles, including issuance of official letters of appointment; regularization of transparent staff allowances policies; adoption of codes of ethics; and other straightforward good governance measures. More effective support for implementation of the General Auditing Commission's recommended reforms, which build directly on earlier recommendations in the Public

Expenditure and Financial Accountability Review, may be a “real time” window of opportunity that could close if ministries continue to receive government budgetary funds while ignoring prescriptions from the country’s supreme audit institution.

5.6 Finally, the key cross-cutting constraint on the development of broad good governance in Liberia is, according to all sources, development of human capacity to govern well. Although support for SES and similar temporary capacity solutions is effective in the short term, building good governance institutions in Liberia will take a time. Bank support for governance capacity building thus far in Liberia has been largely “inward looking,” focusing on PFM and procurement. In the future, support to the University of Liberia and to the Liberian Institute for Public Administration to develop new generations of good governors will be critical to a complete transition away from the legacy of conflict.

5.7 Given the many, very formidable challenges facing Liberia, it is perhaps understandable that the impact of the Bank’s GAC Strategy to date has been very limited. After Liberia was selected in October 2009 as a Window 1 focus country under the GPF, the \$400,000 grant it received remained unused until a governance advisor was recruited and arrived in Monrovia in late 2010. In addition to the advisor, the grant provides \$78,000 for one political economy analysis (PEA) study on “the drivers of change and constraints to development.” The grant application included a diagnostic assessment of the rule of law and development of a strategic plan for the justice sector in Liberia, as well as a study on improving the demand side of accountability. Neither of these activities was approved by the GPF, despite widespread demand for both encountered by the IEG team in the country.

5.8 It is clear that the current Liberian leadership is very aware of and committed to addressing their serious GAC issues. The Bank exerts considerable influence in Liberia. It is arguable that GAC resources and support should focus more closely on countries like Liberia where GAC challenges are substantial, government commitment to address these issues is clear, and Bank operations are of adequate scale to make a real difference in promoting effective reforms.

6. Lessons Learned

6.1 Based on this review of the Liberia program, the following lessons have been identified:

- ❖ **In very low-capacity, post-conflict countries such as Liberia, a sensible first step in GAC strategy implementation is to build public financial management capacity to manage anticipated increases in aid flows and potentially, increased domestic revenues.** This approach to GAC issues has typified the Bank’s reengagement with Liberia since 2004. Both the government and the Bank agreed that governance capacity and systems would have to be entirely reconstructed and therefore embarked on a parallel approach in which infrastructure and service delivery investments were, and are, channeled through non-civil service management units as the civil service is being rebuilt from scratch. This parallel approach has allowed the government, the Bank, and other donors to produce very significant results in infrastructure and service delivery. However, reconstruction of the civil service has not—despite some notable improvements particularly in the General Auditing Commission, and the Ministry of Finance—been as successful, as amply documented in the audits of core ministries completed by the General Auditing Commission.
- ❖ **There is a need to proactively identify and mobilize Bank governance and anticorruption resources—both financial and human—to support timely reform in countries such as Liberia that are broadly committed to real governance reforms.** Despite its designation as a CGAC country, Liberia only began receiving tangible benefits from the \$400,000 GPF Window 1 grant with the arrival of the governance advisor in late 2010. Ring-fencing of Bank resources can be a practical first step to achieving results in high-risk countries. However, identifying and supporting subsequent steps to achieve GAC objectives requires extensive consultation with key government reform champions, civil society, and other donors. The modest funding included in the GPF grant for a political economy analysis of “drivers of change” appears to be inadequate to support a broad consultative process leading to a medium-term, well-sequenced strategy to maximize both the relevance and effectiveness of Bank support to achievement of GAC objectives in Liberia.
- ❖ **Maintaining a selective portfolio is always important, and even more so in low-capacity environments such as Liberia.** Following the peace agreement, demand for assistance in all sectors was very high. The Bank, with the encouragement of the new government, chose to focus mainly on infrastructure and service delivery, apparently on the basis that this is its strongest area of comparative advantage among major donors active in Liberia. The establishment of a large Bank-managed reconstruction trust fund may also have influenced this selective focus along with the constraints imposed on new IDA lending by the prolonged arrears clearance process. Once arrears were finally cleared, the Bank’s portfolio proliferated to more than 20 ongoing operations. With the closing of many operations in 2011, the Bank has the opportunity to refocus. It is obviously important to periodically reassess the focus of any country program and particularly so in post-conflict environments. While delivering peace dividends may have

been the clear top priority in 2005, six years on it is possible—even likely—that priorities have shifted. It is very unlikely that Liberia’s state transformation process will be well served by numerous, narrowly focused operations that continue to be managed in a primarily inward-looking mode. Preparation of the new country partnership strategy presents an excellent opportunity to reassess the focal areas and instruments most likely to maximize benefits of Bank support in the rebuilding of the Liberian state.

- ❖ **The process of rebuilding post-conflict states is labor-intensive and requires many transition points that are difficult to identify and engage without experienced staff in the field.** The threat rating for Liberia in the immediate post-conflict years may have impeded donors, including the Bank, from decentralizing key staff to Country Offices. Attracting experienced staff to hardship posts is also difficult if incentives are not adequate. Construction of a country portfolio through nonresident project managers often leads to a proliferation of narrow, sectorally focused operations. The Bank has recently begun to decentralize to Monrovia, but mainly with junior staff and few if any incentives.

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Appendix A. Persons Interviewed

Name	Title/Organization
GOVERNMENT OFFICIALS	
Joseph K. Acqui	Vice Chairperson, Liberia Anticorruption Commission
Augustus Bailey	Human Resources Advisor, Ministry of Interior
Akindede George Beckley	Program Director, Infrastructure Implementation Unit (IIU)
Charles Carpenter	Deputy Minister, Ministry of Public Works
Edward K. Goba	Deputy Minister, Ministry of Transport
Sandra Howard-Kendor	Commissioner/Enforcement, Liberia Anticorruption Commission
Hon. Roosevelt Jayjay	Minister, Ministry of Lands, Mines and Energy
Cllr. Frances Johnson-Morris	Executive Chairperson, Liberia Anticorruption Commission
M. Osman Kanneh	Commissioner/Education and Prevention, Liberia Anticorruption Commission
Ramses Kumbuyah	Executive Director, Liberia Agency for Community Empowerment
Jenkins Mendis-Cole	Deputy Minister, Ministry of Public Works
John Sembe Morlu, II	Auditor-General, General Auditing Commission
Winsley Nanka	Deputy Auditor General for Audit Service, General Auditing Commission
Magnus Nian Jr.	Assistant Director for Internal Audit, Ministry of Interior
MacArthur M. Pay-Bayee	Director, Land Commission
Z. Moulai Reeves	Commissioner/Administration, Liberia Anticorruption Commission
Hon. Willard Russel	Minister, Ministry of Transport
Hon. Soko Sackor	Deputy Minister, Administration, Ministry of Interior
Armos Sawyer	Commissioner, Governance Commission
Daniel B. Tipayson	Liberia Anticorruption Commission
William Towah	Advisor/Head of Aid Management Unit, Ministry of Finance
Ekema Witherspoon	Assistant Minister, Ministry of Interior
Sayon Henry Yaidoo	Head of Secretariat, Liberia Extractive Industry Transparency Initiative

DONOR OFFICIALS / INTERNATIONAL COMMUNITY

Carolyn Bryan	Acting Mission Director, USAID
Michael Boyd	Sr. Economic Growth Officer, USAID
Amb. Attilio Pacifici	Ambassador, European Commission
Mustapha Soumare	Designated Special Representative of the Secretary-General, United Nations Mission in Liberia (UNMIL)
Francesca Varlese	Program Manager- Governance, European Commission
Paula Horyaans	Rural Development, European Commission
David Melgrove	Country Manager, UK Development for International Development
Shitau Miura	Country Manager, Japan International Cooperation Agency

CIVIL SOCIETY REPRESENTATIVES

Hubert Charles	Country Director, CARE USA
Daniel Clarke	Secretary-General, Liberian Red Cross
Francis K. Colee	Project Coordinator, Green Advocates
Catherine Kamo	Regional Program / Policy Manager, Action Aid Liberia
Prince O. Kreplah	Executive Director, CUPPADL
Thomas Doe Nah	Executive Director, CENTAL
Lancedell Mathew	Executive Director, NADRA
Dax P. Sua	Policy Assistant, AGENDA
Laywoi P. Tokpah	Head of Finance, Action Aid Liberia

APPENDIX A

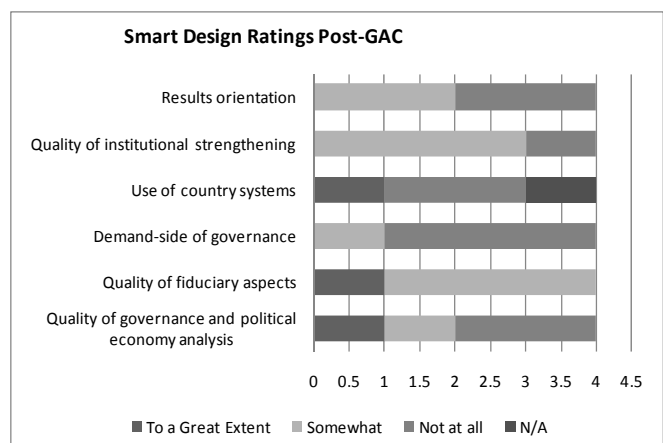
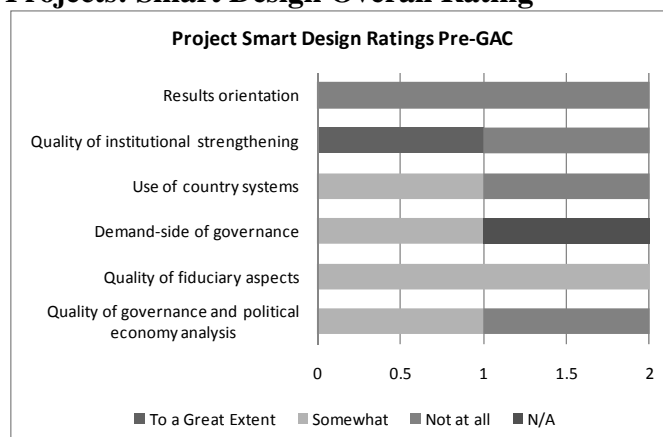
OTHER

Prof. Geegbae A. Geegbae	Chairman Economics Department, Dean of the Business School, University of Liberia
Prof. Harold Monger	Director General, Liberia Institute of Public Administration
Liu Shanliang	Manager, CHICO, (Chinese Road Construction Company)
Mr. Fu	Manager, CHICO, (Chinese Road Construction Company)

Appendix B. Liberia—Country Data Sheet, IEG Ratings of GAC Responsiveness, 2004-2010

CAS Desk Review Results		
Selectivity	Pre-GAC (04-07)	Post-GAC (08-10)
Explicit assessments of governance and political economy constraints	Highly Incorporates	Highly Incorporates
Explicit choice of governance entry points	Somewhat Incorporates	Somewhat Incorporates
Mix of financial and knowledge instruments	Highly Incorporates	Somewhat Incorporates
Identification of results measures	Somewhat Incorporates	Somewhat Incorporates
Overall rating of country strengthening	Pre-GAC (04-07)	Post-GAC (08-10)
Core public sector institutions	To a great extent	To a great extent
Sectoral state institutions	Somewhat	Somewhat
Domestic accty	To a great extent	Not at all
Civil society and the demand side	To a great extent	Not at all
The investment climate	Somewhat	Somewhat
Overall rating of signaling of GAC concerns and risks through Bank portfolio processes	Pre-GAC (04-07)	Post-GAC (08-10)
Portfolio risks regularly monitored by the Bank	Somewhat	Somewhat
Portfolio processes track the progress of governance reforms at sector and project levels	Somewhat	Not at all
Portfolio reviews and results monitoring are regularly disclosed	Somewhat	Somewhat
Overall rating on results	Pre-GAC (04-07)	Post-GAC (08-10)
Quality of indicators	Unsatisfactory	Moderate
Collection of data	Unsatisfactory	N/A
Disclosure of data collected	Unsatisfactory	N/A
Overall rating of GAC responsiveness in the CAS	Pre-GAC (04-07)	Post-GAC (08-10)
Minimized fiduciary risk	Somewhat	Somewhat
Selectivity of Bank country strategies and programs	Somewhat	Somewhat
Signaling of GAC concerns and risks through Bank portfolio processes	To a great extent	To a great extent
Smart design of programs and projects by countries	Not at all	Not at all
System strengthening	Somewhat	Somewhat

Projects: Smart Design Overall Rating



2009 Country Policy and Institutional Assessment Ratings for Liberia and Comparative

Country	Cape Verde	Kenya	Liberia	Madagascar	Sierra Leone
Property rights and rule-based government	4.0	2.5	2.5	3.5	2.5
Quality of budget and financial management	4.0	3.5	2.5	3.0	3.5
Efficiency of revenue mobilization	3.5	4.0	3.5	4.0	2.5
Quality of public administration	4.0	3.5	2.5	3.5	3.0
Transparency, accountability, and corruption in public sector	4.5	3.0	3.0	2.5	3.0
Cluster average	4.0	3.3	2.8	3.3	2.9
Overall rating	4.2	3.7	2.8	3.5	3.2

Appendix C. Statistical Tables

ICR & IEG Project Ratings for Liberia FY2004-10

Country		CAE period of evaluation			Date of review (FY)			CAE rating					
Liberia		N/A			N/A			N/A					
Country		CAS period			CASCR review period			IEG CASCR-R rating					
Liberia		N/A			N/A			N/A					
Exit FY	Project ID	Project name	Total evaluated (US\$M)	Lending instrument	ICR outcome rating	ICR risk dev out rating	ICR sustainability rating	ICR overall Bank perf. rating	ICR overall borrower perf. rating	IEG outcome rating	IEG sustainability rating	IEG overall Bank perf. rating	IEG overall borrower perf. rating
FY08	P102915	Re-eng. and Reform Support	405.2	DPL	S	S	#	S	S	S	#	S	S

Note: DPL = development policy loan

Ratings: S= satisfactory.

Source: World Bank data as of 11.23.10

IEG Project Ratings for Liberia and comparators, FY2004-10

Region	Total evaluated (US\$M)	Total evaluated (number)	Outcome % satisfactory (\$)	Outcome % satisfactory (number)	Risk to development outcome % moderate or lower (\$) *	Risk to development outcome % moderate or lower (number) *
Liberia	405.2	1.00	100.0	100.00	-	-
Cape Verde	331.6	7.00	93.7	71.43	36.12	40.00
Kenya	565.6	11.00	45.0	45.45	74.33	75.00
Madagascar	783.2	12.00	52.9	50.00	47.50	50.00
Sierra Leone	135.3	7.00	60.7	71.43	100.00	100.00
World Bank	96,831.8	1,507.00	85.2	77.79	73.66	63.72

Source: World Bank data as of 11.23.10.

* With IEG new methodology for evaluating projects, institutional development impact, and sustainability are no longer rated separately.

Appendix B

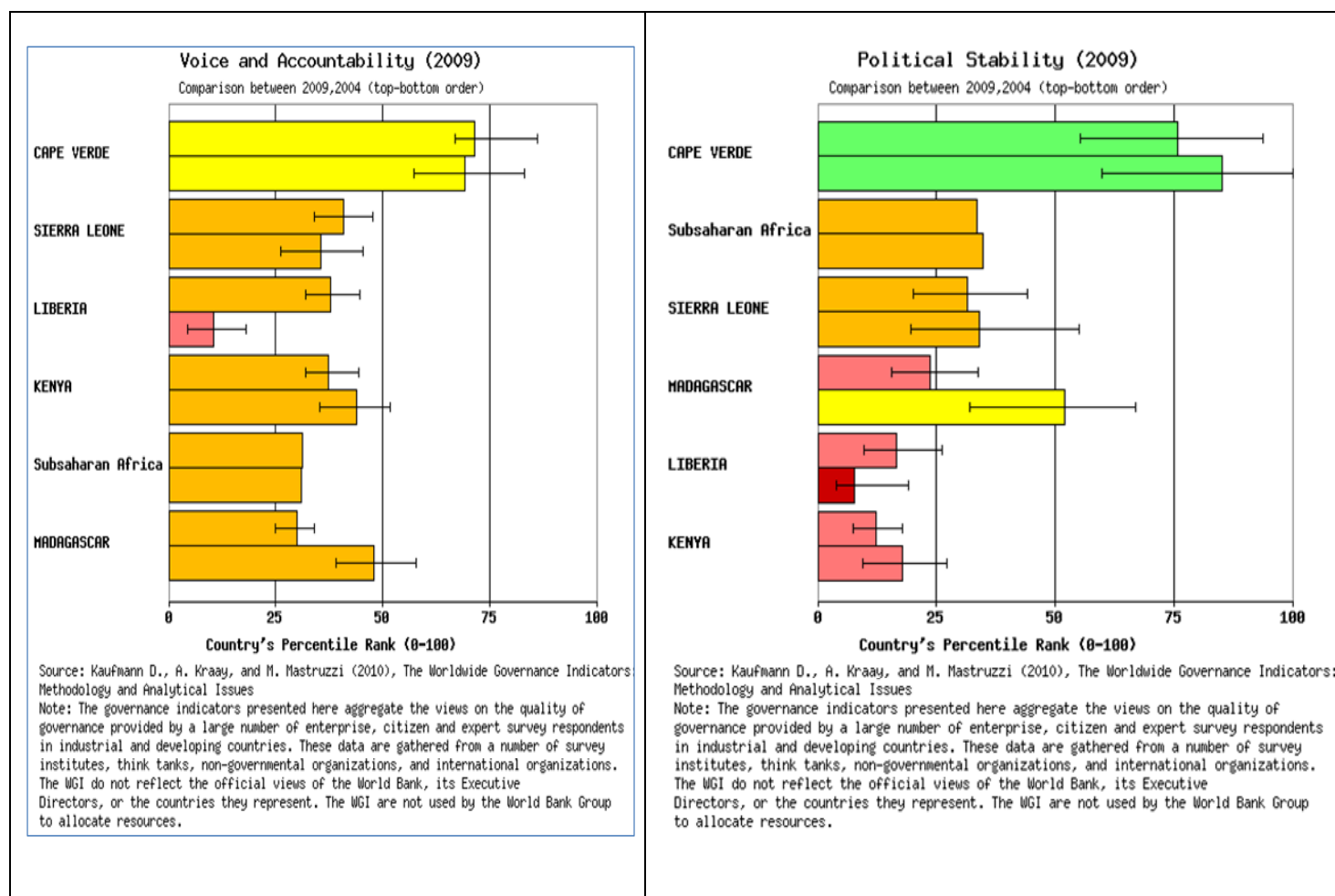
Portfolio Status for Liberia & Comparators, FY04-10							
Fiscal year	2004	2005	2006	2007	2008	2009	2010
Liberia							
# Proj		1	1	6	10	12	11
Net Comm Amt		25.0	30.0	76.5	130.8	203.0	221.8
# Prob Proj		0	0	0	0	1	0
# Proj At Risk		0	0	1	1	2	1
% At Risk		-	-	16.7	10.0	16.7	9.1
Comm At Risk		-	-	46.5	46.5	13.5	5.0
% Commit at Risk		-	-	60.8	35.6	6.7	2.3
Cape Verde							
# Proj	5	4	5	4	3	2	2
Net Comm Amt	71.8	57.7	67.7	55.2	53.2	34.5	24.5
# Prob Proj	2	1	1	0	0	0	0
# Proj At Risk	2	1	1	0	0	0	0
% At Risk	40.0	25.0	20.0	-	-	-	-
Comm At Risk	31.2	22.2	22.2	-	4.7	-	-
% Commit at Risk	43.5	38.5	32.8	-	8.8	-	-
Kenya							
# Proj	11	13	13	16	15	16	19
Net Comm Amt	641.2	635.3	598.8	905.9	1,003.8	1,428.8	2,020.2
# Prob Proj	3	1	4	3	2	1	2
# Proj At Risk	5	2	4	3	2	4	3
% At Risk	45.5	15.4	30.8	18.8	13.3	25.0	15.8
Comm At Risk	301.5	101.5	92.7	59.2	90.5	145.0	234.5
% Commit at Risk	47.0	16.0	15.5	6.5	9.0	10.1	11.6
Madagascar							
# Proj	17	14	13	17	17	13	13
Net Comm Amt	906.2	856.9	881.9	1,016.0	1,068.0	843.6	816.9
# Prob Proj	1	4	1	2	1	6	7
# Proj At Risk	1	4	1	2	1	6	9
% At Risk	5.9	28.6	7.7	11.8	5.9	46.2	69.2
Comm At Risk	16.4	341.0	89.1	79.0	47.6	416.4	614.4
% Commit at Risk	1.8	39.8	10.1	7.8	4.5	49.4	75.2
Sierra Leone							
# Proj	7	9	8	9	8	8	9
Net Comm Amt	180.1	216.8	202.4	244.6	240.6	219.5	185.5
# Prob Proj	1	1	3	2	2	4	0
# Proj At Risk	4	2	3	3	4	4	2
% At Risk	57.1	22.2	37.5	33.3	50.0	50.0	22.2
Comm At Risk	115.0	54.2	35.0	72.6	105.5	132.5	47.5
% Commit at Risk	63.8	25.0	17.3	29.7	43.8	60.4	25.6
AFRICA							
# Proj	334	334	351	364	388	400	418
Net Comm Amt	16,387.7	16,364.8	18,310.4	20,737.7	22,896.6	27,703.8	33,745.8
# Prob Proj	50	70	55	46	42	69	60
# Proj At Risk	76	97	77	77	87	118	125
% At Risk	22.8	29.0	21.9	21.2	22.4	29.5	29.9
Comm At Risk	3,174.5	4,300.9	3,241.0	3,881.6	5,827.3	6,823.4	9,358.4
% Commit at Risk	19.4	26.3	17.7	18.7	25.5	24.6	27.7

Source: World Bank data as of 11/24/2010.

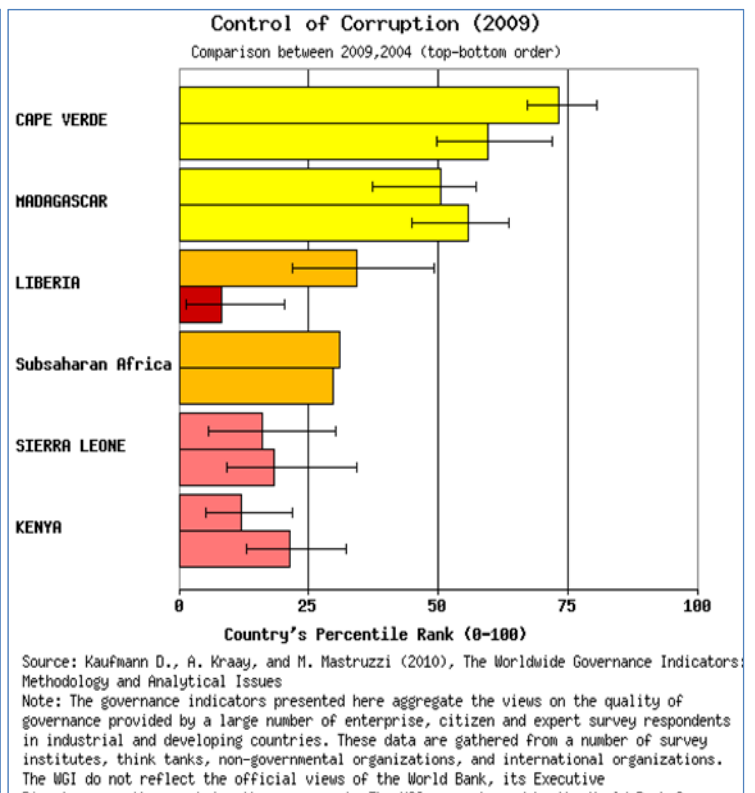
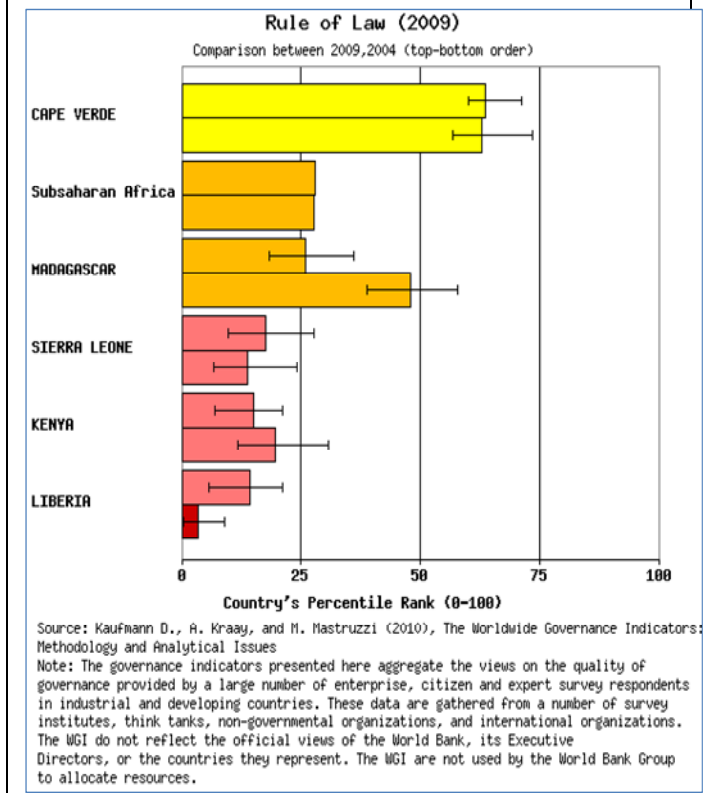
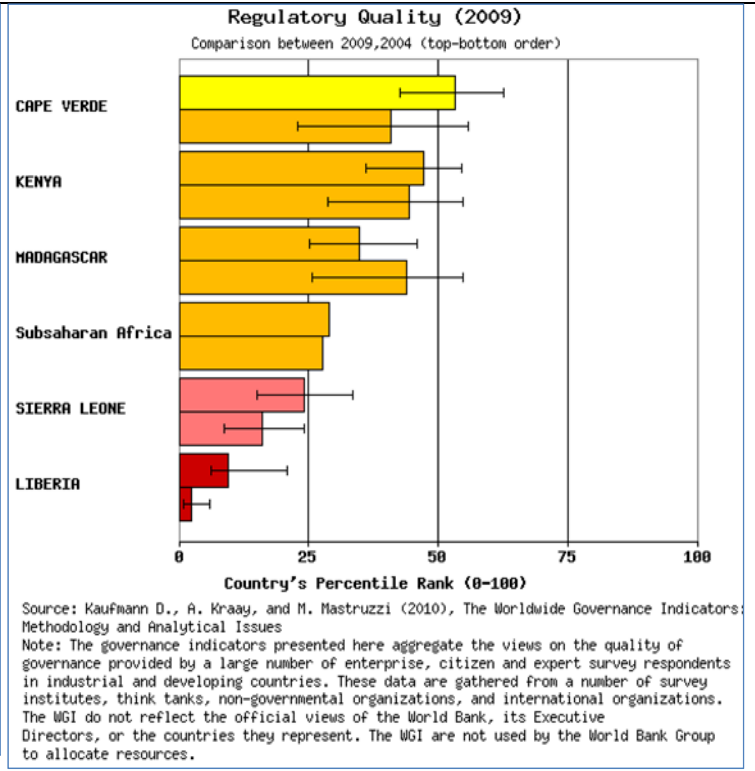
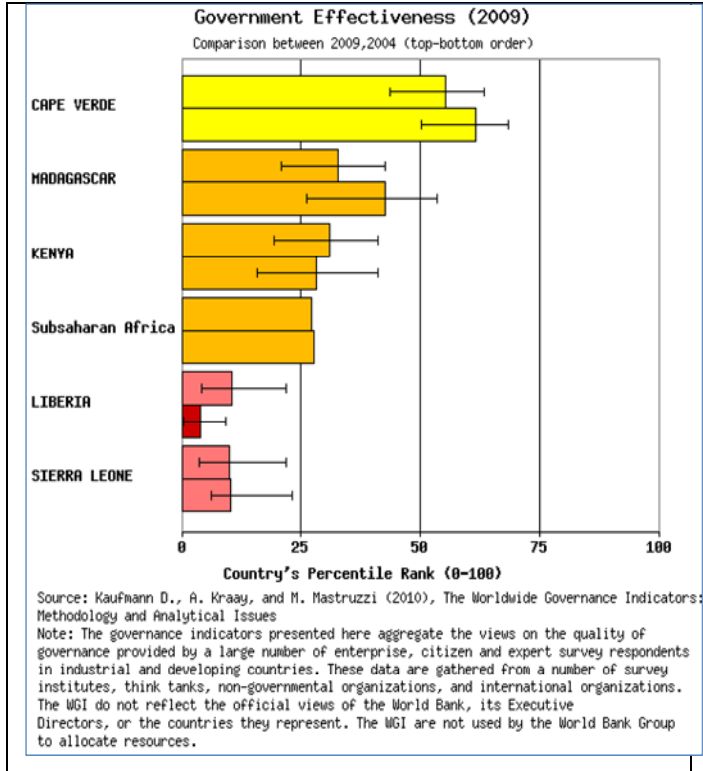
IBRD/IDA Net Disbursements and Charges Summary Report for Liberia (in US\$ Mil)

FY	Disb. Amt.	Repay Amt.	Net Amt.	Charges	Fees	Net Transfer
2005	1.13	0.00	1.13	0.00	0.00	1.13
2006	7.20	0.00	7.20	0.00	0.00	7.20
2007	0.47	0.00	0.47	0.00	0.00	0.47
2008	432.62	200.40	232.22	309.53	1.17	-78.49
2009	35.94	3.32	32.62	0.00	0.53	32.09
2010	30.95	3.01	27.94	0.00	0.49	27.45
Total (2004-10)	508.3	206.7	301.6	309.5	2.2	-10.1

Source: WB Loan Kiosk, Net Disbursement and Charges Report as of 12/15/10.



Appendix B



Appendix B

ODA Disbursement Amount type	Current Prices (USD millions)						
Year	2004	2005	2006	2007	2008	2009	
Donor							
All Donors, Total	213.24	222.44	260.4	700.79	1249.46	505.04	
DAC Countries, Total	162.95	143.94	187.43	229.08	819.22	340.8	
Multilateral Agencies, Total	50.15	78.39	72.53	471.07	403.25	163.29	
Non-DAC Countries, Total	0.14	0.11	0.44	0.64	26.99	0.95	
G7, Total	119.7	98.71	133.66	141.63	668.57	251.02	
DAC EU Members, Total	44.51	44.26	65.12	71.98	475.9	205.77	
Australia	..	..	..	..	..	0.01
Austria	0.73	0.33	..	..	..	..
Belgium	..	0.51	1.23	0.29	..	0.01	
Canada	1.04	2.93	1.59	2.91	1.95	2.2	
Denmark	0.09	3.81	5.67	6.45	12.3	8.81	
Finland	2.76	1.71	1.34	2.05	3.08	2.12	
France	0.82	0.55	2.05	1.13	26.84	0.3	
Germany	-3.08	1.32	8.96	10.03	316.6	28.07	
Greece	0.16	0.03	0.07	..	0.09	0.03	
Ireland	2.74	4.34	7.27	13.24	12.94	9.81	
Italy	1.95	0.02	..	0.01	0.81	75.41	
Japan	..	..	17.4	12.46	13.98	14.71
Korea	..	..	0.01	0.2	10.33	0.01
Luxembourg	0.65	..	0.11	..	0.08	0.08	
Netherlands	8.62	7.2	6.53	2.85	19.99	..	
New Zealand	0.05	0.09	..	..	..	..
Norway	11.64	7.14	8.94	28.17	33.84	15.37	
Portugal	0.08	0.58	0.18	0.24	0.21	..	
Spain	..	1.53	1.26	3.55	24.29	5.75	
Sweden	12.53	14.79	15.18	19.78	26.27	41.98	
Switzerland	3.2	3.17	5.98	10.63	7.23	5.8	
United Kingdom	16.46	7.54	15.27	12.36	32.4	33.4	
United States	102.51	86.35	88.39	102.73	275.99	96.93	
EU Institutions	30.36	52.99	44.24	39.46	48.59	59.54	
Chinese Taipei	..	..	..	..	..	..
Czech Republic	0.13	0.11	0.28	0.41	0.38	0.56	
Iceland	..	..	..	0.1	0.53	0.21
Israel	0.01	..	..	0.01	0.04	0.05
Poland	..	..	0.01	..	0.01	..
Slovak Republic	..	..	..	..	25.07	..
Slovenia	..	..	..	..	0.01	0.01
Turkey	..	..	0.15	0.12	0.6	0.08
United Arab Emirates	..	..	..	..	..	0.04
Other Donor Countries, Total	0.01	..	..	0.01	0.4	0.06
AfDF (African Dev. Fund)	..	..	..	-6.11	-26.21	4.02
Arab Agencies	..	..	0.14	0.03	..	..
GEF	0.22	1	..	..	0.83	2.64
GAVI	..	..	..	2.74	3.04	2.42
Global Fund	5.06	9.16	10.11	4.44	15.66	..	
IDA	..	..	1.13	407.05	4.6	42.45
IMF (SAF,ESAF,PRGF)	..	..	..	..	319.99	27.82
UNAIDS	..	..	0.01	0.18	..	0.04
UNDP	5.34	4.13	4.17	5.37	7.19	7.59	
UNFPA	0.86	0.78	2.25	3.66	3.69	2.59	
UNHCR	0.19	4.16	1.78	3.78	6.33	2.19	
UNICEF	3.17	3.78	4.05	6.11	5.57	5.73	
UNTA	1.88	2.39	1.59	2.06	0.44	0.44	
WFP	3.07	..	3.06	2.3	13.53	5.82	
IDA as a share of ODA	na	na	0.4%	58.1%	0.4%	8.4%	

Data extracted on 16 Dec 2010 15:48 UTC (GMT) from OECD.Stat

Note: DAC= Development Assistance Committee (OECD); ESAF=Enhanced Structural Adjustment Facility; EU= European Union; GAVI= Global Alliance for Vaccines and Immunization; GEF=Global Environmental Facility; IDA= International Development Association; IDB= Inter-American Development Bank; IFAD= International Fund for Agricultural Development; IMF= International Monetary Fund; PRGF=Poverty Reduction and Growth Facility; SAF= Structural Adjustment Facility; ODA= official development assistance; UNAIDS= United Nations Programme on HIV/AIDS; UNDP= United Nations Development Programme; UNFPA= United Nations Population Fund; UNHCR= United Nations High Commissioner on Refugees; UNICEF= United Nations Children's Fund; UNTA= United Nations Technical Assistance Programme; WFP= World Food Program.