

UNITED NATIONS DEVELOPMENT PROGRAMME



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COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

Consideration and approval of country programmes

THIRD COUNTRY PROGRAMME FOR LIBERIA

UNDP assistance requested by the Government of Liberia for the period 1983-1986

Illustrative IPF for 1982-1986: \$13.5 million

INTRODUCTION

1. The third country programme of Liberia covers the programme period 1983-1986. The second country programme, which covered the programme period 1979-1981, was extended by one year under the approval authority granted to the Administrator and as requested by the Government.
2. Prior to the finalization of the third country programme, the Ministry of Planning and Economic Affairs, which is the ministry responsible for co-ordinating all technical assistance programmes in Liberia, undertook in depth reviews of all ongoing projects in co-operation with UNDP and relevant agencies of the United Nations system. This was done with a view to determining the relevance of these

*In accordance with decision 81/15, adopted by the Governing Council on 27 June 1981 (E/1981/61/Rev.1, annex I), the third country programme for Liberia is being submitted to the Council without an accompanying note by the Administrator. The previous country programmes for Liberia and the accompanying notes by the Administrator were issued under the document symbols DP/GC/LIR/R.1-DP/GC/LIR/R.2 and DP/GC/LIR/R.1/RECOMMENDATION-DP/GC/LIR/R.2/RECOMMENDATION, respectively.

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projects for the third country programme taking into consideration the present priorities of the Government. A review of previous UNDP technical assistance programmes to Liberia was also carried out, focusing on delivery and performance of the second country programme, before deciding on the orientation and thrust of the third country programme.

3. While the Government did not specifically request sectoral studies by the agencies, it took advantage of various missions to Liberia during the country programming exercise. The most important mission was the United Nations inter-agency mission which visited Liberia in March 1982. The mission comprised representatives of the United Nations, the Food and Agriculture Organization of the United Nations (FAO), the International Labour Organisation (ILO), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the United Nations Conference on Trade and Development (UNCTAD), the United Nations Industrial Development Organization (UNIDO), the World Health Organization (WHO), the United Nations Centre for Human Settlements (HABITAT), the United Nations Children's Fund (UNICEF), the World Food Programme (WFP) and the World Bank. The report of this mission, which was headed by the Under-Secretary General for Special Political Questions and Co-ordinator, Special Economic Assistance Programmes, has been published as document A/37/123. In addition, the Government benefited from the unpublished working papers prepared by the individual agencies which participated in the mission.

4. The United Nations inter-agency mission was preceded by a FAO programme development mission which visited Liberia between January and February 1982. This mission presented an extensive report to the Government on areas in need of urgent assistance in the agricultural sector. A World Bank mission also visited the country during the second quarter of 1982 and made a detailed review of the agricultural sector. Its report was circulated to Government well before the finalization of the third country programme. Other equally important missions which visited Liberia and provided inputs into the country programme were from the International Telecommunication Union (ITU) and the Universal Postal Union (UPU).

5. The second country programme was geared towards rural development and was fully integrated into the Liberian rural development exercise. In April 1980, a major political event occurred, following which there was a change of Government. In January 1982, the present Government announced a Four-Year Public Investment Programme (1981/1982-1984/1985), which constitutes an integral part of the Second Development Plan of Liberia covering the same period.

6. The Second Development Plan has been approved, and the UNDP third country programme is expected to assist Government in realizing some of the objectives of this Plan.

7. A problematic issue which faced both the Government of Liberia and the Resident Representative during the country programming exercise was the heavy carry-over of commitments from the extended second country programme to the third country programme.

8. Although the illustrative indicative planning figure (IPF) for Liberia for the 1982-1986 programming cycle was established at \$13.5 million, only 80 per cent of this amount, or \$10.8 million, is considered available for programming in accordance with existing UNDP guidelines. To this should be added: (a) the sum of \$1,380,000,

representing the carry-over from the 1977-1981 IPF cycle; and (b) \$370,000, representing project cost sharing provided by the Government of the Netherlands, for a total of \$12,550,000. With commitments for 1982 authorized at \$2 million, however, the total level of resources available for programming in 1983-1986 is estimated at \$10,550,000.

9. However, in order to respond to the current resources problem faced by UNDP and in the realization that it is likely that only 55 per cent of the illustrative IPF for the entire third cycle may be expended, the programming exercise was undertaken at a level of 55 per cent of the country's IPF. This means that a total of \$6,805,000 is available for the 1983-1986 period, calculated in the following manner: 55 per cent of \$13.5 million, plus \$1,380,000 carried over from 1977-1981, less \$2.0 million estimated 1982 expenditures. Since actual commitments to ongoing projects for the 1983-1986 programme period, as of 31 October 1982, stand at \$3,747,000, only \$3,058,000 remains for new projects. Nevertheless, in view of the special economic and financial circumstances facing the Government, a working list of requests for additional assistance remains readily available should the UNDP resource situation improve at any time during the IPF cycle.

10. Another limiting feature which the Government encountered during the present country programming exercise was the fact that ongoing projects absorbed most of the funds available under the authorized budget levels (ABL) during the first two years of the third country programme. Most of the new projects, therefore, had to be programmed during the last two years of the new programme.

11. In addition to IPF funds, the third country programme is being augmented by a cost-sharing contribution of \$370,000 from the Government of the Netherlands to assist in financing a rural self-help village project.

UNDP TECHNICAL CO-OPERATION ENVISAGED IN SUPPORT OF NATIONAL DEVELOPMENT PRIORITIES

12. Liberia was the first independent republic of Africa and, until the dramatic political events of April 1979, an aura of political stability existed in the country. The change in the political climate occurred at a time when the economy was suffering from the fall in iron ore and rubber export revenues. Large inflows of foreign capital were required to keep up government expenditures and to meet the increasing cost of essential imports, especially oil. In March 1979, the International Monetary Fund (IMF) approved a stand-by arrangement of 9,250,000 in special drawing rights (SDR). In return, the Government was required to reduce its spending and curb domestic demand. However, the economy continued its downward trend and, by the end of that year, the current deficit was \$96 million, while the external debt stood at \$454 million. The first Four-Year Plan for the period 1976-1980 relied heavily on the revenues anticipated from iron ore, of which Liberia is the world's fifth largest producer, as well as a re-negotiated concession agreement with a major rubber company. Unfortunately, one year after the Plan was introduced, the world demand for iron ore suffered a major downturn. Revenues declined alarmingly. By early 1980, the upturn in the demand for iron ore, to which the Government looked to fuel its economic expansion programme, never came. Earnings from rubber, Liberia's second-most important foreign exchange earner, also dropped significantly and have not yet picked up. The country's worst economic crisis continued. A military coup took place on 12 April 1980, leading to establishment of a new Government. Continuing declines in savings, productive investment and private

consumption, coupled with fiscal and budgetary problems inherited by the new Government, have harmed the economy. Taking into account the great economic difficulties being encountered by Liberia and the enormity of the reconstruction tasks facing the country, the Government asked for additional assistance from the United Nations. At the request of the General Assembly in December 1981, a United Nations inter-agency mission was dispatched under the aegis of the office of the Secretary-General to investigate Liberia's immediate needs for financial assistance as well as its critical requirements to rehabilitate the economy and promote development.

13. As a consequence of the recommendation of the United Nations inter-agency mission and a subsequent request made by the Head of State to the Secretary-General, UNDP is providing assistance to the Government for the preparation for a donors' round table conference, to be held in 1983. It is hoped that, despite the current global economic difficulties, the international community will respond favourably to Liberia's urgent economic and financial needs. One significant aspect of the United Nations inter-agency report 1/ deals with Liberia's request to be classified as a least developed country (LDC). As indicated in the report, the data needed for Liberia to be accorded LDC status is being compiled and the necessary representation is expected to be made before the Committee for Development Planning (CDP) in 1983. The Committee will determine Liberia's eligibility for inclusion in the list of LDCs. Until a decision has been reached regarding LDC status, the Government is requesting the international community to treat Liberia "as if" it were a least developed country.

14. The orientation of the third country programme is heavily influenced by the present economic and financial plight of the country and the Government's desire to ensure conditions are created for a healthy economy in the future. During the selection of projects, careful consideration was given to the absorptive capacity of each sector to ensure that project implementation is not delayed as a result of inadequate institutional and/or infrastructural support. Extreme caution was taken to avoid duplication of projects, bearing in mind the assistance envisaged from other sources during the programme period. Another important factor which was taken into consideration when deciding on projects for inclusion in the third country programme was the Government's present inability to provide any substantial funds for local project costs.

15. Against this background, projects were identified: (a) to meet the Government's needs in such crucial areas as developing its planning capability, rural and human resources development and increased food production; and (b) to strengthen institutions and infrastructure facilities. Bearing in mind the limitations of the expected 55 per cent programme delivery, the bulk of the IPF resources was programmed in the agriculture, forestry and fisheries sector (42.4 per cent) followed by 13.5 per cent in the general development issues, policy and planning (13.5 per cent) and employment (11 per cent). Distribution of resources to other sectors are as follows: industry, 9.3 per cent; education, 8.1 per cent; transport and communications 7.9 per cent; natural resources, 5.9 per cent, international trade and development finance, 1.1 per cent; culture, 0.8 per cent.

16. As stated earlier, the third country programme inherited a heavy carry-over of projects from the second country programme. This carry-over was necessary to ensure the continuity of activities which the Government considered important in terms of its own development objectives, as outlined in its Second Development Plan. The ongoing and new projects described in this document therefore coincide with the Government's own priorities in the sectors which are essential to its own economic and social development. From the sectoral point of view, rural development is a national priority. The major part of Liberia's rural population is engaged in subsistence farming using primitive methods and obtaining low yields. The desire to increase the standard of living of the rural population is therefore a major theme of the Second Development Plan. UNDP assistance will concentrate on accelerating the development of the rural sector through self-help village development, improved postal services, water resources development, extension services in industry and the establishment of a rural press.

17. The Liberian Government maintains its long established interest in exploring areas of regional and interregional co-operation with other countries, particularly those in the subregion, in such programmes as the United Nations Decade for Transport and Communications in Africa (1978-1988), technical co-operation among developing countries (TCDC), and the International Drinking Water Supply and Sanitation Decade (IDWSSD). Furthermore, while the present and past UNDP country programmes for Liberia are primarily concerned with the attainment of national goals, they have and continue to coincide with the global priorities indicated above, as well as with those of rural development and the participation of women in development, especially in terms of women's contribution to the acceleration of development in the agriculture and rural sectors.

18. In line with the above objectives, and taking into account assistance forthcoming from other sources, both bilateral and multilateral, the Government has decided that the individual projects outlined below shall be that part of its development programmes that will be financed from resources available from UNDP. Special attention has been given to the need to ensure that these programmes are complementary to the programmes of other multilateral and bilateral donors, and particularly that the UNDP programme of assistance makes the fullest use of the technical expertise available through the specialized agencies of the United Nations system.

A. General development issues, policies and planning
(\$965,530)

19. The Government places a high priority on continuing efforts to strengthen its development planning and administration infrastructures. Future reconstruction activities, especially those stimulated through the donors' round table conference, should benefit from the Government's increased emphasis on this sector.

1. Ongoing project

Assistance to the Ministry of Planning and Economic Affairs (LIR/80/012)
UNDP contribution: \$565,530

20. This project is aimed at strengthening the planning capability of the Ministry of Planning and Economic Affairs. UNDP has provided planning assistance to the Government for the past several years and many of the Liberians who benefited from the training provided through UNDP have now assumed higher responsibilities throughout

the Government. The need still exists, however, to establish a firm institutional mechanism with the capability of undertaking the Government's planning requirements. It is envisaged that this phase of UNDP assistance, which is being executed by the World Bank and terminates in 1985, will establish the necessary organizational structure and trained manpower.

2. New project

Assistance in Sponsoring a Donors' Conference for Liberia (LIR/82/007)

UNDP contribution: \$400,000

21. In response to the Head of State's request to the United Nations Secretary-General, UNDP will assist the Government in preparing the necessary documentation and logistical support for a donors' conference to be held about mid-1983.

B. Natural resources

(\$414,390)

22. In addition to Liberia's well-known commercially developed natural resources, iron ore and rubber, the country also possesses significant unrealized water potential. The Government has stressed new efforts to better develop its water resources so the population may benefit.

Ongoing projects

Natural Resources Development (LIR/71/515)

UNDP contribution: \$11,410

23. This allocation is intended to cover the cost of a fellowship to successfully complete the activities under this project.

Well-Drilling Programme (LIR/77/003)

UNDP contribution: \$129,930

24. As part of the Government's rural development activities, and specifically to bring potable water to people in rural areas, UNDP is assisting in a well-drilling programme. The allocation of \$129,930 in 1983 is intended to provide logistic support and equipment. This project is closely co-ordinated with inputs from the European Economic Community (EEC), UNICEF and other donors.

Water Resources Policy (LIR/77/004)

UNDP contribution: \$283,050

25. This ongoing project, which will be completed in 1984, is intended to assist the Government in developing its water resources management capability through the collection of hydrological data and the strengthening of the professional capability of Liberia's hydrological service.

C. Agriculture, forestry and fisheries

(\$3,403,254)

26. Agriculture will receive the Government's highest priority during the next four years. Increased food production to meet domestic demand and reduce the food import

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bill is a national goal. Besides, agriculture constitutes the mainstay of approximately two thirds of the Liberian population. Since 1975 the food import bill has increased at an alarming rate and imports of rice (the staple food) increased three-fold in 1981. A significant portion of IPF resources (42.4 per cent) has been allocated for projects in the areas of research on tree crops, vegetables and pulses, plant pathology and in integrated rural development.

1. On-going projects

Assistance to Livestock Industry (LIR/76/003)

UNDP contribution: \$9,000

27. This allocation for 1983 will provide a fellowship to complete project activities.

Self-Help Village Development in Liberia (LIR/78/006)

UNDP contribution: \$1,380,788

28. The main thrust of UNDP co-operation with the Government in rural development is being made under this project. The objective is to establish a village development programme based on self-help action initiated at the village level so as to increase rural living standards and the quality of life in the rural areas, where over 80 per cent of the population live. This project originally received \$1 million in third party cost sharing from the Government of the Netherlands, of which \$370,266 is being programmed in 1983. The project also receives inputs from the United States Peace Corps, and the direct participation of other donors is anticipated during the period of the country programme.

2. New projects

Strengthening the Agricultural Research Institute (CARI) (LIR/82/001)

UNDP contribution: \$1,543,200

29. The objective of this project is to establish and/or improve research related to pre- and post-crop production operations. The Government is counting on this project to provide new information and techniques to farmers in order to increase agricultural productivity and output. Activities will be directly co-ordinated with inputs from other donors, including the United States Agency for International Development (USAID), the Government of the Federal Republic of Germany and the World Bank.

Assistance to Ministry of Agriculture (LIR/82/006)

UNDP contribution: \$100,000

30. This project will assist in strengthening the monitoring and appraisal capability of the Ministry of Agriculture. The agricultural economist selected for this project will also be required to ensure proper co-ordination with other government planning functions.

D. Industry (\$665,190)

31. Industrial development is constrained by the lack of technical skills and the absence of supportive infrastructure. Since this sector, in particular medium- and small-scale industry was neglected in the past, the Government is making every effort to accelerate its development. Approximately 10 per cent of the programme resources has been earmarked for this sector.

Ongoing project

Extension Services to Small-scale Industry (LIR/80/007)
UNDP contribution: \$665,190

32. This project aims at accelerating the development of the small industry sector through extension services to small-scale industries. Managerial/financial assistance will be provided to small entrepreneurs in addition to technical expertise in various industrial activities. Technical assistance from this project is being co-ordinated with financing from the World Bank and other donors.

E. Transport and communications
(\$561,717)

33. Consistent with its programme to improve the quality of life of the people in rural areas, UNDP is collaborating with government in developing the country's infrastructure. In particular, UNDP is providing assistance to strengthen the country's Civil Aviation and telecommunication systems and to develop a rural postal service.

Ongoing projects

Civil Aviation Development (LIR/80/002)
UNDP contribution: \$103,337

34. This project provides fellowship training for Liberian nationals in various aspects of civil aviation.

Strengthening Liberia Telecommunication (LIR/82/005)
UNDP contribution: \$230,000

35. This project is intended to assist in strengthening the Liberian Telecommunications Training School. Training is being co-ordinated with the training activities at the Mano River Union Telecommunications and Postal Training Institute. This project also promotes TCDC and subregional co-operation with Sierra Leone and Guinea.

Establishment of Rural Postal Services (LIR/81/009)
UNDP contribution: \$228,380

36. The objective of this project is to organize an efficient mail distribution system in the rural areas through training and infrastructure development.

F. International trade and development finance
(\$81,033)

37. Liberia's severe financial problems are attributed mainly to its massive external debt. Unless servicing of its debt payment is re-scheduled, the country could be plunged into further economic difficulties. Already negotiations are underway to avert further financial problems. UNDP is providing modest but key assistance in helping to improve the Government's debt management capability. Assistance in this sector also provides for the establishment of a trade information centre.

Ongoing projects

Establishment of Trade Information Centre (LIR/80/001)

UNDP contribution: \$44,533

38. This project will assist in establishing a trade information centre within the Ministry of Commerce, Industry and Transportation.

Support to Debt Management (LIR/80/014)

UNDP contribution: \$36,500

39. The objective of this project is to assist in strengthening the debt management capability within the Ministry of Finance through the provision of a computer to monitor the Government's debts and the training of Liberian nationals to manage the system.

G. Education
(\$582,884)

40. As part of the effort to assist the Government in institution building, UNDP will continue its assistance to the University of Liberia and will provide new assistance to the University before the old project is phased out.

1. Ongoing project

United Nations Volunteers Support to the University of Liberia - LIR/79/005

UNDP contribution: \$182,884

41. This project aims at strengthening the University of Liberia through the use of United Nations volunteers to teach various academic subjects.

2. New project

Assistance to the University of Liberia (LIR/82/003)

UNDP contribution: \$400,000

42. This project is intended to continue UNDP assistance to the University with a view towards strengthening its teaching capacity. It is expected that the project will be executed by the University of Liberia.

H. Employment
(\$786,253)

43. The UNDP effort in this sector is in the form of an ongoing manpower survey which is to be completed in 1983. In addition, two new projects have been identified. The first is in management training, in response to a deficiency identified during the course of the United Nations inter-agency mission to Liberia, i.e. the lack of trained managerial personnel to run the various parastatal organizations. The second new project is intended to dovetail with a World Bank loan in this sector in order to meet the Government's vocational and technical skills requirements.

1. Ongoing project

Manpower Survey (LIR/79/001)

UNDP contribution: \$46,253

44. The objective of this project is to strengthen the Planning Ministry's capability in undertaking manpower surveys on a national scale. When the project is completed in mid-1983, the institutional capability should be able to meet Government's requirements in this area.

2. New projects

Strengthening Management Development through the Institute of Public Administration (LIR/82/002) - UNDP contribution: \$500,000

45. This project will provide intensive courses and in-service training for middle- and senior-level management in the public sector, public corporations and the Civil Service Agency.

Assistance in Vocational Training (LIR/82/004)

UNDP contribution: \$240,000

46. This project will assist in meeting vocational and technical manpower requirements as part of the Government's efforts to regulate and co-ordinate balanced development and expand technical skills for industry.

I. Culture
(\$60,000)

47. UNDP assistance in this sector corresponds to the Government's over-all objective of bringing development to people in rural areas. An initiative was taken by UNESCO to provide the Government with printing equipment and UNDP is co-operating in meeting the cost of training and other support services.

Ongoing project

Establishment of Rural Press (LIR/81/007)

UNDP contribution: \$60,000

48. The project aims at establishing a rural press as a model for the rest of the country through training, infrastructure development and institution building.

49. The UNDP resources made available for the third country programme are only part of the technical assistance available to Liberia through the United Nations system as a whole. Aid provided to the Government from other United Nations agencies plays an equally important role in Government's efforts to accelerate its economic and social development.

50. Under the UNDP-administered United Nations Revolving Fund for Natural Resources Exploration (UNRFRNRE), a major project has been operational for some time to identify economically viable mineral deposits in certain parts of the country. Liberia similarly benefits from projects being implemented under the global and regional programmes of UNDP. In particular, UNDP is funding research activities in rice production undertaken by the West African Rice Development Association (WARDA) (RAF/75/022). A unique feature of UNDP inputs into the project is the promotion of TCDC among the countries affiliated to WARDA. UNDP assistance is also being provided to the West African Insurance Institute (WAI) (RAF/78/031). The main objective of this project is to ensure the availability of properly trained personnel in insurance operations and management to meet on a continual basis, the rapidly growing need for insurance services in the region. These two regional projects are headquartered in Liberia.

51. Liberia also benefits from substantial allocations under the UNDP regional programme for projects assisting institutions such as the Economic Community of West African States (ECOWAS) and the Mano River Union.

52. FAO is providing assistance under its Technical Co-operation Programme (TCP) and Trust Fund Programme to the Agricultural Co-operative Bank of Liberia and in agricultural statistics. WHO is actively engaged in such areas as primary health care, health planning, child and maternal health care and nursing training under its regular programme. WFP is another United Nations agency with a substantial aid programme to Liberia. Its food aid assistance is concentrated in its school feeding programmes, functional literacy activities and programmes for hospital in-patients and agricultural workers. UNICEF is involved in development activities connected with primary health care, training of traditional and certified midwives, in-service training in health care, curricula development in schools, rural water supply and community development. In the field of population, the United Nations Fund for Population Activities (UNFPA) is providing assistance in demography and child and maternal health. The World Bank's contribution to Liberia's development is significant in the transport, energy, urban planning, agriculture and industrial sectors. Other agencies which provide assistance under their own programmes are the ILO, in the fields of vocational training, labour management and trade union support; UNIDO, in the area of in-plant training programmes; and UNESCO, in the education sector.

53. Finally, an important element which will supplement the technical assistance available in the third country programme is the active co-operation anticipated between programmes funded by other agencies, such as USAID, the United States Peace Corps, the EEC and the German technical assistance agency. In finalizing the assistance envisaged from UNDP during 1983-1986, the Government especially emphasized the need for co-operation between these agencies and the UNDP-funded projects in rural development, development planning and in the industrial and agricultural sectors.

NOTES

1/ (A/37/123, paras. 5, 23 and 168).

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FINANCIAL SUMMARY

A. Resources

<u>IPF and other resources</u>	\$
(i) Illustrative IPF for 1982-1986	13 500 000
(ii) Less unprogrammed balance <u>a/</u>	(2 700 000)
(iii) Less authorized budget level for 1982	(2 000 000)
(iv) Previous IPF cycle balance	1 380 000
(v) Other resources (cost sharing)	<u>370 000</u>
Total resources available for programming	10 550 000

B. Use of resources(a) Programmed

(i) Ongoing projects	4 117 000
(ii) New projects and new phases of ongoing projects included in the country programme	<u>3 413 000</u>

Subtotal: 7 530 000

(b) Reserve 3 020 000

Total programmed plus reserve: 10 550 000

C. Financial distribution of programme, by sector

Sector ^{b/}	Ongoing projects	New projects	Total
	\$	\$	\$
02 General development issues, policy and planning	565 530	400 000	965 530
03 Natural resources	424 390	-	424 390
04 Agriculture, forestry and fisheries	1 760 054	1 643 200	3 403 254
05 Industry	665 190	-	665 190
06 Transport and communications	331 717	230 000	561 717
07 International trade and development finance	81 033	-	81 033
11 Education	182 884	400 000	582 884
12 Employment	46 253	740 000	786 253
15 Culture	60 000	-	60 000
TOTAL:	4 117 051	3 413 200	7 530 251

a/ Representing 20 per cent of the illustrative IPF which has not been taken into account for programming. It should be noted, however, that this country programme was prepared on the basis of the more recent reduction by 45 per cent. For conformity with other country programmes where this reduction had not yet been taken into account, the same format has been used here. The differing 25 per cent is shown included in the Reserve under 3(b).

b/ According to ACC classification.