Strengthening National Comprehensive Agricultural Public Expenditure in Sub-Saharan Africa

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Agriculture Sector Public Expenditure Review

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CAADP

GOVERNMENT FISCAL YEAR

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CURRENCY EQUIVALENTS

Currency Unit = Liberia Dollars (LD)

US$ 1.00 = LD 74.00
Budget documents are in US$

WEIGHTS AND MEASURES

Metric System

ABBREVIATIONS AND ACRONYMS

ADWG	Agriculture Donor Working Group
AEAS	Agricultural Extension and Advisory Services
AfDB	African Development Bank
AgPER	Agriculture Public Expenditure Review
AIDP	Agriculture and Infrastructure Development Project (World Bank)
AMU	Aid Management Unit
CAADP	Comprehensive African Agriculture Development Programme
CAAS-Lib	Liberia Comprehensive Assessment of the Agriculture Sector
CARI	Central Agricultural Research Institute
CDA	Cooperative Development Agency
CDF	County Development Funds
CoC	Chain of Custody
COFOG	Classification of the Functions of Government
DAO	District Agriculture Officers
DRDRE	Department for Regional Development, Research and Extension (of the MoA)
EPA	Environmental Protection Agency
EU	European Union (also EC = European Commission)
FAO	Food and Agriculture Organization
FAPS	Food and Agriculture Policy and Strategy
FDA	Forestry Development Authority

FED	Food and Enterprise Development [Project] (USAID)
FFS	Farmer Field School
FY	Fiscal Year
GAFSP	Global Agriculture and Food Security Program
GBS	General Budget Support
GDP	Gross Domestic Product
GoL	Government of Liberia
HIPC	Highly Indebted Poor Countries
IDA	International Development Agency (part of the World Bank Group)
IFAD	International Fund for Agricultural Development
IFMIS	Integrated Financial Management and Information System
IMF	International Monetary Fund
LASIP	Liberia Agriculture Sector Investment Programme
LISGIS	Liberia Institute for Statistics and Geo-Information Systems
LPMC	Liberia Produce Marketing Corporation
MoA	Ministry of Agriculture
MoF	Ministry of Finance
MTEF	Medium-term Expenditure Framework
NEPAD	New Partnership for African Development
NGO	Non-Governmental Organization
PFM	Public Finance Management
PMU	Project Management Unit
PRS	Poverty Reduction Strategy
PSIP	Public Sector Investment Plan
PUP	Private Use Permit (for logging)
SGS	Société Générale de Surveillance
SSA	Sub-Saharan Africa
SWAP	Sector-wide Approach (also SWAp)
TASMOA	Technical Assistance Services to the Ministry of Agriculture (USAID project)
TTIDC	Technology Transfer and Input Distribution Center
UNMIL	United Nations Mission in Liberia
USAID	US Agency for International Development
WFP	World Food Programme

Liberia
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Acknowledgments

This Agriculture Public Expenditure Review analysis was carried out by a team of consultants under the guidance of the Liberian Ministry of Agriculture and the World Bank. The team was guided by Oliver Braedt (Senior Rural Development and Natural Resources Management Specialist, AFTA1), supported by Sachiko Kondo (Junior Professional Officer, AFTN3) and Louis Tian-Pierquin (Consultant), with the core work undertaken by Dieter Orlowski (Economist – Consultant), Byron Tarr (Economist – Consultant), and Abigail Gbessagee (Consultant).

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The core work was undertaken between April and September 2012.

Executive Summary

1. This basic Agriculture Public Expenditure Review (AgPER) documents and analyzes information on the volume and structure of Liberia's past public expenditure on the broad agriculture sector and draws conclusions that can provide an orientation for future policies in view of the effectiveness of spending. It was prepared in light of Liberia's signature of a Compact for the Comprehensive African Agriculture Development Programme (CAADP) and the Liberia Agriculture Sector Investment Program (LASIP), which demonstrate the Liberian government's determination to increase public spending on agriculture and to use it effectively to increase food production and reduce poverty by providing income to the rural population.

2. The AgPER's focus is on broad agriculture, which includes crops, fisheries, and forestry, in line with the New Partnership for African Development's (NEPAD) definition of the sectors of focus in the context of the Maputo Declaration and its target that governments devote 10 percent of public expenditure for agricultural development. The Maputo Declaration's underlying objective is to ensure that agricultural production grows by at least 6 percent per annum so that food production keeps pace with population growth.

3. The basic work for this AgPER was financed by the CAADP Trust Fund and the Bill and Melinda Gates Foundation. The field research was undertaken in two missions in the period April to September, 2012.

Country Context

4. Liberia has been an export-oriented economy for decades. Iron ore, rubber, and palm oil were produced on large plantations and mines, and timber exports were also a significant source of revenue. Production of non-exportable agricultural produce was never the focus of Liberia's agricultural policy, with the exception of rice, the country's main staple. This export orientation created a dual economy, and economic integration of the country has been weak. Two devastating civil wars left Liberia's export base largely non-operational or destroyed and its infrastructure dilapidated. The wars also left the country with many deeply rooted conflicts, and lack of a shared vision or robust social contract among population groups. Lack of trust between business partners and towards government institutions has made economic recovery difficult.

5. Although the country is now well on track for economic recovery without conflict, many costly challenges have had to be addressed, in areas ranging from health and education services, infrastructure reconstruction, revitalization of exports, and reconstruction of the legal system as well as the agricultural administration. While the overall budget envelope was only US$ 80 million in FY 2005/06, domestic revenues have since risen to an expected US$ 566 million in FY 2012/13. Donor support to Liberia has been extraordinary. A Poverty Reduction Strategy (PRS), adopted in 2007 (interim) and 2008 (complete), and the fulfillment of triggers relating to major governance and public finance reforms paved the way for the cancellation of Liberia's foreign debt in 2010.

Public Expenditure on Agriculture: Volume and Structure

6. Internal spending on agriculture has grown at an exceptionally high rate, from US$ 6.4 million in 2006/7 to over US$ 20 million in 2011/12. Further steep increases are foreseen for the next three years. However, the internal spending on agriculture as of percentage of total expenditure is stagnant,

at around 4 percent. In FY 2012/13, 53 percent of the agriculture budget is allocated to the Ministry of Agriculture (MoA), 18 percent to the Forestry Development Authority (FDA), and an additional 12 percent to an "Agricultural Produce Buy-Back Fund." The remainder goes to various specialized administrative units related to agriculture, the Environmental Protection Agency, the Land Commission, and the Cooperative Development Agency. Actual spending by the MoA has often been less than budgeted; actual spending was at 81 percent of the initial appropriation in FY 2010/11. Personnel costs absorb a low, even minor, part in the MoA. The bulk of the allocation for goods and services is in the MoA's Administration and Management Department. Allocations to departments vary a lot depending on the annual destination of capital expenditure, which is mainly on buildings and transport equipment.

7. Overall, disbursements of aid, mainly to projects or trust funds, have been of a magnitude similar to the internal budget. In agriculture, however, external aid represented several multiples of internal spending in FY 2009/10 through FY 2011/12. Aid to agriculture in Liberia of around US$ 35 million per year is provided by a limited number of donors (primarily the African Development Bank, USAID, and the EU).

8. As of FY 2012/13, Liberia has changed the methodology for budget preparation. Capital expenditure is now absorbed in projects, which also include costs for other types of expenditure made for specified purposes. A three-year rolling Public Sector Investment Plan (PSIP) has been initiated, and the contributions of several donors (USAID is a notable exception) appear in the main body of the budget rather than in aid annexes.

9. The overall envelope for agriculture already shows substantial growth in FY 2012/13 and much more in FY 2013/14 and FY 2014/15. Internal spending on agriculture is projected to increase to US$ 60 million in FY 2013/14, compared with only $21 million budgeted for FY 2011/12 (and only $15.4 million actually spent in 2010/1). Donor-financed expenditure estimates are very preliminary because some donors (e.g. USAID) do not confirm spending plans before their parliaments have approved their own respective budgets; however, there are indications that donor expenditure will grow as well. For the first time, the World Bank is geared to spend substantive amounts on agriculture directly rather than concentrating aid on roads and infrastructure that support agriculture indirectly.

10. This overall level of expenditure on broad agriculture comes to about 7-8 percent of combined internal and external financing of total Government of Liberia (GoL) expenditure. Looking ahead, the GoL plans to increase its spending on agriculture from the 3-4 percent of recent years to 6.7 percent of internal expenditure in FY 2013/14 via several projects that appear in the PSIP and that are projected to receive significant amounts from FY 2013/14 onwards. These government-funded investment projects, however, have not yet been designed in detail. Expenditure on agriculture from external finance has absorbed about 10-12 percent from donor sources; the figures are not very reliable, as they may, for instance, include infrastructure not directly related to agriculture.

Quality and Effectiveness of Spending in Agriculture

11. Growth of agricultural production may serve as a first, albeit blunt, indication of whether the objective of providing agricultural services has been attained. Production of major produce in Liberia has almost recovered to the pre-conflict levels of 1988, but results are mixed. Medium-term production growth is below population growth. Land productivity is still more or less as it was in 1988. Even these conclusions are tentative, because reliable statistical series do not exist, mainly due to the conflict period and the low presence of agricultural staff in rural areas. The direct impact of agricultural research, extension, or special actions cannot be assessed, because results of services and specific interventions are not systematically monitored, and donor projects' impacts are not readily accessible.

12. However, a review of the new portfolio of GoL-funded projects in the PSIP reveals that they do respond to the main constraints and challenges. Higher-than-ever amounts are allocated for agricultural research, for rebuilding the extension system, for preserving and multiplying a local cattle species, for controlling water-borne diseases in swamp areas, and for mechanizing and developing inland fisheries. One project addresses the weakness of agricultural statistics, while another targets the development of food value chains. However, most of the projects start with small amounts, and detailed project documents have not been prepared for most. Therefore, it is not yet possible to assess whether significant impact can be expected from these projects.

Selected Issues

13. Three issues were selected for deeper analysis in this AgPER, related to the relationship between government and donor-driven projects and the possibly problematic line between public interventions and private sector activities. These issues are:

(1) How do the existing and planned projects that focus on value chains intend to achieve their purpose and how do they draw the line between interventionism and promotion?

14. Since value chains are essentially in the realm of the private sector, the challenge for the state is to promote their development without replacing or marginalizing private initiatives. Two new, large donor-funded projects, funded by USAID and Sida, focus on value chain development. Together with the GoL-financed "Food Crop Value Chains" project, they will absorb some US$ 29 million per year when fully operational. The two donor-funded projects focus on development along the main corridors, where few actors in potential value chain already exist. The projects are meant to be catalytic instruments for coordinated private investment in agro-trade and agro-processing. Building trust and establishing reliable and durable business relationships are primary objectives. As details are still in the process of being worked out, the answer to the question about the adopted instruments and modalities for promoting value chain development without "taking over" and taking potential opportunities away from the private sector could not be determined at this stage.

(2) *Should subsidies and handouts to farmers be used as instruments for promoting agricultural growth and development?*

15. The PRS-1 ("Lift Liberia" strategy) took a restrictive stand, stating that beneficiaries should always make a contribution (i.e., "yes" to subsidies, "no" to handouts), that effects should be monitored, that subsidies should be provided only with specific objectives, that there should be an exit strategy, and that they should not disrupt markets.

16. Broad subsidy schemes for agriculture or on agricultural products do not exist in Liberia. Estimates of the annual value of handouts provided by the MoA to farmers were about US$ 370,000 in FY 2010/11 and US$ 759,000 in FY 2011/12, absorbing between 5 and 8 percent of the MoA's budget. Donors also provided handouts, and on a larger scale. Planned exit strategies existed only because of the limited life of projects. Handouts were targeted to geographic locations, but not to especially vulnerable beneficiaries as was recommended in the PRS-1. The choice of handouts instead of subsidies was perhaps rational given that commercial suppliers of inputs hardly existed, farmers had few savings to afford even the initial set of modern inputs, and poverty was rampant among all farmers. The AgPER Study Team was not able to retrieve any monitoring results.

17. Several donors reported that they would end handouts by the end of 2012. The government's budget, however, continues to make provision for the acquisition of items for free distribution to farmers; e.g., the Agricultural Produce Buy-back Fund may involve systematic losses borne by the budget and involve a strong subsidy element.

(3) *Services with characteristics of public goods are often provided by donors. At what scale are they provided? Must they continue to be provided to ensure sustainability of positive effects of the projects? How they could be handed over to government structures when and as they improve penetration of rural areas?*

18. Most donor projects provided services in the areas of extension, disease control, soil testing, and quality certification. However, no project established an extensive extension system. Rather, service provision was *ad hoc* and as needed, and based on the low penetration or virtual absence of government services in the project areas. Interview partners said that useful lessons have been generated that a public extension system could absorb. However, no specific plans appear to exist that would achieve a translation of that experience to a permanent system. The question about the continued need for public services to maintain achievements after donor project closure could not be answered.

Recommendations

19. The eight recommendations of this AgPER are based on quantitative analysis, contextual analysis of objectives and approaches, and interviews, and are intended for use by the Liberian authorities, especially the MoA and the Ministry of Finance (MoF), as well as by donors supporting agricultural development in Liberia. They include the following:

(1) Prepare GoL projects with diligence and detail

20. The transition from a classic budget presentation to the definition of specific projects with a medium-term perspective is a positive step, but these projects need to be prepared and documented adequately to avoid under-spending or limited effectiveness. The planning process should result in specific objectives and targets, clarity about the approach, arrangements for monitoring, and a costing plan. Analysis of the economic viability of technologies to be provided and analysis of the effects on agricultural input and product markets could also be required. Project documents should also identify complementarities with other planned or ongoing initiatives, and recurrent expenditure required in the future to ensure project sustainability.

(2) Strengthen analyses of economic and commercial viability in policy and strategy formulation

21. Economic viability needs to be assessed in some detail before major promotion and interventions in the development of value chains and agricultural markets are planned. A special case in point is the Rice Development Strategy and various efforts to reduce the dependence on imported rice by way of stepping up local rice production. Preliminary feasibility calculations should be prepared to identify, for instance, areas where transport costs can be accommodated and where not. The new projects that focus on value chain development inherently look at a wider set of variables that can be influenced and can be used to provide more economic and viability analyses as support for verification of the potential attractiveness and economic sustainability of innovations or new products.

(3) Clarify agricultural subsidies policy and implementation

22. Subsidies and handouts may be a reasonable option under specific circumstances, e.g., for promoting the introduction of new, specific products in specific areas to create a critical mass of production and for alleviating risks for farmers when new crop varieties and techniques are introduced. Guaranteed purchases may be another method for reducing risk in a transition period. Subsidies can serve to accelerate the adoption of new technologies like improved seeds or cultivation methods. However, it should be ensured that subsidies do not become a costly "entitlement" and that they are designed to only facilitate transition and innovation.

23. It is recommended that subsidies as well as handouts: are provided only for a pre-defined, limited period of time; are based on an economic analysis and good prospects for production being economically viable without subsidies after the introduction period; and are part of a wider technological improvement package. Market prospects and commercial input and output-related marketing chains must be or become available. Localized and specific voucher schemes may be an adequate way of providing subsidies without debilitating markets. Stand-alone subsidies and handouts and broad subsidization schemes should be avoided.

(4) Operationalize the Agricultural Extension and Advisory Services Policy with appropriate content and absorb experiences from donor-funded projects

24. The AEAS Policy needs to be implemented with determination, consistency, and high priority to rebuild Liberia's agricultural advisory and extension services, to bring innovations to farmers, and to address yields per acre which have been stagnant for years. The coordination mechanisms defined to ensure a consistent yet pluralistic system also need to be instituted. The Policy and its draft project implementation proposal propose to document existing suitable technologies so that the new extension system has useful and adaptable messages to offer farmers. This will avoid creation of an extension network that has little to offer the farming community. As such, it should not get marginalized, and must be implemented in parallel with the institutional build-up. Donors should prepare a consolidated list of techniques/technologies and approaches (good practices as well as failures that should not be repeated elsewhere) that the national extension service could take advantage of.

(5) Do not neglect subsistence and part-time farmers

25. Most of the new projects focus on expanding production for urban markets and are planned to impact particularly on Liberia's main corridors. Special packages are required in favor of farmers who will never produce mainly for markets (i.e., they will only be occasional sellers of surpluses), or who focus on limited local markets, or who cannot expand their production because of labor or land constraints.

(6) Focus on implementation capacity for the expected growth of allocations to agriculture

26. The immediate and most urgent challenge is to ensure that budgeted internal funds are effectively available and can be spent efficiently. Government and donor spending on broad agriculture is planned to reach about 9 percent of public spending, and the annual increase in budgets will be substantial. The focus therefore should shift to ensuring effectiveness of spending and creating implementation capacity in agriculture-related public institutions. Rural roads and the investment climate for agricultural commerce and processing are pressing concerns, and these must be improved along with support to agricultural production. It is thus crucial to focus on implementation capacity. An intensive round of collective reflection on capacity needs and a plan to improve capacity to absorb and effectively transform the expected large amounts of additional funds is strongly recommended.

(7) Ensure that public spending on private goods remains limited

27. The MoA should avoid spending these additional expected funds on private goods. It may be tempting to intervene directly in areas where markets are slow to react. However, key genuinely public services like extension and technical services, laboratories, and research definitely require additional funds. The planned build-up of the MoA's presence in rural areas is crucial. Therefore, the temptation to spend additional funds on private goods (e.g., TTIDCs, machine parks, guaranteed purchase of agricultural produce at prices above market prices, and subsidies) should be avoided to ensure that public services are adequately funded by the government.

(8) Work towards a Sector-wide Approach on the basis of LASIP

28. The MoA should take the lead with regard to policy development and provision of essential public services and align donor support accordingly. The LASIP lays down a comprehensive vision of components and activities, and makes provisions for its management and monitoring. The implementation of these, however, is lagging. Furthermore, the LASIP appears overly ambitious with respect to its targets as well as available financial resources. The LASIP should be further scaled down to a reasonable size (perhaps sacrificing some targets), given a regional dimension, and then used to provide orientation to donors and government institutions so that a consistent package results. Such an integrated sector program would move Liberia in the direction of a Sector-wide Approach (SWAP). Although Liberia's institutions are still not strong enough to fully handle pooled funding arrangements, other elements of a SWAP can usefully be put into place.

29. It is recommended that LASIP's monitoring system be created quickly; that mechanisms for a joint annual assessment of progress be defined, and that the LASIP framework be used for vetting project proposals in view of their fit into under-served priorities. Ideally, the LASIP should provide orientation to projects' designs at the conceptualization stage, rather than merely justifying that projects are in line with broad priorities that do not have practical upper limits. The LASIP's alignment should be monitored not only by keeping track of pledges and project spending, but also and primarily by evaluating the targets a given project is set to achieve.

1. Introduction

30. Agriculture is a crucial sector in Liberia with respect to growth, employment, food security, poverty alleviation, and social cohesion. Some 70 percent of the population depends on agriculture for its livelihood; agriculture accounts for about a third of Liberia's GDP and is the main source of livelihood in rural areas outside of the big concessions that characterize much of the Liberian economy.

31. Agricultural policy in Liberia has traditionally been focused on the concessions for rubber and palm oil plantations, and to a minor extent on other export crops (coffee and cocoa). Production of food crops, either for subsistence consumption or for supplying food to urban centers, has not attracted much attention except, to some extent, in the rice subsector, the main food staple and hence a politically sensitive crop.

32. Promoting a dynamic, market-oriented and inclusive agricultural sector has been one of the Government of Liberia's (GoL) priorities since 2006. A "Compact" under the framework of the Comprehensive African Agriculture Development Programme (CAADP) initiative was signed in October 2009, articulating Liberia's commitments to: (i) ensure that agricultural output can grow by at least 6 percent per year; and (ii) raise public expenditure on broad agriculture to not less than 10 percent of the overall budget. CAADP commits the signatories to ensure that public spending on agriculture is effective in promoting production and marketing in the realm of private sector initiatives and activities.

33. This Agriculture Public Expenditure Review (AgPER) intends to provide key background information and guidance in this endeavor by providing and analyzing historic data on public spending on agriculture, examining the efficiency of spending, and identifying areas where additional funds could be applied effectively to achieve national agricultural policy and CAADP objectives.

34. A review of public expenditure is the starting point of this AgPER; the first step is to establish the level and composition of actual spending by the government and donors on items that relate to agricultural development. It presents the expenditure data according to institutions, functions, source of funds, and economic classification (type of expenditure).

35. In this context, "agriculture" is defined in line with the international Classification of the Functions of Government (COFOG) in the broad sense, and includes public institutions supporting crops, livestock, fisheries, and forestry, the definition adopted in relation to the Maputo Declaration of July 2003 and the CAADP.

36. The second step of this AgPER provides an analysis of the relation between policy objectives and the structure of actual spending. Questions to be raised and possibly answered in this context are, for instance: Are priorities within the sector, as expressed in policy statements and plans and also in view of needs, reflected in spending patterns? Is the line between public services ("public goods") that need to be paid for by public funds and private goods, which ought to be provided by private companies and distributed under market mechanisms, adequately defined and respected in practice? Can positive effects of government spending on agriculture be identified, and is it possible to assess its cost-effectiveness? Which government functions in the agricultural sector provide opportunity for higher and more effective spending? Can sub-functions be identified that absorb significant amounts of funds without contributing to agricultural growth and development?

37. Liberia's data series are short in comparison to those used in similar expenditure reviews, simply because data are not available for the period of conflict in Liberia; even if they were, they would be distorted and far from normal because of the impact of war on public finance. Thus, the period under consideration starts with FY 2006/07. Donor spending is covered only from FY 2009/10 onwards; earlier data were not compiled by the Liberian authorities.

38. This AgPER report is structured as follows. Chapter 2 describes the context of agriculture and expenditure on agriculture in Liberia. It also includes a section on key characteristics and recent developments of the Public Finance Management (PFM) system. The core analysis of the available public spending data is presented in Chapter 3. Government and donor spending are the subject of the presentation and analysis. The presentation in this chapter is essentially analytic and objective, with few comments about the adequacy of expenditure relative to needs and policies.

39. Chapter 4 compares spending with policy objectives and effects. Chapter 5 goes more into detail with regard to selected issues and options currently under consideration and debate; they are discussed in this AgPER because of their potential impact on the volume, pattern, and effectiveness of public expenditure. Chapter 6 details the conclusions and related recommendations arising from the analysis.

2. Historical, Political, Economic, and Policy Context

2.1 Historical and Political Context of Liberia

40. Liberia emerged from conflict and chaos in late 2003 and made considerable progress since. A UN peace keeping mission, UNMIL, arrived in Liberia in September 2003 and is still present. Internal peace and security are improving, but still fragile.

41. The chain of conflict periods started in 1989 with an insurrection led by Charles Taylor to overthrow the government and regime of Samuel Doe; this first Liberian civil war lasted until 1996. A second civil war followed from 1999 to 2003. Both wars were bloody and marked by severe atrocities. They left hundreds of thousands dead or displaced, infrastructure destroyed and dilapidated, and important sources of export earnings abandoned.

42. The roots of the wars go back to the history of Liberia. Initially a thinly populated area, it was chosen by the American Colonialization Society to settle the descendants of freed American slaves and recaptives; settlements started in 1820. Liberia became an independent republic in 1847.

43. The modeling of the State and its institutions was inspired by USA examples. The Legislature with two chambers is modeled after the American system. From 1847, the national currency was the US dollar, although Liberian coins and notes were later minted to make change. Both currencies are legal tender: the U.S. dollar is still the main currency in use, continues to be legal tender (in parallel with the Liberian Dollar), and is the currency in which Liberia's budgets are denominated.

44. Although Liberia was built as a democratic state with institutions to provide for checks and balances, the early settlers and their descendants dominated the state for a long period, until Samuel Doe, a member of a small indigenous ethnic group, came to office in a bloody *coup d'état* in April 1980. The chain of conflict periods started in 1989 with an insurrection led by Charles Taylor to overthrow the Doe government and regime, which had become increasingly corrupt and oppressive over the years. This first Liberian civil war lasted until 1996. After a series of transitional governments, Taylor was elected President of Liberia in 1997, but renewed internal fighting continued until 2003. A second civil war followed from 1999 to 2003. Both wars were bloody and marked by severe atrocities. They left hundreds of thousands dead or displaced, infrastructure destroyed and dilapidated, and important sources of export earnings abandoned.

Box 1: Liberia's Periods of Civil Conflict

First Civil War: 1989 - 1996

Second Civil War: 1999 (April) - 2003 (August)

Arrival of UN Peace Keeping Mission: 2003 (September)

45. The prolonged period of conflict had devastating effects on the economy. Liberia's GDP plunged by some 80 percent, most export production came to a standstill, and the national power grid and generation capacity as well as the telephone system ceased to function. Many years of neglected maintenance took their toll; e.g., the roads network was in dire need of reconstruction (rather than repair).

46. Recovery of the Liberian economy and society now requires more than a simple reconstruction of everything destroyed and degraded during the civil wars. Due to the special characteristics of the Liberian economy (see next section), economic development and infrastructure were unevenly distributed even before the series of conflicts began in 1989; areas without natural resources to export were neglected because they were of little interest to the political elite. The road network was geared to ensure access to the sea for exports. Electric power, generated primarily by the hydro-electric plant in Mount Coffee, was insufficient and seasonal even before it ceased to function in 1990.

47. The widespread lack of trust among different population groups (ethnic and others) and mistrust vis-à-vis public institutions are challenges on the path to a shared national vision, common values, and a broadly accepted "social contract" between population groups, generations, or regions. Unresolved conflicts about access to natural resources and land are major factors behind the persistence of mistrust and conflict potential. Liberia's policy documents recognize the need for a common national vision and values and institutions that can resolve conflicts peacefully. The challenge is enormous. In spite of visible progress, much remains to be done to develop a shared vision, create a robust and broadly consensual social contract, and ensure that economic development is broad and inclusive. Agricultural development is mentioned as crucial for food security and also for the reduction of potential conflict.[1]

48. Under the current constitution, which became effective in January, 1986, Liberia is a unitary republic. Liberia's 15 counties are administrative units managed by superintendents appointed by the President of the Republic. All officials at the local level—assistant superintendents, county and district commissioners, etc.—are appointed by the President. These appointments are subject to confirmation by the upper chamber of the bicameral legislature, the Liberian Senate. Policies affecting counties (i.e., rural Liberia) are made at the center; sector ministries are just beginning to be assigned responsibilities in the counties. The officers of central institutions (ministries and agencies) assigned in counties report to their central officers, not to superintendents.

49. The first Poverty Reduction Strategy (PRS), for the period 2008-11, was completed in March 2008, and called the "Lift Liberia" strategy. In conjunction with other conditionalities that were met, this paved the way for the cancellation of Liberia's unsustainably high public debt in mid-2010, a total of US$ 4.6 billion.[2] The successor document for the period 2012-17, entitled "Agenda for Transformation," is under preparation, and a complete draft is currently being circulated for consultation. A parallel transformation policy, based on a different and incompatible methodology, is in preparation; it is titled "Liberia Rising 2030."

50. Looking forward, and as part of building administrative capacity, the GoL has issued a Decentralization Policy to eventually lead to creation of proper local governance institutions, including election of superintendents, elected county assemblies, etc. The policy is to be rolled out in ten years.[3]

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1 United Nations Security Council (2011).

2 The debt relief alone amounted to multiples of GDP. The highest GDP before the conflict is stated as US$ 1.04 billion in 1988; after partial recovery since 2003, it still amounted to only US$ 851 million in 2008.

3 Republic of Liberia, Governance Commission, "National Policy on Decentralization and Local Governance," January, 2010.

2.2 Economic Context

51. Liberia has never had an integrated national economy. Instead, it is a dual economy in which big concessions operate as economic enclaves; they are owned by multi-national companies and produce almost exclusively for export markets with little local processing. Traditional main export products are rubber, palm oil, iron ore, and wood. Coffee, cocoa, gold, and diamonds are also main exports. Hydrocarbons may become available in the near future. Sea fishing licenses issued to foreign-owned vessels represent another source of income for Liberia.

52. During the civil wars, only rubber exports continued. Timber exports were banned by way of a UN Security Council Resolution; palm oil concessions and iron ore mines were abandoned and destroyed. The bulk of current export revenues is from rubber exports, but the iron ore mines and palm oil concessions are being rebuilt and these commodities will be exported again in the near future.

Table 1: Commodity Exports of Liberia, 2009-2011

Million US$

Commodity Composition of Exports	2009	2010*	2011**
Rubber	93.1	157.0	198.1
Cocoa Beans	3.6	5.0	13.2
Coffee	0.1	0.3	0.1
Iron Ore	0.9	3.1	6.4
Diamond	6.9	15.3	14.8
Gold	11.9	19.8	16.1
Round Logs	1.1	2.7	18.9
Other Commodities	31.2	18.8	27.6
Total	**148.8**	**222.0**	**295.2**

Sources: Ministries of Commerce & Industry (MCI), Lands, Mines & Energy (LME), Forestry Development Authority (FDA), & BIVAC

**Revised*

***Preliminary*

Source: Central Bank of Liberia *Annual Report 2011* (Table 17).

53. Agriculture remains a main contributor to national production and particularly to employment. However, it is unclear how much the agricultural sector effectively contributes, because GDP statistics are under review, and different series are used and appear in different reports.[4] While the estimates of the overall contribution of the sectors "Agriculture and Fisheries" and "Forestry" to GDP are not too far apart, the composition by major products varies greatly.

54. GDP estimates generated by the IMF with the GoL are shown in Table 2. The contribution of agriculture and fisheries to the overall economy was roughly 36 percent in 2011. In an earlier publication of the IMF, the share was stated as around 50 percent.[5] The nominal contribution of agriculture and fisheries is about US$ 550 million, of which US$ 178 million is rubber, leaving US$ 381 million for the remaining products. Figures in different publications differ considerably for rice and cassava, the main products shown in separate lines.[6]

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[4] A National Accounts Survey was completed in 2008, and experimental new GDP data emerged. The adjustments relate mainly to sectors other than agriculture, primarily in the service sector.

[5] IMF's 8th Review of the ECF (IMF Country Report No. 12/121, dated May 2012, file 8th-review-ECF_May2012cr12121.pdf on the IMF Website), p. 20.

[6] For instance, Liberia's Budget Framework Paper 2010, which presents statistics on GDP composition at market prices, shows quite different figures in two subsequent versions of the same paper.

Table 2: Contributions of Agriculture to GDP

In Millions of Current US dollars	2009	2010	2011	2012
GDP at market prices	1155.1	1291.9	1545.4	1765.5
Agriculture & fisheries	427.0	471.6	559.2	549.7
Rubber	80.1	121.0	178.0	138.5
Coffee	0.1	0.4	0.6	0.6
Cocoa	3.5	11.0	10.8	8.7
Rice	137.0	125.8	138.7	153.3
Cassava	100.1	103.2	110.7	115.7
Palm oil	0.0	0.0	0.0	4.5
Other	106.2	110.1	120.4	128.4
Percent of GDP	37.0%	36.5%	36.2%	31.1%
Agriculture & fisheries excl. rubber	346.9	350.6	381.2	411.3
Percent of GDP	30.0%	27.1%	24.7%	23.3%

Source: IMF Office, Monrovia, September 2012.

55. Forestry's contribution to GDP was about $125 million. of which $21 million from logging and $104 million from charcoal and wood (same source as Table 2).

56. The methods of estimating GDP are being revised in the context of general support to the statistics function of the Liberia Institute for Statistics and Geo-Information Systems (LISGIS).

57. Logging in the vast tropical forests of Liberia was once an important source of income and export revenue. However, logging revenues at some stage became a major source of conflict in financing, and gross disrespect of environmental considerations occurred frequently. As a consequence, in 2003, the UN Security Council imposed a ban on timber exports from Liberia, but it was lifted in 2006 on the basis of a chain of custody (CoC) approach adopted by the GoL to control the source and harvesting methods of wood and the legality of exports, which includes payment of fees and contributions to government finance.

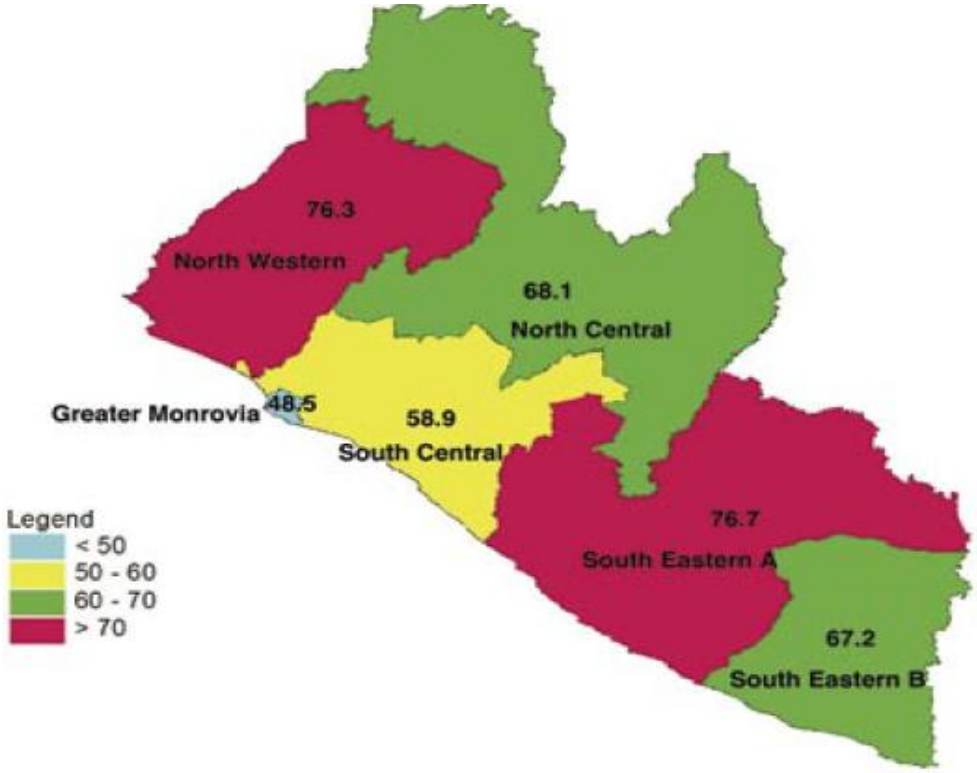
58. The great number of Private Use Permits (PUPs) issued is a point of heated debate and concern at present. PUPs relate to privately owned forests, and only low taxes have to be paid to the revenue office. The problem arises because PUPs are issued for areas that have grown very fast and for areas where ownership of forests has not been established in a transparent way.

59. Small-scale agriculture is the main source of livelihood for the majority of Liberians. Rice is the main staple; most rural households also grow cassava. The scope for producing vegetables on a large scale is limited due to the humid climate and acidic soils. Animal husbandry is part of peasant agriculture, but is not done on an industrial scale.

60. Liberia's population was estimated at 4.13 million inhabitants in 2011; 3.48 million were counted at the last census of 2008. [7] Poverty is widespread, as shown in Figure 1. Low productivity in agriculture, a low degree of integration of different economic zones, and low labor requirements of concessions are among the causes.

[7] Entry page of the World Bank's site on Liberia: http://www.worldbank.org/en/country/liberia. Accessed November 2012.

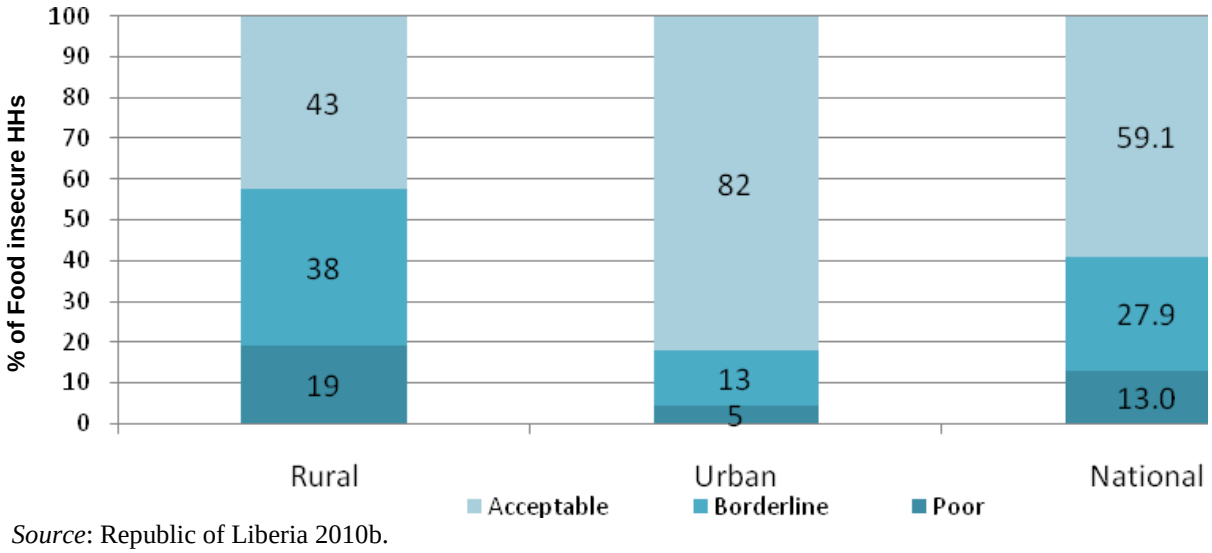
Figure 1: Poverty Incidence in Liberia



Source: LISGIS 2007 Core Welfare Indicators Questionnaire.

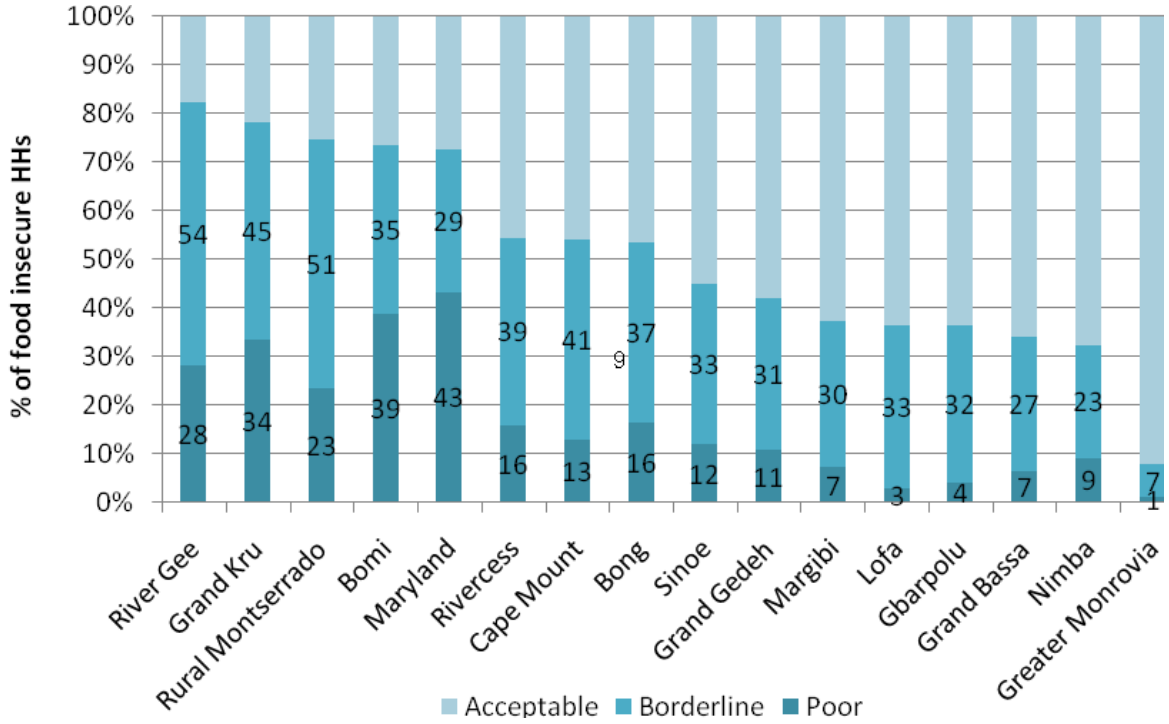
61. Furthermore, large parts of Liberia's population are food-insecure. The regional distribution of food insecurity is shown in Figure 2 and 3.

Figure 2: Incidence of Urban versus Rural Food Insecurity in Liberia



Source: Republic of Liberia 2010b.

Figure 3: Incidence of Food Insecurity by County in Liberia



Source: Republic of Liberia 2010b.

62. Integrating the country's agricultural markets were serve both improved food security and agricultural development more generally. Liberia's network of major trunk roads (see Figure 4) is oriented towards the ports, hence the frequent references to corridors, meaning the service areas of these main roads leading to the Atlantic Ocean. Main roads connecting the north-west and south-east corridors of Liberia do not exist. This affects the potential for internal production to meet national demand; agriculture needs to be analyzed and interventions planned by both region and corridor.

Figure 4: Map of Major Trunk Roads in Liberia

2.3. Agricultural Policy

63. A review of past strategies for rural and agricultural development reveals the existence of a substantial number of well-written documents with interesting strategies, but an almost complete failure to implement them. Since the end of the conflict in 2003, many studies of the agriculture sector have been produced, though few are based on primary data and in-depth analysis. The most thorough recent analysis is the "Comprehensive Assessment of the Agriculture Sector," finalized in 2007 and supported by the FAO, IFAD, and the World Bank.[8]

64. There is broad consensus that agriculture needs to be developed in new directions and not just rebuilt in its earlier form. Even before the conflict, productivity outside the plantation areas was low, public support services were rare, and value chains—starting from the supply of inputs to the collection of produce, to processing, storage, and delivery to consumers— functioned only for export crops. There is also broad consensus that inclusive agricultural development is necessary not only for food security and poverty reduction, but also for preserving peace and stability.[9]

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8 Republic of Liberia Ministry of Agriculture, 2007.

9 Obviously, those who have no livelihood to lose are easier prey for recruitment for armed conflicts or criminal activities than people who lead a productive life and earn a reasonable living. See also letter dated 30 November 2011 from the Chairman of the Security Council Committee established pursuant to resolution 1521 (2003) concerning Liberia addressed to the President of the Security Council, section on agriculture.

65. Many challenges need to be overcome to create a dynamic agricultural sector. The principal current constraints are identified as:

- Lack of farm-to-market roads and transport companies;
- Virtually no access to credit for small farmers;
- Highly centralized agricultural services and a very low level of coverage of rural areas by public extension services;
- Insecure, diffuse, and conflict-ridden land tenure; and
- Low levels of productivity due to low use of modern inputs (improved seeds, fertilizer, and implements) and low levels of knowledge of more advanced farming technologies.

66. Key principles of general agricultural policy are laid down in the two PRSs. The PRS-1, the "Lift Liberia" strategy, clearly defines the role of public institutions in the sector as supporting private sector development. It focuses on:

- Adequate regulation for the private sector;
- Clarification of land rights;
- The need to develop markets and avoid retarding their development by direct interventions; and
- Building a comprehensive agricultural extension system over the medium and long term and expanding national research capacity in the context of regional initiatives.

67. The PRS-1 states: "More direct interventions will be infrequent, and where they do occur, they will be based on pressing need, and be time-bound with clear exit strategies and targeting mechanisms based on sound assessment of both potential market-retarding and market-promoting impacts. These assessments will take into account Liberia's particular situation and its current transitioning from an emergency phase to a development phase."[10] At the same time, the PRS-1 states: "Where there is a need for the Government to directly support essential inputs (mainly improved seeds and fertilizer) to increase production, it will carefully target the most needy (women and smallholders) not to retard the development of input markets." And: "To support production, it will also aim to ensure that sufficient critical inputs are available (preferably through the market, although other modalities may be required) and to make basic improvements in the marketing chain." No particular focus on regions or specific crops is provided in the PRS-1.

68. With regard to forestry, the main message provided by the PRS-1 is that it will cancel all previous logging concessions and carefully rebuild the industry with due consideration of good practices and sustainability. Local populations are to be involved in controlling the use of forest resources and should benefit from the earnings. The value of forestry production was expected to grow to US$ 46 million by 2010/11, versus a pre-war value of about US$ 100 million.

69. The (still draft) "Agenda for Transformation," the PRS for 2012-2017, restates the targets, but no longer defines the limits of public interventions in markets specifically. It adds that the MoA shall be responsible for strategic food reserves. Its strategic objectives are to:

- Increase agricultural productivity, value-added, and environmental sustainability, especially for smallholders, including women and youth;
- Increase integration of smallholder agriculture with domestic and international markets;

[10] Republic of Liberia, undated (PRS-1, page 60).

- Increase fishery production in a sustainable manner;
- Increase access to machinery, fertilizer, storage, credit, training, technical assistance, market information, and improved technologies and related services, including through farmer groups and nuclear farms;
- Increase access to land and security of tenure; and
- Improve nutrition for all Liberians.

70. One of the outcome indicators mentioned in the "Agenda for Transformation" relates to a reduced import bill for rice.[11]

71. Under the heading of "Priority Interventions," the Agenda states that "MOA will evaluate and further implement the successful features of the program, started during the 150 days "Deliverables" period, to purchase designated food crops from small farmers to create jobs, revitalize agriculture and extend soft loans to farmers."[12] It also mentions that "MOA programs will address the training needs of farmers with research and extension services and improve small-holders' access to credit and agricultural machinery through cooperatives, nuclear farms and rental services," and adds: "Rather than subsidizing these services and intermediate inputs, the government is initiating the supply process so that volumes grow to the point where unit prices at delivery are close enough to world prices so that Liberian farmers can compete with imports."

72. Policy in the forestry sector continues to be guided by an approach that balances commercial aspects with community and conservation objectives. The Forest Development Authority (FDA) will "strengthen its implementation capacity through improved financing and revenue retention arrangements (including fiscal reforms to the current concession system) …"[13]

73. Apart from the general description of policies, objectives, and targets in the PRSs, more specific policy documents exist. The main ones are:

- The Food and Agricultural Policy and Strategy (FAPS) of 2009; and
- The Liberia Agricultural Sector Investment Programme (LASIP) of September 2010.

74. Various national stakeholders and a representative of the donor group signed a CAADP Compact in October 2009. The LASIP represents the detailed investment plan in the context of the CAADP Compact.[14]

75. Some subsector strategies have been formulated or are in an advanced stage of preparation and discussion, such as:

- National Rice Development Strategy (revised draft, May 2012);
- National Policy for Agricultural Extension and Advisory Services (AEAS) (July 2012);

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[11] The current draft only lists indicators in the chapters to which they relate, without quantifying their current and target values.

[12] Republic of Liberia Ministry of Planning and Economic Affairs (2012, p. 74). The "150 days deliverables" refers to the practice that a new or re-elected President presents a list of actions to be undertaken within the first 150 days of his tenure of office, which is monitored.

[13] Republic of Liberia Ministry of Planning and Economic Affairs (2012, p.76).

[14] The CAADP was launched at the occasion of the Maputo Declaration of the African Heads of State in 2003 and is considered an instrument to achieve the targets with regard to sustained growth of production and levels of public spending of the Maputo Declaration.

- Seed Policy and Regulatory Services; and
- Strategy for Mainstreaming Gender Issues in Agricultural Projects and Programs.

76. A Draft "Liberia National Cocoa Sub Sector Development Strategy" was developed with support from FAO and a USAID project.[15]

77. The first four of these are awaiting formal Cabinet approval. No research policy or action plan was found in the course of preparing this AgPER.

78. More details of the LASIP, Liberia's main policy document at the moment, are presented in Box 2. Some details of the AEAS Policy appear in Section 5.3.

[15] USAID (2011, p. 30).

Box 2: Liberia Agriculture Sector Investment Programme (LASIP)

Finalized in September 2010, LASIP was conceived as a framework for project spending by donors and the Government of Liberia. It is to be implemented over the period 2011-2015. Its total cost is US$ 950 million over five years, of which US$ 772 million still has to be secured. Normal recurrent spending of the agricultural institutions is not mentioned in the LASIP, but is apparently understood to be available in addition to the stated values. The table below shows the LASIP's ambitious spending targets:

	Baseline	Year 1 2011	Year 2 2012	Year 3 2013	Year 4 2014	Year 5 2015
Food production (MT)						
Rice	231,800	288,000	373,000	420,000	513,000	615,000
Cassava	550,000	716,000	1,090,000	1,532,000	2,042,000	2,180,000
Maize	19,500	23,000	27,000	31,000	35,000	39,000
Tree crop production (MT)						
Rubber	105,500	110,000	120,000	130,000	150,000	200,000
Cocoa	3,000	3,500	4,500	5,000	8,000	10,000
Coffee	3,180	3,500	4,000	4,500	5,000	6,000
Oil Palm	183,000	210,000	250,000	300,000	350,000	500,000
Animal population (heads)						
Cattle	38,000	45,600	55,000	66,000	79,200	95,000
Sheep	230,340	276,000	300,000	360,000	400,000	480,000
Goats	261,600	300,000	360,000	414,000	450,000	550,000
Pigs	131,000	144,000	165,000	198,000	235,000	282,000
Poultry	5,920,000	6,512,000	7,100,000	7,800,000	8,500,000	10,000,000
No. of fertilizer distribution centers	2	5	8	14	20	30
Fertilizer consumption, MT	300	600	1,200	2400	5,000	6,000
% increase in fertilizer application rate/ha	0.5kg/ha	1	2	4	8	9
No. of km of rural roads constructed	TBD	300	500	800	1,200	1,600
No. of markets constructed/rehabilitated	TBD	100	110	115	125	150
No. of slaughter houses	1	7	15	0	0	0
No. of cold storage facility		4	7	9	12	15
No. of storage facilities constructed	52	20	30	45	50	55
No. of processing facilities constructed/per district		30	36	40	50	60
% farmers with access to information on intermediate technologies	TBD	30%	40%	50%	60%	70%
% farmers with access to intermediate technologies and devices	TBD	10%	15%	20%	25%	30%

Note: This is an excerpt of the results table, which includes many more socio-economic indicators as well as targets on intermediate outputs and outcomes.

Source: Republic of Liberia 2010a.

The LASIP builds on a clear division of private and public sector roles but complementarity of action. The term "Public Private Partnership (PPP)" appears with some frequency, but is never really defined and specified.

The LASIP is structured into four programs (Food and Nutrition Security, Competitive Value Chains and Market Linkages, Institutional Development, and Land and Water Development), a total of 20 sub-programs, and a larger number of activities. The budget is broken down by programs and sub-programs. The LASIP and its budget explicitly include the construction, rehabilitation, and maintenance of rural feeder roads, which are budgeted with US$ 170 million (out of the total of US$ 948 million), shown under the Value Chain program. Out of these US$ 948 million, US$ 175 million is already financed by way of ongoing projects, leaving a gap of US$ 772 million. The GoL is assumed to contribute 3.9 percent (US$ 29.9 million) to fill this gap; the GoL participation was calculated as the counterpart funding that many donors expect.

Box 2 (con't)

Thus, the LASIP is a framework for investment in the sector; details a project-based architecture; identifies the financing gap, which is huge; and depends on large additional contributions by donors in the order of US$ 150 million per year.

LASIP also spells out the regulatory reforms required for interventions to reach the expected goals. These are:

- Land Policy
- Food Pricing Policy with a focus on rice
- Agricultural Incentives Policy
- Policy on the Role of Government in Agricultural Growth and Development
- Social Protection Through Agriculture Policy and
- National Seed Policy

Strikingly, the LASIP has no geographical or territorial dimension. It does not specify which sub-programs or activities have a distinct local impact and which are national measures. This is a weakness because the sub-programs and activities are frequently complementary. As it stands, the LASIP does not give guidance about the regions where balances and sequencing of actions and coordination are required.

The LASIP program is expected to be managed by a General Coordinator and four Program Managers (one for each of the four programs). The MoA's Project Management Unit will be responsible for coordination and monitoring. The Agriculture Donor Working Group (ADWG) will play a major role with regard to filling the framework with specific projects and aligning projects to the LASIP framework.

Current status of implementation and question marks

- The Coordinator and the Program Managers have not yet been nominated.
- It is unclear to what extent the policy issues mentioned above are being addressed.
- The LASIP framework is typically referred to in donors' project documents, but a mechanism for vetting and approving projects with regard to their fit into the framework does not seem to exist.
- A monitoring system for following up on the indicators is being set up, but does not yet produce reports or other outputs.

Source: Authors.

2.4 Public Institutions in Liberia's Agriculture Sector

79. The main institutions in the agriculture sector in Liberia are described in turn.

80. **The Ministry of Agriculture (MoA)** is responsible for crops, animal husbandry (not separated from crops in the organizational structure), tree crops, and fisheries. It absorbed the Ministry of Rural Development, which existed through FY 2005/06.

81. There is no specific department or section for irrigation (which, in Liberia, is mainly concerned with controlled drainage of swamps); irrigation falls within the responsibility of the MoA's Technical Services Department. The Ministry of Public Works does not play a role with regard to irrigation.

82. MoA includes the Central Agricultural Research Institute (CARI) and the Bureau of National Fisheries as departments. The Bureau of National Fisheries is responsible for inland fish production as well as the regulation of sea fishing. Policing of sea fishing licenses is the responsibility of the Coast Guard.

83. **The Forestry Development Authority (FDA)** is responsible for the exploitation of natural forests, issues and controls logging licenses, and proposes appropriate legal instruments. It is also responsible for reforestation and controls plantations of trees like pine or teak; it is not responsible for rubber, cocoa, or oil palm plantations.

84. **The Cooperative Development Agency (CDA)** is mandated to assist the formation of cooperatives in farming communities.

85. **The Liberia Produce Marketing Corporation (LPMC)** is a parastatal which was originally a marketing-board type monopsonistic institution for palm kernels, coffee, and cocoa for export. It was loss-making. It is currently not playing this role, but plans to dissolve it did not succeed. According to the MoA, LPMC will eventually become a quality control agency; the private sector will take over its former functions. Up to FY 2011/12, LPMC received block grants from the national budget. In FY 2012/13, it is treated as a normal institution with budget lines for salaries, goods and services, and one project.

86. **The Liberia Rubber Development Authority** was created to supervise/provide funds and technical assistance to smallholder estates; however, its capacity is limited. It receives block grants from the budget—US$ 340,000 in FY 2011/12, but only US$ 50,000 in FY 2012/13.

87. **The Environmental Protection Agency (EPA)** was established to ensure that the environment is protected from despoliation; its capacity is limited. EPA is not responsible for water management; its main activities relate to protected areas. Because of the close relationship between logging and protection of natural resources in Liberia, it is included in the category of "broad agriculture" expenditure.

88. **The Forestry Training Institute** is the national training center for forestry technicians.

89. **The Land Commission** was created in 2010 with the intention for it to regulate land tenure and reduce the potential for conflict. It was created in response to frequent overlapping rights and the conflict potential of unclear ownership.[16]

90. **The Liberia-Libyan Holding Company** is a parastatal set up during the times of the Gaddafi regime to engage in industrial and construction activities. Later, when Gaddafi donated substantial amounts of agricultural machinery to Liberia, the donation was grafted onto it; the Holding Company still exists and still appears in budgets. It is engaged in rubber processing, rice production, and tourism. It is a recipient of block grants from the national budget.

91. The Ministry of Lands, Mines and Energy is not considered an agricultural institution in this report because its activities go well beyond the administration of agricultural land, and components that might relate to agriculture cannot be separated from other expenditures.

92. Some concession agreements contain clauses that a certain percentage of sales are to be paid into sector-specific development funds; a rice development fund, a rubber development fund, and a palm oil development fund are cases in point. These funds are to be administered by representatives of the providers of funds, although the MoA will have a seat and voice on the administrative boards. However, the pertinent legislation has not yet been adopted, the funds do not yet exist, and concessions do not pay the fees stipulated in the agreements.

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[16] The inclusion of the Land Commission in the analysis is warranted because the administration of agricultural land is explicitly part of the description of the "agriculture" function in the COFOG classification scheme.

93. Overall staffing numbers are shown in the FY 2012/13 budget proposal, but it is not clear whether the data refer to authorized or actual staff (Table 3) nor how reliable they are. The large number of staff in the FDA and the miniscule number shown under the MoA's Department of Regional Development, Research and Extension (DRDRE) are noteworthy. It should also be noted that the staff numbers shown in previous budgets are at times drastically different. For example, the FY 2011/12 budget shows 383 staff for the DRDRE, 61 of them for Technical Services. The numbers shown in Table 3 may therefore be far from the real staffing strength.

Table 3: Staffing of Agricultural Institutions According to the FY 2012/13 Budget

	2011/12	2012/13	2013/14	2014/15
Min. of Agriculture	305	361	426	460
Regional Development and Extension Services	10	15	20	-
Technical Services	77	100	120	135
CARI	74	90	110	130
National Fisheries	29	35	48	60
Planning & Development	22	25	28	30
Admin & Management	93	96	100	105
Cooperative Development Agency	169	178	183	188
Gender, Yourth Promotion and HIV/AIDS	8	8	8	8
Cooperative Development Services	140	140	140	140
Admin & Management	21	30	35	40
Liberia Produce Marketing Corporation	50	75	110	115
Rubber Development Authority	25	50	100	125
Forestry Development Authority	560	700	831	1000
Research & Development	75	100	126	150
Conservation	150	165	200	250
Commercial Forestry	75	100	120	150
Community Forestry	50	60	75	100
Admin & Management	210	275	310	350
Environmental Protection Agency	189	210	220	232
Grand Total	**1,298**	**1,574**	**1,870**	**2,120**

Note: Staff numbers indicated in previous budgets differ significantly in the same place and for the same years.
Source: Budget Proposal for FY 2012/13.

94. Furthermore, these data differ significantly from those reported for the MoA in 2008, particularly with regard to the DRDRE. Neither set of numbers includes staff whose salaries are paid in full by projects or project funds.

Table 4: Staffing Strength of the MoA, 2008

Department/Unit	Staff Strength	of which female
Regional Development, Research & Extension	76	12
Technical Services	78	3
Planning & Development	25	2
Administration	83	10
TOTAL	262	27

Note: CARI not included
Source: USAID 2008.

95. Another document, the CAAS-LIB study, reports a total MoA staff of 327 in FY 2006/07, of which 84 were outstationed, while 243 were based in MoA Headquarters in Monrovia.[17]

[17] Republic of Liberia Ministry of Agriculture (2007), Volume 2.2., p. 201-202.

96. In April 2012, the Administration Department of the MoA indicated that they have a staff strength of 311, including those (few) based in the counties.

97. In spite of the lack of reliable data, it is certain that the work force of the MoA is highly concentrated, that its presence in rural areas requires travel and is therefore limited, and that few women are employed.

98. The MoA intends to build up its presence in the counties and districts. Staff posted there will still be on the payroll of the MoA, which will also provide operational funds from its budget.[18] The build-up of local presence will be gradual. A technical report by a USAID technical assistance project, dated 2008, proposes a phased approach, which starts with piloting in selected counties (Grand Bassa, Lofa, Margibi, and Montserrado), and completion of the process in all 15 counties and 135 districts by 2016. Currently, County Agricultural Officers operate in all counties, but no information about staffing of their offices and in districts was available.

99. **The Project Management Unit (PMU) in the MoA deserves a special note.** In the organizational chart, it is under the DRDRE. The PMU is essentially an accounting and financial management unit for donor-financed projects managed by the MoA. The PMU oversees the implementation, coordination, monitoring, and evaluation of various donor-funded agriculture projects in the MoA within the framework of the LASIP. It is responsible for all procurement related to donor-funded projects managed by it. Project proposals are typically prepared by consultants, not by the semi-permanent PMU staff. All PMU staff salaries are financed through project funds.

[18] This is at times referred to as deconcentration or decentralization, but these terms are not really appropriate because budgets will not be allocated to county or district offices as such, and although these District and County Agricultural Officers will coordinate with the respective Superintendents, they are still subordinate and report to the central MoA.

3. Public Expenditure on Agriculture in Liberia

100. Chapter 3 provides a detailed presentation of the size and structure of public spending on agriculture in the broad sense. In line with NEPAD's guidance note,[19] "broad agriculture" includes crops, livestock, inland and ocean fisheries, forestry, and the management of agricultural land. The definition follows strictly that of the international COFOG. Excluded are multi-purpose projects unless 70 percent or more of their expenditure benefits agriculture, and Coast Guard services for policing fishing permits.

101. While downstream functions such as marketing, storage, processing, access roads, and means of transport are crucial for a prospering agricultural sector, they are explicitly not included in the concept of "broad agriculture" as defined in technical guidance. However, since many projects in Liberia include activities to promote value chains and rural trade, these are often included in the expenditure shown in the following analysis.

102. An overview of public expenditure management systems and reporting in particular is provided first.

103. Throughout this report, spending data are shown in nominal terms only, not deflated. They are rarely related to overall GDP. Data series were not deflated because the composition of spending on agriculture does not tally well with available sub-components of the consumer price index. Furthermore, the reference (total expenditure) is highly influenced by salary levels. Since the Liberian economy is dollarized, cost inflation has been one-digit. Therefore, the AgPER reports nominal data so that they are not influenced by possibly questionable choices of an adequate deflator.

104. GDP estimates for Liberia are under revision (with particular impact on the services sector); currently, different series appear in different draft versions even of the same publication, for lack of official and published GDP data. To avoid the problem of "wrong" numbers when the official GDP estimates are finally available, GDP was not used as a reference in the AgPER.

3.1 Basics of the Public Finance Management System in Liberia

105. Liberia's PFM system urgently needed an overhaul when the current government took office in January 2006. The revenue base of government finance had to be re-established and widened. The modernization of systems and procedures is still ongoing, but major steps have been taken in recent years. Introduction of an IFMIS-type[20] accounting and financial management system, revision of the Chart of Accounts, and a new presentation of the budget along programmatic lines are major recent achievements. A supreme audit institution has been set up and is operational, but audit reports are not yet followed up by the legislature and therefore have no consequences.

106. Revenues and overall spending increased steeply from 2004 to 2012. Overall spending against domestic revenue grew from US$ 81 million in FY 2005/6 to US$ 516 million in FY 2011/12. For FY 2012/13, expenditure amounting to US$ 672 million was approved, of which, for the first time,

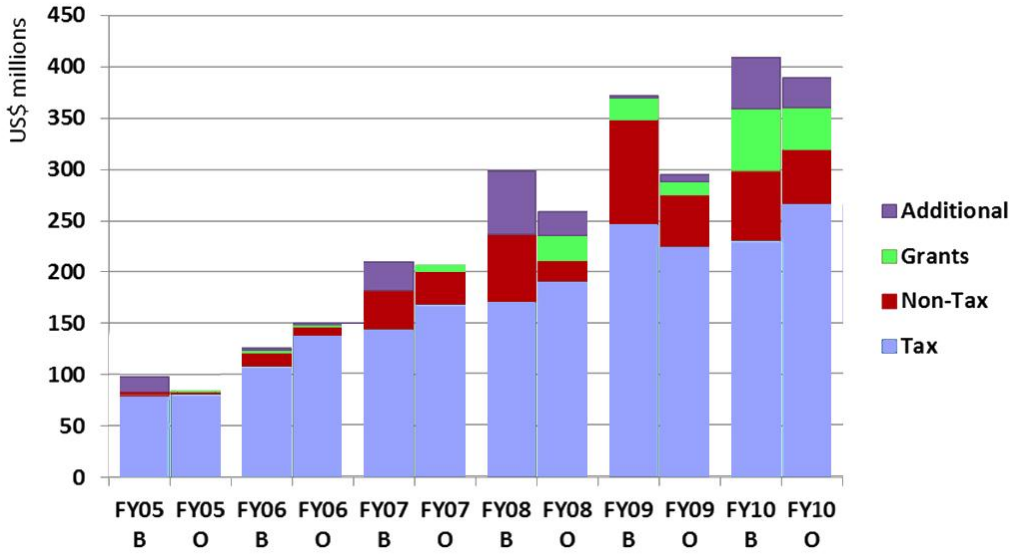
19 African Union (2005).

20 IFMIS stands for Integrated Financial Management and Information System.

US$ 80 million is to be raised through non-concessional loans. While General Budget Support (GBS) has been modest, the mobilization of internal revenues was the main factor that permitted this.

107. Actual revenue was occasionally well lower than projections (see Figure 5) mainly for two reasons. First, with such fast revenue growth, the usefulness of reference data from earlier periods as a guide to the future is limited. Second, income from concession fees due at signature of contract cannot be projected with great accuracy because the speed of selection of concessionaires and negotiations are not easily predicted.

Figure 5: Composition of Liberia's Revenue (Budget – B, Outturn –O)



Note: "FY05" refers to FY 2005/06.
Source: Republic of Liberia Ministry of Finance 2012.

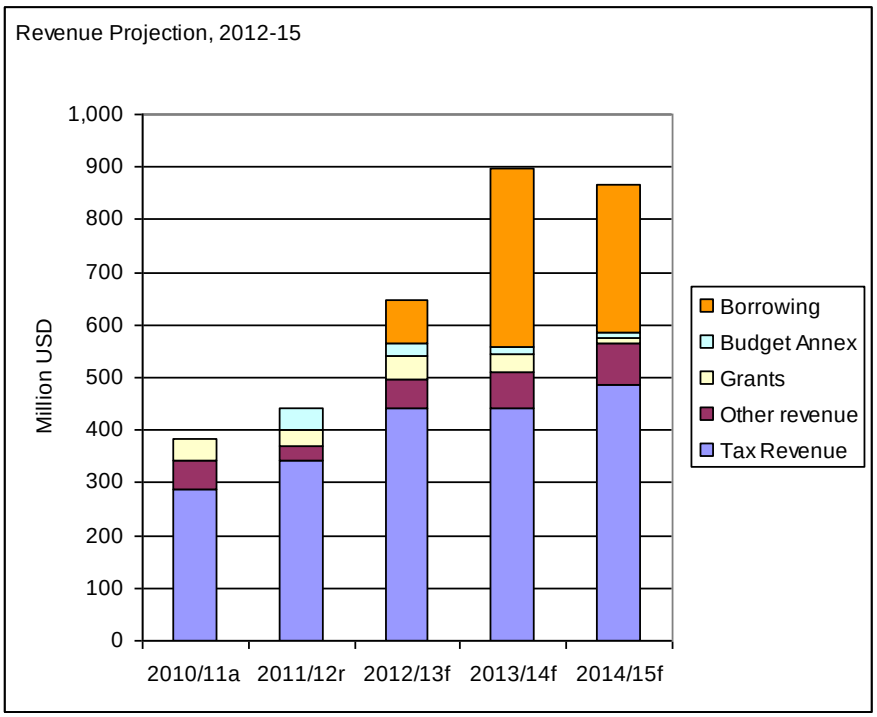
108. At the same time, development assistance (official and through a large number of NGOs) is significant and finances agricultural projects, education, health, governance, roads and other infrastructure, etc. However, with the exception of GBS, it was not included in the budget or fiscal outcome reports until FY 2011/12.

109. Further revenue increases are projected to be very modest through FY 2014/15. The scope for further improvements in tax collection efficiency is reducing. High expectations relate to the iron ore and palm oil concessions becoming a major source of government revenue. However, these revenues are severely backloaded and will not occur for the next years, as royalties for iron ore only become due when ore is actually produced and exported. The main income from iron ore and palm oil is from income tax. Income tax payments, however, will not occur for some time because of the initial weight of capital allowances and continued expansion of oil palm concessions until they reach their final size. Oil palms only become productive after about five years,[21] and planting is typically done in phases. Therefore, it will still take many years until the new plantations produce revenues, and these will be offset by capital allowance for some years so that income tax payments will be further delayed.

[21] "However, with a five to six year period needed before oil palm trees begin producing, and a long period permitted for the operators to extend the area of the concession under cultivation, sizable revenues will only begin to emerge for the government from palm oil after 2020." Source: IMF internal report on the fiscal impact of concessions.

110. As a result, revenues from taxes and other sources (but before borrowing) are not projected to increase from FY 2012/13 to FY 2013/14, and will only increase by 4.7 percent during the last year of the current MTEF revenue projection (Figure 6), which should dampen expectations of further steep and almost automatic increases of ministries' budget allocations. If one ministry's spending is to grow, redistribution of allocations and reductions in other places will be required.

Figure 6: Revenues Forecast Through 2015



Notes: "a" = actual, "r" = revised estimate, "f" = forecast. "Budget Annex" refers to contingent revenues.
Source: Based on data from: Medium Term Revenue Projection Forecast, May 2012 (part of budget package for FY 2012/13).

111. Noteworthy are ongoing modeling exercises undertaken by the MoF and the IMF that question whether borrowing now can be justified to finance infrastructure needs, with repayment when the expected revenues from iron ore and palm oil concessions start to flow into government coffers.[22] These exercises also ask the extent to which the additional revenue will be sufficient to finance required infrastructure, an approach that assumes that most of the additional revenue will be allocated to that sector.

112. To finance necessary infrastructure, substantial amounts are planned to be borrowed via non-concessional loans during the period of the MTEF: US$ 80 million in FY 2012/13 and a peak of US$ 340 million in FY 2013/14.

113. Comprehensive reforms of the PFM system have taken place during the period under review. These have resulted in modifications of the budget classification system and Chart of Accounts. While this sometimes makes it difficult to construct time series at a disaggregated level, this posed only minor problems for this report.

114. Some other key aspects of Liberia's PFM system are that:

[22] See IMF and Republic of Liberia (2012).

- Liberia has a central payment system. Ministries and other spending units do not get a cash advance, but rather allotments of funds in the Treasury that they can use for budgeted expenditure. The central payment system has the advantage, among others, that sector accounts do not need to be consolidated for closing the annual fiscal accounts—sector-level transactions are booked straight into the national accounting system.[23]
- Public accounts are audited by the General Audit Commission. However, the government does not publish detailed financial reports which would allow the comparison of initial appropriations and actual spending in a consistent way even by ministry. The Fiscal Outturn Reports were issued and are available for the years until FY 2010/11, but they are preliminary and of varying depth with regard to details and suffer from changes in format.[24]
- The fiscal year runs from July through June. In principle, the budget ought to be approved by the national legislature (the House of Representatives and the Senate) before the end of June, but this is seldom the case. The FY 2012/13 budget was approved only in late August.
- The legislature can modify the Executive Branch's budget proposal, and it makes frequent use of this option.
- All fees collected by institutions other than the MoF are paid into the Treasury account; fees are not automatically allocated to the institutions that collected them. The only earmarking that takes place is related to transfers of parts of revenues obtained through concession to County Development Funds (CDF). It is said that fees are not always reported and surrendered to MoF; it is possible, but not likely, that they serve to finance additional institutional expenditure.

115. The budget and accounting system distinguishes between (i) operational spending and (ii) "General Claims." General Claims include debt service, but also pensions and block transfers to autonomous public institutions. General Claims represented about 13 percent of overall expenditure in the FY 2010/11 budget (US$ 48.5 million out of a total of US$ 360 million), but the percentage varies across years. Initially, they were shown separately; since FY 2010/11, they appear in the spending tables of the ministries and agencies to which they relate. General Claims in agricultural institutions are very low and are therefore not shown separately in this report.

116. Liberia's 15 counties can receive public funds in three ways:

- Through transfers from the line ministries for sector-specific expenditure;
- From the Ministry of Internal Affairs for general administrative expenses; and
- Via contributions to "County Development Funds" (CDF), in counties in which concessions/relevant private companies exploit natural resources; in the past few years, CDF have amounted to tens of millions of dollars but management has been faulty. Most funds were said to be expended on questionable projects.

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[23] Operational individual bank accounts exist but they are transitory accounts with limited balances.

[24] "Contrary to the requirements of Regulations I.12 and I.13 of the PFM Regulations of 2009, that the Comptroller-General should prepare the Annual Accounts of the Consolidated Fund and Public Funds for the Minister of Finance's transmittal to the Auditor-General within a period of four months after the end of each fiscal year, or such other period as Legislature may by resolution appoint, for the fiscal years 2008/9 and 2009/10, the MOF did not compile these Annual Accounts. Instead, only the Fiscal Outturn Reports were compiled for the respective periods." Auditor-General's Report on the Fiscal Outturns for the Fiscal Years 2008/9 and 2009/10, Paragraph 12.

117. Up to and including FY 2011/12, spending against funds provided by donors did not appear in budgets and was not recorded in the national PFM system, even when the funds were government-managed. Projected aid flows were shown in an Aid Annex to the budget from FY 2009/10 onwards. Data on actual disbursement (not necessarily spending) are collected quarterly by the Aid Management Unit (AMU) at the MoF from aid agencies. However, these statistics have flaws, due to incomplete reporting by donors or inappropriate classification. Double counting may also occur, since contributions to multi-donor trust funds and co-financing arrangements are quite common in Liberia.

118. The recent budget for FY 2012/13 includes "donor-funded projects" in its main body for the first time. The effort is laudable, but is still a work in progress and incomplete. In particular, information about aid from the U.S., by far the biggest donor to Liberia, is not captured.[25] FAO and IFAD data are also missing.[26]

3.2 Overall Spending on Broad Agriculture in Liberia

3.2.1 Internal Funds

119. Spending from internal sources (i.e., excluding donor-funded projects while including spending against general budget support) on broad agriculture, in the definition used for monitoring progress with regard to the targets of the Maputo Declaration, has risen steeply from 2005 to 2013 (Figure 7). Spending on the "agriculture" category alone grew from US$ 3.4 million in FY 2006/07 to US$ 16.5 million in the budget for FY 2012/13, in nominal terms. Overall spending on broad agriculture increased from US$ 6.4 million in FY 2006/07 to a planned US$ 28.6 million in the FY 2012/13 budget, including US$ 3.5 million allocated to the "Agricultural Produce Buy Back Fund" (classified under the "Youth" pillar), one of the National Priority Investments.[27]

Box 3: Actual versus Budget Data in Expenditure Series

Expenditure data refer to "actual expenditure" where possible, but often, only original or revised ("adjusted") budget data were available in sufficient detail. For FY 2012/13, only data on the proposed budget were available, because the approved budget had not yet been made public when this report was finalized.

The preferred source for this study is the first data column of budgets, which normally reports on actual expenditure of the period two years before the one to which the budget refers, e.g., in the FY 2011/12 budget, the first of the three data columns presented refers to actual expenditure in FY 2009/10. However, budget formats changed over time, and this column does not always appear as it should. For instance, the FY 2012/13 budget reports figures from the budget for 2010/11, although it should report on actual FY 2010/11 expenditure. For FY 2010/11, aggregate actual spending by ministry was available, but with no details.

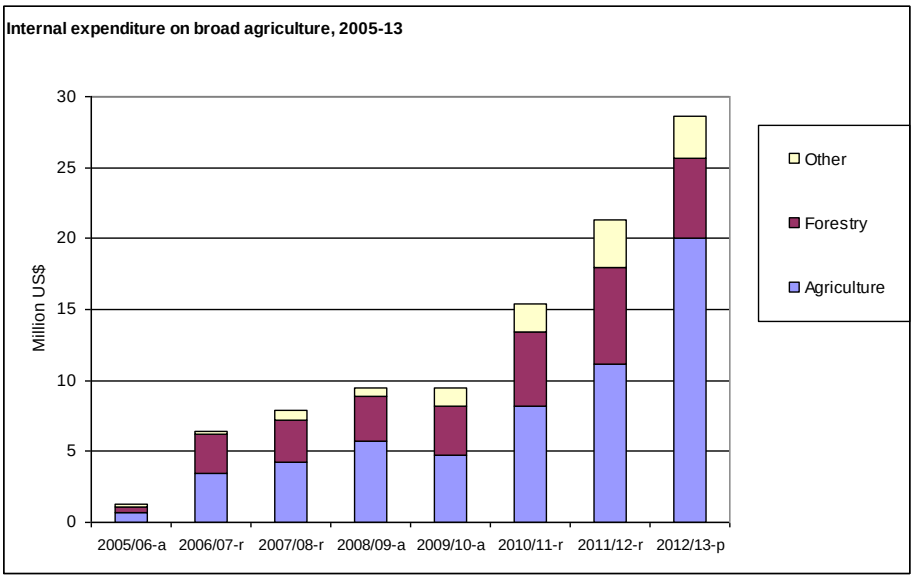
The status of each year's data (actual or revised budget or original or proposed budget) is shown in Table 5. Deviations from this scheme are made explicit.

[25] In the case of the U.S., detailed information was not made available because the U.S. Congress had not yet approved the budget. Other donors are very conservative in their reporting in an effort to respect the budget prerogative of their national Parliaments. Aid estimates therefore have a systematic underestimation bias. The problem is a general one, not specific to Liberia.

[26] IFAD is only co-financing projects and may be captured indirectly.

[27] Whether this Buy Back Fund should be treated as expenditure on agriculture is not totally clear at this stage. It is treated as public expenditure on agriculture because it could fall into this category. The doubts with regard to this project are discussed in more detail in Section 4.4.1.

Figure 7: Expenditure on Broad Agriculture, Internal Funds, 2005-13



Notes: See Table 5.
Source: Compiled from approved budgets (proposed for FY 2012/13).

Table 5: Expenditure on Broad Agriculture, Internal Funds, 2005-13

Million US$

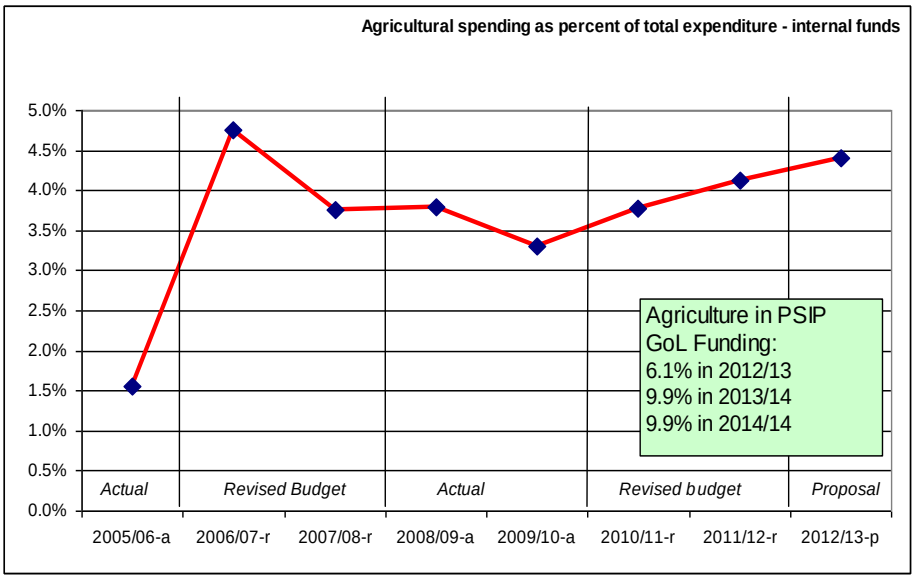
Code	Institution	2005/06-a Actual [prov FiscalRep]	2006/07-r Revised Estimate	2007/08-r Revised estimate	2008/09-a Actual	2009/10-a Actual	2010/11-r Budget (revised)	2011/12-r Budget (revised)	2012/13-p Proposed budget
Agriculture									
401	Ministry of Agriculture	0.46	3.06	3.78	4.99	4.01	7.52	9.66	15.08
##	Ministry of Rural Development	0.10							
P2e	Agricultural Produce Buy Back Fund								3.50
405	Cooperative Development Agency	0.04	0.05	0.07	0.17	0.21	0.26	0.49	0.72
414	Liberia Produce Marketing Corporation		0.30	0.28	0.50	0.38	0.39	0.70	0.55
423	Liberia Rubber Development Authority	0.07		0.08	0.06	0.09	0.05	0.34	0.17
	Agriculture Total	0.68	3.41	4.20	5.72	4.70	8.22	11.19	20.02
Forestry									
305	Forestry Training Institute		0.04	0.06	0.06	0.06	0.13	0.29	0.44
407	Forestry Development Authority	0.39	2.77	2.99	3.07	3.39	5.04	6.48	5.22
	Environment Total	0.39	2.80	3.05	3.13	3.45	5.17	6.77	5.67
Other									
120	Environmental Protection Agency	0.20	0.20	0.47	0.56	0.55	0.86	1.52	1.46
125	Land Commission						0.96	1.64	1.36
421	Liberia-Libyan Holding Company			0.13	0.10	0.74	0.18	0.20	0.10
	Others Total	0.20	0.20	0.60	0.66	1.29	2.00	3.36	2.92
Total Broad Agriculture incl. Priority National Investments		**1.27**	**6.41**	**7.85**	**9.51**	**9.44**	**15.39**	**21.33**	**28.60**
Reference									
Total expenditure excl. Nat'l priority projects		81.07	134.98	208.82	250.50	285.55	408.38	516.43	491.45
All Priority National Investments									158.27
Total expenditure incl. Priority Investments		**81.07**	**134.98**	**208.82**	**250.50**	**285.55**	**408.38**	**516.43**	**649.72**
All broad agriculture		1.27	6.41	7.85	9.51	9.44	15.39	21.33	28.60
Broad Agriculture as percent of total expenditure		**1.6%**	**4.7%**	**3.8%**	**3.8%**	**3.3%**	**3.8%**	**4.1%**	**4.4%**

Notes: The column for FY 2010/11 shows budget data. Only aggregate data on actual expenditure are available for that year. According to the Fiscal Outturn report, the MoA only spent US$ 6.1 million (budget: US$ 7.52 million), or 81 percent of the budget. The FDA spent US$ 4.7 million, which is slightly more than the US$ 4.51 million allocated. Overall expenditure in FY 2010/11 is shown as US$ 408.38 million in Table 5. This was the total of the budget after adjustments, and compares to an initial budget total of US$ 369.4 million and actual cash expenditure of US$ 384.7 million.
The allocation to the "Agricultural Produce Buy Back Fund" in FY 2012/13 is under the heading of Priority National Investments and not shown in the tables relating to the MoA.
The Bureau of National Fisheries is a department of the MoA and is included in its budget.
Only subsidies from the budget are included with regard to the autonomous organizations LPMC, Liberia Rubber Development Agency, and Liberia-Libyan Holding Company.
Source: Annual Budgets (generally the reference column that relates to previous years).

120. However, the steep increase of spending on agriculture reflects the fast expansion of the revenue base of a country emerging from conflict rather than increasing prioritization of the sector. Figure 8 shows that spending on broad agriculture represented between about 3.5 and 4.4 percent of overall spending versus internal resources throughout the period 2006-2013.

121. The proposed increase for FY 2012/13 was calculated with inclusion of the US$ 3.5 million allocated to the Agricultural Produce Buy Back Fund. Without this allocation, the percentage for FY 2012/13 would fall from 4.4 percent to 3.9 percent, less than the previous year's share.

Figure 8: Spending on Broad Agriculture From Internal Funds: Percent of Total Expenditure



Source: Table 5.

122. The initial budget for the MoA has often not been available or not fully spent. At the same time, deviations between initial budget and actual spending are much less in the case of the FDA. The next two figures and table show the execution rates and variations across the years.

Figure 9: MoA's Budget Execution versus Original Budget

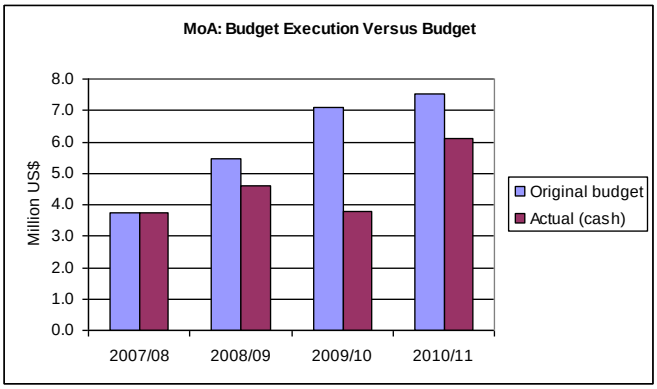
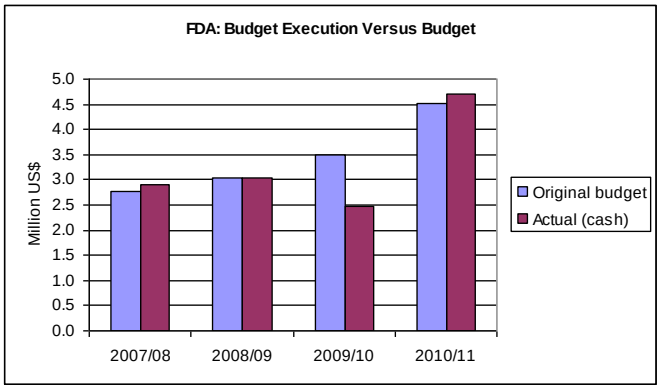


Figure 10: FDA's Budget Execution versus Original Budget



Source: Table 6.

Table 6: Budget Execution Rates for MoA and FDA

Million US$

	Original budget	Adjusted appro-priation	Actual (cash)	Actual as % of original budget	AgPER reference	
	(1)	(2)	(3)	(4)	(5)	
Ministry of Agriculture						
2007/08	3.74	3.72	3.72	99.5%	3.78	revBudget
2008/09	5.47	7.00	4.60	84.0%	4.99	actual
2009/10	7.10	7.30	3.80	53.5%	4.01	actual
2010/11	7.52	7.50	6.10	81.1%	7.52	revBudget
Forest Development Agency						
2007/08	2.77	2.93	2.90	104.6%	2.99	revBudget
2008/09	3.04	3.20	3.04	100.1%	3.07	actual
2009/10	3.50	3.50	2.47	70.5%	3.39	actual
2010/11	4.51	5.00	4.70	104.1%	5.04	revBudget

Sources: Column 1: Approved budgets; Columns 2 and 3: Fiscal Outturn Reports; Column 5: Reference columns of later budgets (latest budget where the year still appears).

123. Severe data issues were encountered when Table 6 was put together, because numbers keep changing. The budget figures which show up in the leading reference columns of later budgets, which are either actual expenditure or adjusted budget at the time the budget was prepared, do not tally with the actual expenditure shown in the Fiscal Outturn Reports. Adjusted appropriations for the MoA in FY 2008/09 topped up the initial appropriation by US$ 1.5 million, but actual expenditure was even lower than the initial appropriation. Obviously, the data are not very trustworthy. They may be correct, but inconsistencies between different sources, all from the MoF, prevail and cannot be explained from the publications.

124. Still, it can be seen that underspending (which can be due to insufficient provision of liquid funds as well as to slow absorption in the beneficiary sector) occurred frequently in the MoA. FY 2009/10 is special: its low budget execution rate is due to the fact that government revenues were severely over-estimated in that year. The dilemma started when the legislature increased expenditure compared to the Executive's proposal, which led to increasing the estimate of revenues by 7.2 percent over and above the government's proposal. Then, revenues fell short even of the initial proposal. As a consequence, only US$ 277.6 million was actually spent, or 74.6 percent of the initial budget of US$ 371.9 million.

125. This type of cash crisis affects investment and project expenditure over-proportionally, while salaries are served with the highest priority. Since salaries are a rather small part of the MoA budget (shown later), MoA's budget was squeezed more than by the average of 25 percent. The low execution rate of the MoA in particular, therefore, cannot be interpreted as lack of absorption capacity, although this may have played a role - after all, the initial budget allocation in FY 2009/10 was 50 percent higher than actual expenditure in the previous year.

126. The problematic predictability of revenues is related to the fast growth of revenues in Liberia. As new revenue sources originate mainly from improving revenue collection, past trends cannot be simply extrapolated. Furthermore, payments by concessionaires upon signature are volatile and difficult to predict with regard to the exact period. The government has reacted by introducing contingent expenditure lines in the budget, which are available only if specified revenues actually materialize. It is worth noting that the Liberian budget is executed on a cash rationing basis: allotments are made only as and when revenues come in; the effect of seasonality of revenues is not

attenuated by short-term borrowing. To be able to spend unexpected revenues, some expenditure is labeled as contingent expenditure; surpluses are not saved to meet the following year's expenditure.[28]

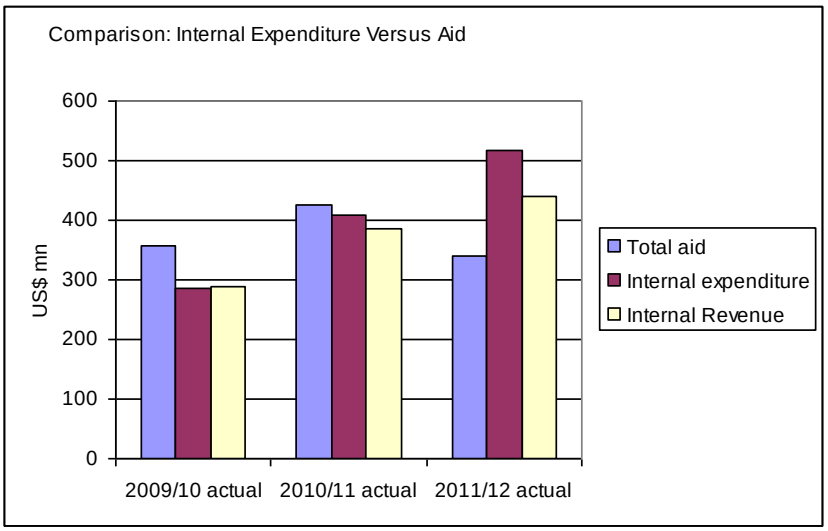
3.2.2 External Funds

General Characteristics of Aid to Liberia

127. Data on external aid to Liberia are, as in many other aid-dependent countries, partial and unreliable. The weakness is mainly due to the general difficulties of governments to report on donor financing where donor funds do not follow national payment procedures and systems.

128. Plausible data on actual flows are only available for FY 2009/10 and 2010/11. They are compiled by the AMU at the MoF on the basis of information obtained from donors, and show donor disbursement rather than spending.[29]

Figure 11: Comparison of Overall Internal Expenditure and Aid Disbursements



Notes: "Internal expenditure" includes expenditure against GBS. GBS is included in the first two columns ("Total aid"), which cannot be added together.
Source: Aid data are from the AMU at the MoF; Internal Expenditure data are from budget documentation.

129. More than half of overall aid funds are disbursed through traditional project modalities. Government-executed projects (mainly AfDB and IDA loans) are of much less significance than projects administered by donors or their appointed agents. Note that with the exception of GBS, none of the aid funds were captured in budgets or fiscal reports prior to FY 2012/13.[30]

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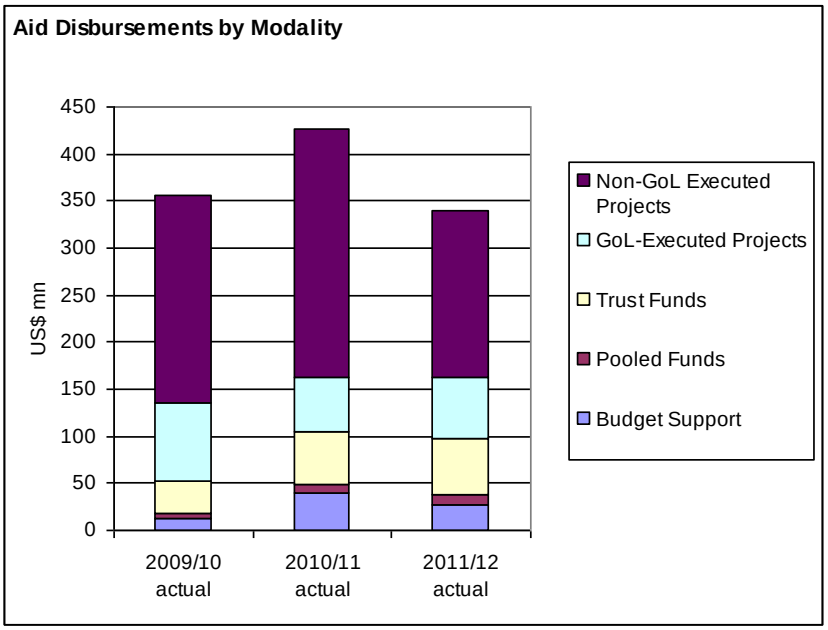
[28] More details can be found in the 2012 PEFA report on Liberia (IMF and Republic of Liberia 2012). There are plans to start issuing Treasury Bills to cope with the seasonality of revenues.

[29] Projects often operate advance accounts, which are replenished from time to time. Therefore, disbursements and actual expenditure may fall into different periods. It may also happen that advances are not disbursed at all and eventually paid back.

[30] GBS has been provided by the European Union and the World Bank through 2010/11. For FY 2011/12, the projection includes significant contributions by the African Development Bank (US$ 22.7 million) and China (US $6.9 million). These GBS funds mix with internal revenue at the treasury level. Therefore, no distinction

Figure 12: Aid Disbursements by Modality



Source: Based on data obtained from the AMU at the MoF.

Aid to Agriculture

130. The statistics compiled by the AMU show disbursements broken down by PRS sector. Spending on broad agriculture appears under the headings "Food & Agriculture," "Forestry and Environment," and "Land and Environment Policy." Some re-arrangements were required to identify spending on broad agriculture (see Box 4).

is and can be made between these sources in budgets and spending records. This is due to the nature of GBS and fully intentional.

Box 4: Aid Classification Issues and Adjustments

The AMU publications and data show a category designated "Multi-Sector." After verification of the underlying project list, it became apparent that the "Multi-Sector" category does not contain any projects that, according to the title and description, would appear to have a significant agriculture component. Therefore, the multi-sector projects were not considered further. The full list of projects taken into account in this AgPER and considered as expenditure on broad agriculture is shown in Appendixes 1a and 1b.

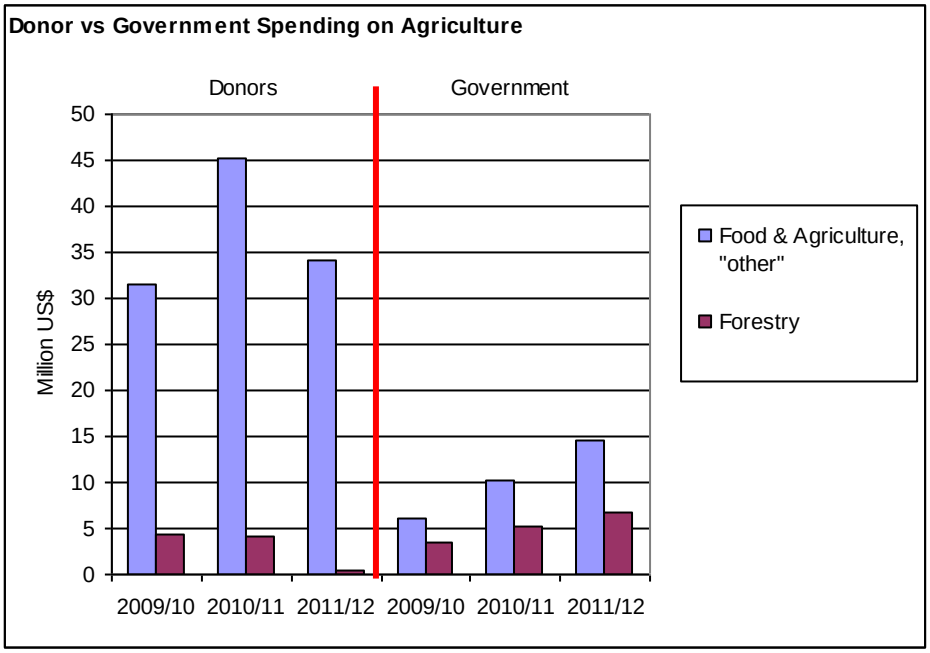
For FY 2009/10, a classification issue required an adjustment of the data: the World Bank's Agriculture and Infrastructure Development Project (AIDP) was classified as "Agriculture," but the entire expenditure of US$ 14.2 million in 2009/10 was related to trunk roads. The amount was therefore omitted. The data for FY 2010/11 include US$ 14.5 million for USAID's Food and Enterprise Development Project (FED) which, however, only started in the following fiscal year. The US$ 14.5 million refers to an advance paid to the implementing partner in the last quarter of FY 2010/11. Technically speaking, the payment constitutes a disbursement from the point of view of USAID, but it inflates the overall figure for this fiscal year. The AgPER included a US$ 4 million disbursement of USAID for a project denominated "Strengthen Land Rights and Access" that was classified under "Land and Environment."

The data still have to be interpreted with caution. What was classified under "Food and Agriculture" includes, to some degree, activities for promoting value chains, and some food aid and spending on feeder roads may also be included. It is difficult to separate this out where these components are part and parcel of a wider project. Furthermore, an *ad hoc* comparison of the data contained in the AMU reports and records from the World Bank revealed significant deviations which could not be resolved in the limited time available. In addition, disbursements from FAO and IFAD were not captured in the AMU's reports.

Note: The AMU data are based on communications from donors about their respective disbursements. The data were provided by way of Excel files; currently, some database template is used. Errors can occur at various stages on the side of donors as well as the Ministry of Finance. Experience from other countries indicates that donors often give the task to put the information together to junior staff and do not always proofread the results with the appropriate diligence.

131. According to data compiled by the AMU and the adjustments made, external aid is significantly higher than expenditure against internal resources (Figure 13). Spending by donors on agriculture and forestry dwarfs spending from internal sources. Even if spending categorized as belonging to "Food & Agriculture" contains some emergency aid that should not be considered as spending on agriculture, it is clear that donor spending on agriculture is multiple times greater than internal spending on this sector. Note, though, that donor spending may contain large elements of personnel costs for expatriate staff and their personal security.

Figure 13: Comparison of Donor and Government Spending on Agriculture and Forestry



Notes: Donor spending refers to actual disbursement, while government spending refers to actual expenditure. In this graph, government expenditure shown as "Food & Agriculture" includes the groups "agriculture" and "other" from Table 5.
Source: Built on data from the AMU and budget data.

132. The European Commission and USAID are the main donors providing funds for agriculture (Table 7). Noteworthy is the low contribution by the World Bank. Approximately 11 percent of all aid (excluding UNMIL and GBS) was allocated to broad agriculture during these two years.

Table 7: Donors in Agriculture and Forestry

US$

	2009/10	2010/11
Food & Agriculture		
AfDB	4,100,000	2,436,600
EU	13,944,328	13,148,078
Denmark	5,848,068	894,363
USA	5,000,000	25,951,984
World Bank	1,670,000	
WFP	999,478	2,836,140
Subtotal Food & Agric.	31,561,874	45,267,165
Forestry		
EU		1,347,193
USA	2,400,000	2,488,618
World Bank	2,005,000	370,283
Subtotal Forestry	4,405,000	4,206,094
Total Broad Agriculture	**35,966,874**	**49,473,259**
Total aid excl. GBS	343,129,917	387,247,357
% Broad Agriculture of Total	**10.5%**	**12.8%**

Note: Detailed data by sector and donor were not available for FY 2011/12.
Source: Annual Reports of the AMU of the MoF; underlying detailed data obtained from AMU; and adjustments (see text).

3.2.3 Overall Expenditure on Agriculture and the Maputo Target

133. According to the Maputo Declaration of 2003 and the Liberia CAADP Compact, Liberia ought to strive for allocating at least 10 percent of its actual total public expenditure to the agricultural sector. Behind this target is the objective to achieve growth of agricultural output of 6 percent per year.

134. The expenditure target refers to all funding sources combined. Since some fundamental sectors of public administration do not usually attract donor funding, it is only to be expected that the percentage of expenditure allocated to agriculture is higher with regard to donor funds than it is for internal resources.[31]

135. Combined spending from internal resources and donors on broad agriculture was approximately 7-8 percent in FY 2009/10 and FY 2010/11 (Table 8). The increase from FY 2009/10 to FY 2010/11 reflects special factors, mentioned in the previous section (i.e., the USAID advance for the FED project).

[31] Typical sectors that receive little donor funding while being essential ingredients for good governance are, for example, the Presidency, Parliaments, foreign affairs, and often defence and security, including police, justice, and local administration.

Table 8: Broad Agriculture as Percent of Overall Donor Spending

Million US$

	Donors			Government			Total		
	2009/10 actual	2010/11 actual	2011/12 actual	2009/10 actual	2010/11 budget	2011/12 budget	2009/10 actual	2010/11 mixed	2011/12 mixed
Food & Agriculture, "other"	31.56	45.27	34.06	5.99	10.22	14.55	37.55	55.49	48.61
Forestry	4.41	4.21	0.54	3.45	5.17	6.77	7.86	9.37	7.31
Total aid excl. GBS / total budget	343.13	387.25	312.79	285.55	408.38	516.43	628.68	795.63	829.22
% Agric & Forestry	**10.5%**	**12.8%**	**11.1%**	**3.3%**	**3.8%**	**4.1%**	**7.2%**	**8.2%**	**6.7%**

Note: Internal expenditure for FY 2009/10 is "actual," while FY 2010/11 and FY 2011/12 refers to "budget." "Mixed" indicates that expenditure and disbursements were lumped together, in spite of the different concepts.
Source: Built on data from the AMU of the MoF, and budget documentation.

3.3 Composition of Expenditure on Agriculture in Liberia

136. This section looks at the composition of expenditure on broad agriculture by institutions, by departments within some institutions, and by economic classification (type of expenditure). An analysis by region was not possible because budget and actual spending data are not classified in this way. The composition by function (i.e., agriculture, fisheries, and forestry) is shown in the relevant tables.

137. The composition is presented separately for internal and donor-funded expenditure, essentially because project expenditure is not normally disaggregated by economic classification or component but rather shown as a total for each project.

3.3.1 Composition of Government Expenditure on Agriculture

138. This section looks at the composition of expenditure of the two main institutions: the MoA and the FDA.

139. Particular caution should be applied when interpreting the detailed data presented in the following. The same factors affecting the quality of the data at the "broad" sector level apply here, but the relative impact on the reliability of data on spending volumes and trends becomes more distinct at the disaggregated level. Furthermore, budgeted capital expenditure may not have been made in full, a frequent phenomenon particularly with regard to construction. Since the last three years refer to "budget" only, the differences between budgeted allocation and actual spending at the level of departments or specific types of expenditure may be significant.

140. Application of the new budget methodology for FY 2012/13 resulted in a virtual elimination of capital expenditure in that year. Instead, the category of "GoL Projects" appears. In time series, "GoL Projects" were thus treated as "capital expenditure," although they are not fully equivalent. A "GoL Project" relates to an objective and may contain all types of expenditure necessary to reach it. "GoL Projects" is a category for non-routine expenditure with a specific purpose. The projects may contain capital expenditure, but the concept is broader (see Box 5).

Box 5: New Features and Peculiarities of the FY 2012/13 Budget

The new FY 2012/13 budget, approved in late August 2012, is Liberia's first attempt at multi-year budgeting. The guiding idea was to create fiscal space for spending on development priorities and to accommodate the projects listed in the new PSIP.

Almost all capital expenditure was eliminated from sector budgets. Instead, sectors now implement so-called "GoL Projects" (as opposed to "donor projects"). These are shown in the budget tables of each spending unit (MDAs).

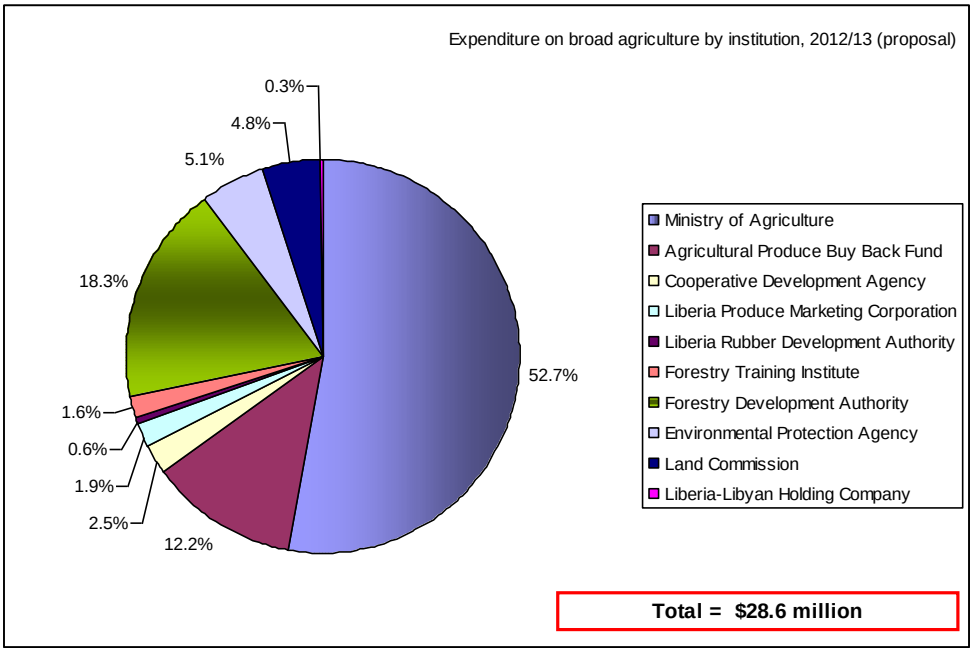
In addition, so-called "Priority National Investments" were defined; US$ 158 million is allocated to these for FY 2012/13, or about 24.3 percent of overall spending from internal sources. These Priority Investments are included in only some of the tables relating to sector expenditure. For Agriculture and Forestry, the only National Priority Program is the "Agricultural Produce Buy Back Fund," for which US$ 3.5 million per year is budgeted under the "Youth" pillar. It is not included in the analysis herein unless explicitly stated.

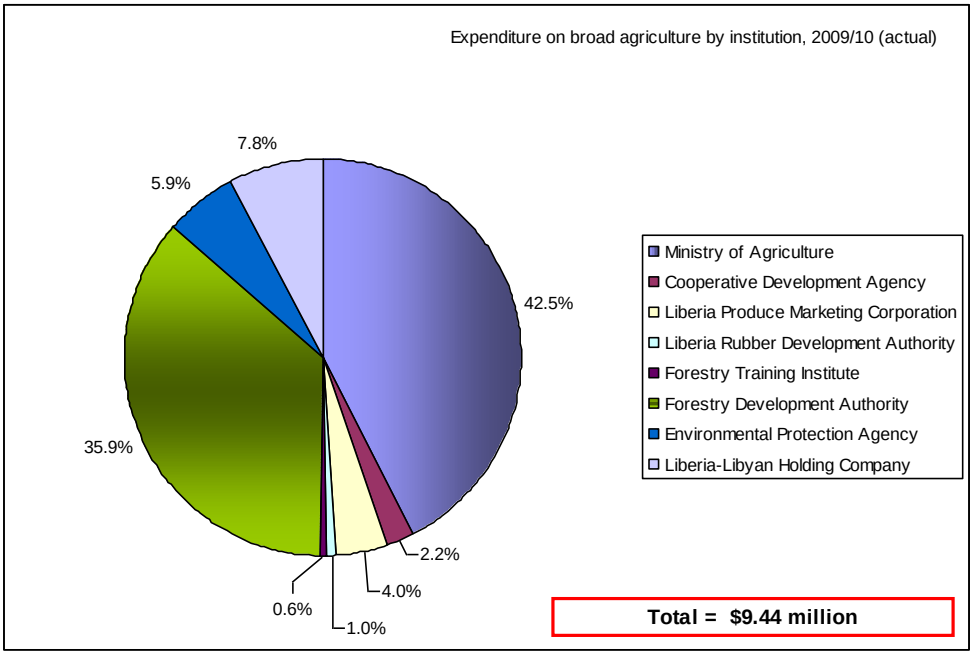
The proposed expenditure by ministries' departments on personnel and on goods and services is often exactly the same amount that was budgeted for the previous year.

3.3.1.1 Spending on Agriculture by Institution

141. About half of the internal funds to broad agriculture are allocated to the MoA (Figure 14), followed by the FDA. The amounts allocated to the remaining agriculture-related institutions represent 21.6 percent and 16.8 percent in FY 2009/10 (actual) and FY 2012/13 (budget), respectively.

Figure 14: Structure of Internal Spending on Agriculture



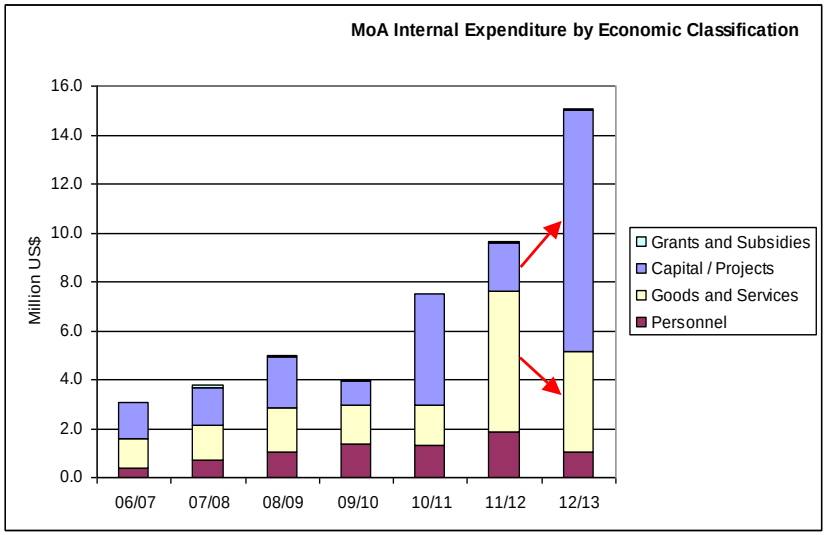


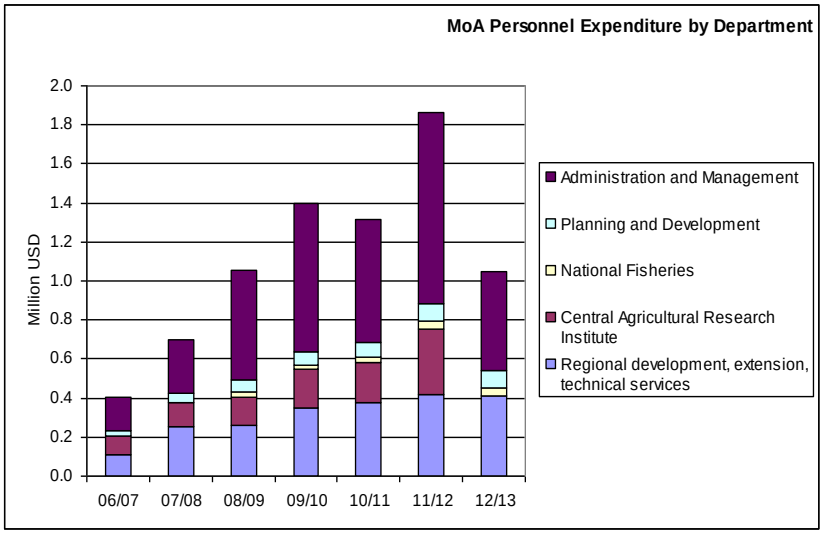
Source: Table 5.

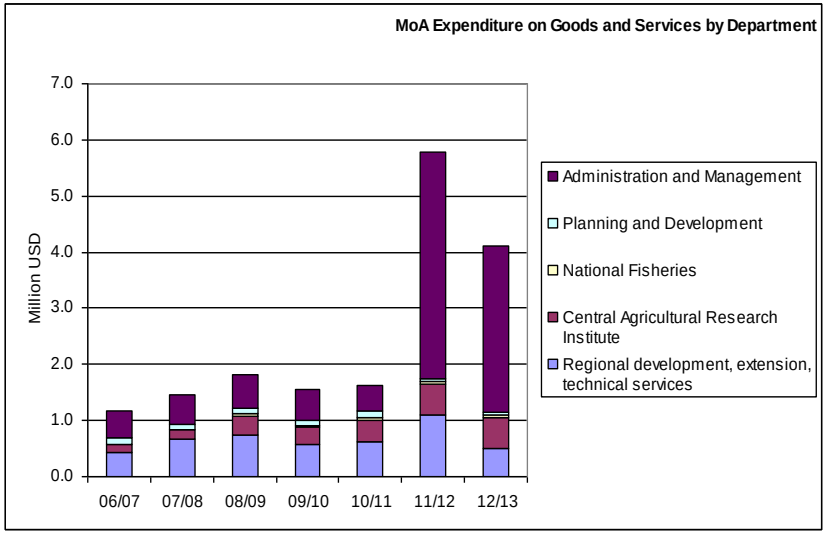
3.3.1.2 Spending by the Ministry of Agriculture

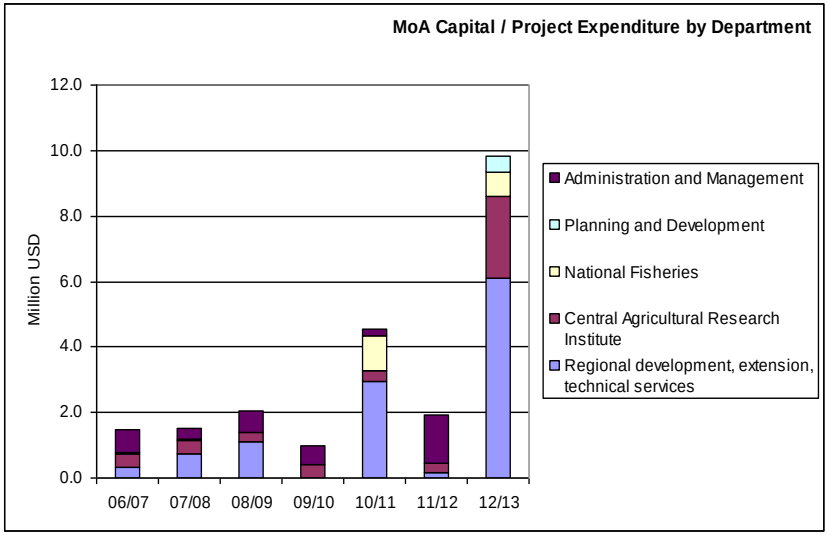
142. The composition of spending by type of expenditure and department is shown in the following graphs and table. It is useful to recall the fact that figures from FY 2010/11 onwards refer to budgeted amounts rather than actual expenditure, which is not available in the required detail from that fiscal year onwards. The departments "Regional Development, Research and Extension" and "Technical Services" were added together because their respective responsibilities overlap.

Figure 15: Composition of MoA Expenditure









Notes: The "Agricultural Produce Buy Back Fund" is not included. The allocation to the MoA increased over the last few years, but its composition raises questions. Note that the departments "Regional Development, Research and Extension" and "Technical Services" were grouped together in these graphs.
Source: Budget data; see Table 9.

Table 9: Expenditure Details, MoA's Internal Funds

US$

	2006/07 Revised	2007/08 Revised	2008/09 Actual	2009/2010 Actual	2010/2011 Revised	2011/2012 Budget	2012/2013 Budget incl. GoL sector projects
Capital Expenditure or Projects							
Regional development, extension, technical services	326,000	739,150	1,112,386	2,500	2,960,462	169,106	6,100,000
Central Agricultural Research Institute	402,132	420,606	262,875	387,385	304,676	267,676	2,500,000
National Fisheries	0	0	5,000	0	1,073,240	0	735,667
Planning and Development	58,000	38,600	4,975	0	0	0	500,000
Administration and Management	692,400	312,407	668,345	596,469	201,250	1,503,847	0
Subtotal	1,478,532	1,510,763	2,053,581	986,354	4,539,628	1,940,629	9,835,667
Personnel							
Regional development, extension, technical services	109,560	251,895	258,115	352,579	376,738	418,498	413,498
Central Agricultural Research Institute	95,000	125,221	146,500	192,040	205,000	335,200	0
National Fisheries		0	25,097	24,380	29,097	41,032	41,032
Planning and Development	26,136	47,236	63,584	66,755	73,236	86,461	86,461
Administration and Management	173,872	275,474	560,802	761,031	628,484	984,554	507,054
Subtotal	404,568	699,826	1,054,098	1,396,785	1,312,555	1,865,745	1,048,045
Goods and Services							
Regional development, extension, technical services	433,000	659,373	729,721	563,904	617,829	1,090,193	490,193
Central Agricultural Research Institute	139,000	176,080	353,711	315,374	393,228	564,645	564,645
National Fisheries		0	30,413	34,720	52,006	50,003	50,003
Planning and Development	122,000	90,335	112,733	86,074	102,187	34,187	34,187
Administration and Management	484,000	522,733	577,659	551,323	468,144	4,035,872	2,978,289
Subtotal	1,178,000	1,448,521	1,804,237	1,551,395	1,633,394	5,774,900	4,117,317
Grants and Subsidies	0	119,401	76,093	77,912	37,000	77,000	77,000
Grand Total MoA (calc), GoL financed	3,061,100	3,778,511	4,988,009	4,012,446	7,522,577	9,658,274	15,078,029
[data source]	Budget 07/08	Budget 08/09	Budget 10/11	Budget 12/13	Budget 12/13	Budget 12/13	Budget 12/13

143. Some conclusions and issues arising from the four graphs in Figure 15 are as follows (note the different scales of the y-axes):

i) Administration and Management absorb almost half of the personnel bill. However, all staff classified as "Professionals" (with a different pay scale) appear under this department. Partial detailed execution data obtained indicate that only 76 percent of the allocation for personnel was actually spent.

Table 10: Detailed Personnel Expenditure, MoA excl. CARI, 2011/12

US-Dollar

Category	All MoA excl. CARI		Admin & Management	
	Budget	Actual	Budget	Actual
Basic salaires - Civil Service	417,820	308,831	144,165	72,465
Honorarium	5,000	0	5,000	0
General allowances	333,535	331,286	237,719	237,716
Special allowances	232,200	228,650	102,600	102,650
Professionals	384,000	296,535	384,000	296,535
Non-professionals (Casual workers)	35,000	24,785	30,000	23,135
Training stipend	36,000	0	36,000	
Overtime	20,000	0	20,000	
Incapacity, Death Benefit	2,000	0	2,000	
Total	1,465,555	1,190,087	961,484	732,501

Source: Data provided by MoA's Administration and Management Department.

ii) No funds are allocated to CARI for personnel in the 2012/13 budget – possibly an error in the proposed budget.[32] The personnel budget for Administration and Management was reduced. This may be the result of an ongoing clean-up exercise to eliminate ghost workers, but the more likely explanation is that salaries for staff on time contracts were shifted to the projects budget, where they are no longer visible as salaries.

iii) Personnel costs are low in comparison to other expenditure items. Unlike in many other countries, operational expenses are not being marginalized by rising personnel charges. The allocation is lower than that for the FDA, although MoA has more staff. Several possible explanations, like payment of staff with extra-budgetary funds or payment of salaries against a budget line of another institution (like the MoF) were checked, but had to be rejected. The reduction in FY 2012/13 may be caused if salaries for staff on contract for a fixed period of time are being paid against project budgets; clean-up of the payroll could be another explanation. None of this could be confirmed, though.

iv) The budget for goods and services was drastically increased in the FY 2011/12 budget, and the new budget makes provision for a similar amount. However, virtually all the increase goes to the Administration and Management Department. A careful scrutiny of the line items shows that there is not one single item that would explain the increase; rather, almost all expenditure types were increased by large amounts.[33]

v) Capital expenditure by department fluctuates, a natural reflection of the investment cycle particularly of construction items. Some of the capital items were for buildings and the acquisition of land, as shown in Table 11.

Table 11: Capital Expenditure of MoA, 2009/10 – 2011/12

Item Code	Economic class/Item	09/10 Actual	10/11 Budget	11/12 Budget
23	**Consumption of Fixed Capital**			
232101	Non-residential buildings	90,000	2,989,216	0
232131	Other Structures	0	72,784	0
232201	Transport Equipment	682,266	253,740	426,800
232211	Machinery and other Equipment	177,499	273,664	474,124
232221	Furniture and Fixtures	5,000	10,000	62,200
232301	ICT infrastructure, Hardware, Networks and Facilities	31,589	55,510	183,510
232401	Other Fixed Assets	0	884,714	12,000
233102	Food Stuffs	0	0	17,520
235101	Land	0	0	764,475
Sub Total economic classification		**986,354**	**4,539,628**	**1,940,629**

Source: Draft National Budget FY 2012/13.

vi) What is shown as "capital budget" for FY 2012/13 in the AgPER tables and graphs relates to the GoL-financed projects executed by the MoA. As the titles suggest, the items are projects rather than capital expenditure.

[32] It is also possible that all personnel expenditure was "pushed" into projects, where it does not appear explicitly.

[33] No explanation of the rationale could be obtained.

Table 12: GoL-funded Agricultural Projects in FY 2012/13 Budget

Project	Draft Budget 2012/13 US$
Regional development and Extension	
Promote the food crop value chain	2,500,000
Integrated control of Schistosomiasis and Intestinal Helminths (ICOSA)	1,000,000
Muturu breeding and development	600,000
Rebuild the National Agricultural Advisory Services for better efficiency and service delivery to farmers	2,000,000
Agricultural Research	
Provide training on crop and livestock value chain and mechanization for farmers in Liberia.	1,000,000
CARI Institutional strengthening, research enhancement	1,500,000
Fisheries Development	
Inland Fishery Development	735,667
Planning and Development	
Training in agriculture statistics to provide evidence based data for policy and planning.	500,000
TOTAL Sector Projects, GoL funded	9,835,667

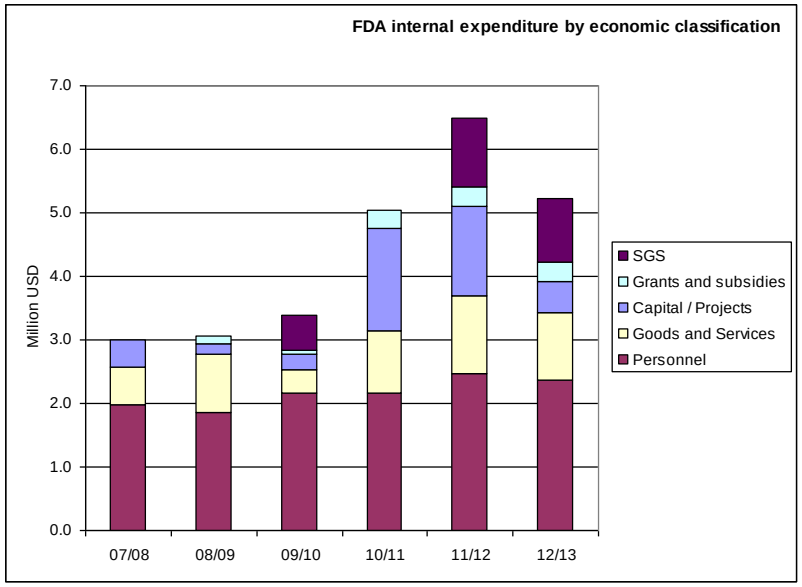
Source: (Draft) Public Sector Investment Plan FY2012/13 – FY 2014/15

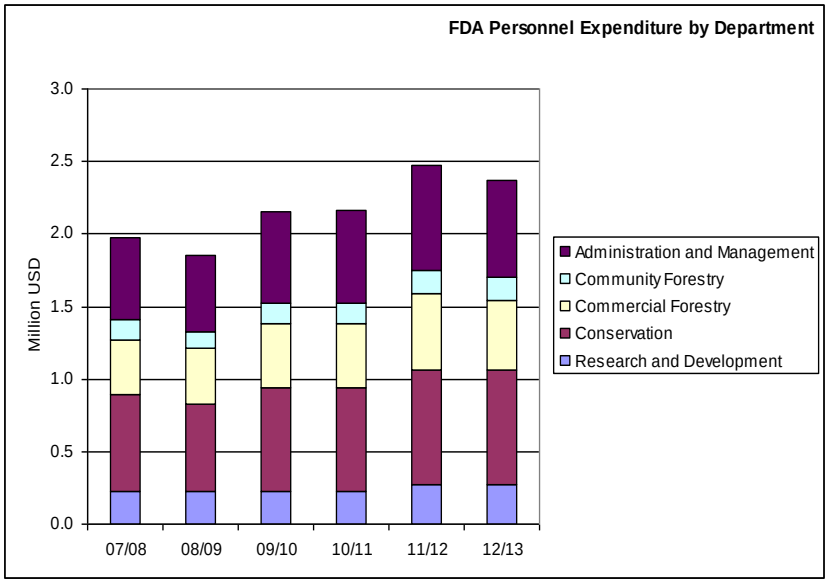
vii) Noteworthy is the very low level of spending on the Bureau of National Fisheries (shown as "National Fisheries" in the budget and the graphs). The FY 2012/13 budget proposal allocates a mere US$ 91,000 to this institution.

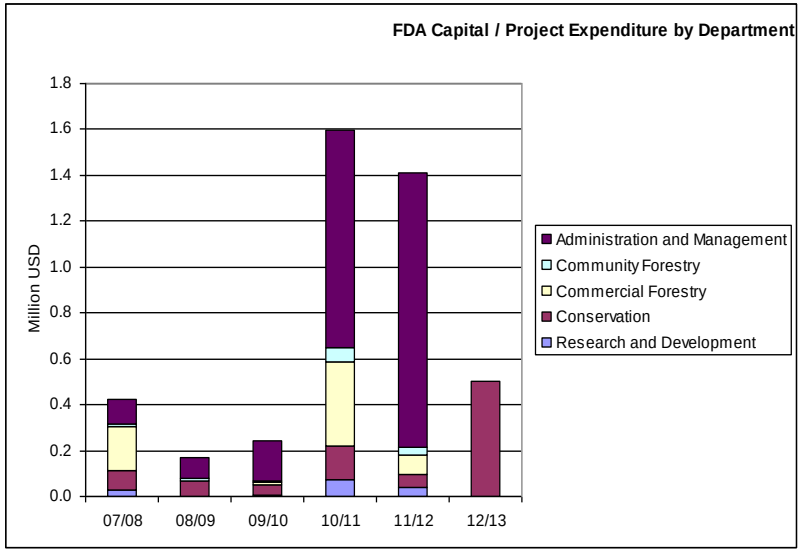
3.3.1.3 Spending by the Forestry Development Authority

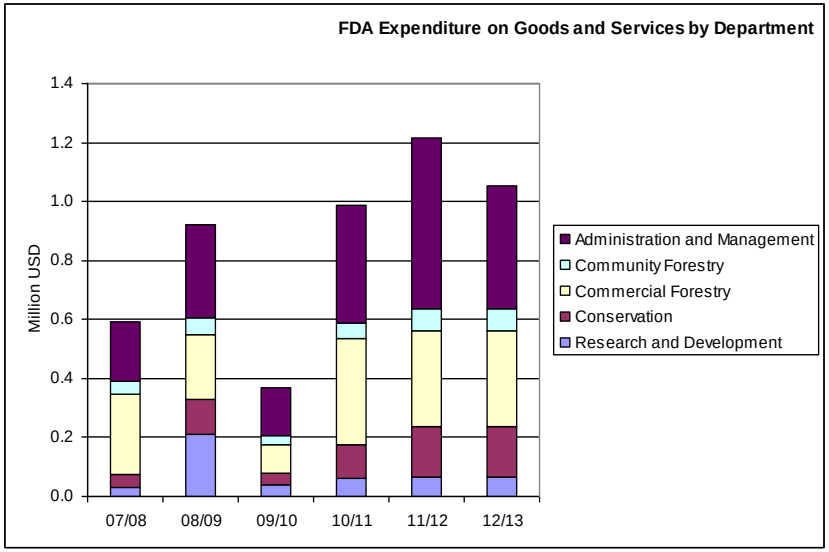
144. The FDA is the second biggest recipient of funds in the area of broad agriculture. It is responsible for promotion of forestry and related issues, and controls logging licenses and other uses of wood (like charcoal burning). It is also responsible for forest conservation and community forestry, which includes planting and reforestation. The composition of expenditure over time, by type of expenditure and department, is shown in the following graphs (Figure 16) and Table 13.

Figure 16: Composition of FDA Expenditure









Source: See Table 13.

Table 13: Details of FDA Expenditure

US$

	2006/07 Revised	2007/08 Revised	2008/09 Actual	2009/2010 Actual	2010/2011 Revised	2011/2012 Budget	2012/2013 Budget incl. GoL sector projects
Capital Expenditure (and Projects)							
Research and Development		29,350	0	4,355	72,600	39,000	0
Conservation		83,958	67,520	47,250	145,000	56,550	500,000
Commercial Forestry		193,246	0	8,970	369,000	85,000	0
Community Forestry		7,210	9,200	9,745	63,000	36,600	0
Administration and Management	408,000	111,371	90,000	173,800	945,000	1,192,800	0
Subtotal Capital Expenditure	408,000	425,135	166,720	244,120	1,594,600	1,409,950	500,000
Personnel							
Research and Development		229,484	226,363	229,341	229,484	269,484	269,484
Conservation		667,026	601,331	706,568	706,593	796,593	796,593
Commercial Forestry		370,296	388,958	444,584	445,000	525,485	475,485
Community Forestry		139,778	109,014	139,167	139,778	159,778	159,778
Administration and Management	1,649,700	569,085	524,636	636,633	643,255	723,625	669,625
Subtotal Personnel	1,649,700	1,975,669	1,850,302	2,156,293	2,164,110	2,474,965	2,370,965
Goods and Services							
Research and Development		29,971	209,715	41,224	62,000	66,012	66,012
Conservation		46,029	119,179	37,162	111,500	168,830	168,830
Commercial Forestry		270,224	219,410	99,304	360,600	328,511	328,511
Community Forestry		43,395	58,150	27,027	55,250	74,623	74,623
Administration and Management	707,300	203,233	316,827	162,136	399,550	579,409	414,409
Subtotal Goods & Services	707,300	592,852	923,281	366,853	988,900	1,217,385	1,052,385
Grants and Subsidies		0	129,184	75,020	289,000	300,500	300,500
General Claims (SGS)				550,055	0	1,078,132	1,000,000
Grand Total FDA (calc), GoL financed	**2,765,000**	**2,993,656**	**3,069,487**	**3,392,341**	**5,036,610**	**6,480,932**	**5,223,850**
[data source]	Budget 07/08	Budget 08/09	Budget 10/11	Budget 12/13	Budget 12/13	Budget 12/13	Budget 12/13

Notes: Expenditure was not broken down by departments in FY 2006/07. According to the FY 2012/13 budget proposal, funds for the Société Général de Surveillance were spent in FY 2009/10 and budgeted for in FY 2011/12 and FY 2012/13. The amount shown for FY 2010/11 is in fact zero (no explanation available).
Source: Approved or Proposed National Budgets.

145. Some features that emerge from the graphs are:

i) The size and distribution of the personnel budget has been very stable over the period under review.

ii) Unlike in the MoA, personnel costs represent over 50 percent of the total budget of the FDA.

iii) The "Société Générale de Surveillance" (SGS) oversees the Chain of Custody (CoC) for timber. Due to the amount it receives for the services (roughly US$ 1 million per year), it is shown separately.

iv) Capital expenditure fluctuates significantly, but has a limited weight in the FDA's total expenditure. The capital expenditure for FY 2010/11 (US$ 1.6 million) was mainly for non-residential buildings and transport equipment with similar amounts; the expenditure in FY 2011/12 was still mainly on these items.

Table 14: Capital Expenditure of FDA, 2009/10 – 2011/12

Item Code	Economic class/Item	09/10 Actual	10/11 Budget	11/12 Budget
232101	Non-residential buildings	200,700	795,000	500,000
232111	Residential Buildings	0	0	110,150
232201	Transport Equipment	39,780	768,000	300,000
232211	Machinery and other Equipment	2,600	22,600	220,000
232221	Furniture and Fixtures	1,040	9,000	134,800
232301	ICT infrastructure, Hardware, Networks and Facilities	0	0	145,000
Sub Total economic classification		**244,120**	**1,594,600**	**1,409,950**

Source: Draft National Budget FY 2012/13.

3.3.2 Composition of Donor-Financed Expenditure on Agriculture

146. Donor-financed expenditure is organized and reported on by project. Some projects cover more than one sector (the combination of roads and agriculture is quite common), but reporting is done for aggregate expenditure or disbursements only. Therefore, data for an analysis similar to that for internal expenditure are not available.

147. In general terms, it was found that most bilateral projects act at the grassroots level and support farmers and communities directly. The dominant concept is that of rural development projects: pick an area and improve what is important to the local population. Consequently, the projects typically provide economic (roads) and social (health and education) infrastructure (also by way of food-for-work). Since government presence in rural areas is weak, the projects tend to provide typical public services (such as agricultural extension and pest control) as well.

148. The focus of most projects appears to be to stabilize the region and prevent renewed conflict by providing a basis for livelihood. Institution building and strengthening of local government services are desirable by-products. Sustainability is not always the primary objective.

149. Many projects provide seeds, other agricultural inputs, and implements, and support marketing channels for agricultural produce. In most cases, provided goods are given free of charge, justified by the fact that the war left most farmers in remote areas without capital or access to bank loans.[34]

150. Unfortunately, the information that could be obtained does not allow assessing the extent to which donor-financed projects go beyond agriculture, for instance by providing funds for reconstruction and maintenance of feeder roads or promotion of value chains related to agricultural products.

151. A list of donor-financed projects provided by the ADWG is shown in Appendix 2. Dated January 2012, the list contains more projects than the list from the AMU, and also shows more donors.

3.4 Provision of Private Versus Public Goods

152. In a market economy, public agricultural services are usually limited to areas where the private sector cannot be expected to provide them because of market failures related to external effects.

[34] Even before the civil war, loans were available to elites only, not to ordinary farmers.

Where only those who pay benefit from the service, one speaks of private goods that can be provided by the private sector on a for-profit basis.

153. Public spending on private goods from internal funds has been limited over the period under review. Spending on agricultural inputs and tools that are likely to have been provided to farmers[35] was in the order of between US$ 350,000 and US$ 450,000 in the three years FY 2008/09 through FY 2010/11, but the allocation rose to about US$ 760,000 in FY 2011/12 and FY 2012/13. These items absorb some 5-9 percent of the agricultural budget, but changes in the percentage also reflect changes in total spending. See Section 5.2 for further detail.

154. Some funds were also spent on the construction of a small number (about five) of Technology Transfer and Input Distribution Centers (TTIDCs). The TTIDCs were not visited or studied in greater depth in the context of this AgPER, but it emerged during interviews that the majority of them did not live up to expectations and have had a very limited impact on farming.

155. Donors do not appear to have spent significant amounts on private goods over and above the frequent free distribution of seeds and (some) fertilizer to farmers.

3.5 Perspectives on Expected Expenditures for 2012-15

3.5.1 Expected Expenditures Based on PSIP Projections

156. As already mentioned, the FY 2012/13 budget has a different structure than previous budgets. A key ingredient is the three-year rolling PSIP, which lists government-funded and donor-funded projects in detail. For the first time, projected donor spending is integrated into the main body of the budget.

157. However, data capture of aid is incomplete, particularly with regard to aid provided by the U.S., as U.S. authorities do not indicate values before the American Congress has approved the U.S. budget. The weakness exists in many other countries as well, but is particularly significant in Liberia because of the significant amount of American aid. The Budget Framework Paper 2012/13 projects that US$ 45.4 million will be available to agriculture (not including forestry) in this fiscal year. Only US$ 33.7 million of this amount is shown in the budget documentation.[36]

158. The outer years are presented as information, but represent the intention of the government and information provided by donors about spending plans. The outer years have to be interpreted with caution because these intentions and expectations may not materialize. The value of donor-funded projects declines in FY 2014/15, but presumably because the planning is still in progress; actual aid in FY 2014/15 is likely to be substantially higher than shown in the PSIP tables. Total government investment is planned to increase substantially from FY 2012/13 to the following years (from US$ 250 million in FY 2012/13 to US$ 470 million in FY 2013/14). The Liberian government intends to finance the additional outlay largely by borrowing on commercial terms.

159. Some interesting aspects emerge from a closer analysis of the PSIP (see Figure 17 and Figure 18, and Table 15):

[35] Some expenditure may also relate to items consumed by the DRDRE and Technical Services Department for their work.

[36] The Macro-Fiscal Unit of the MoF made a projection on the basis of expected expenditure by the U.S. in FY 2011/12.

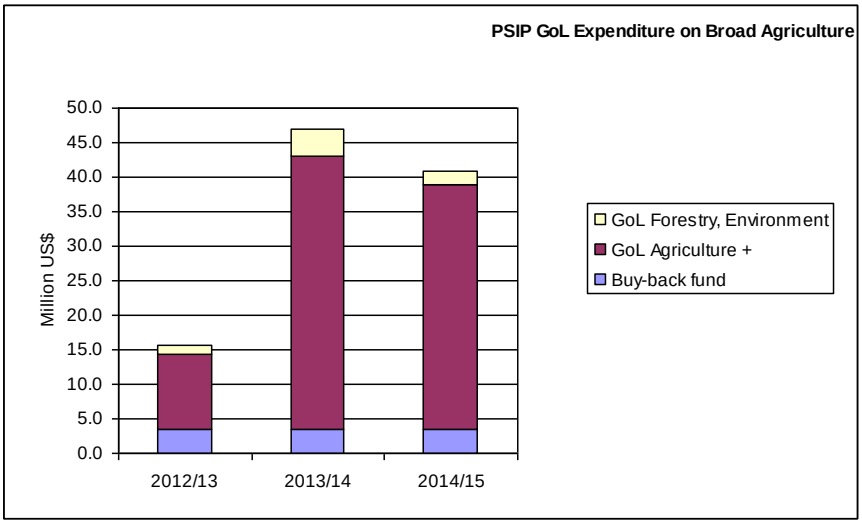
i) Government-financed project expenditure in broad agriculture (referred to as "investment," although these projects may contain significant amounts of current expenditure) is expected to increase from US$ 14 million in FY 2012/13 to US$ 42.5 million in FY 2013/14, only dropping back slightly in FY 2014/15.

ii) The share of investment in agriculture (without forestry) from government sources as a share of total government-financed investment will increase significantly from 5.6 percent to 9.1 percent (FY 2012/13 and 2013/14, respectively). The share is maintained in FY 2014/15 in spite of a lesser amount for agriculture because the total for all sectors is projected to drop.

iii) The government plans to finance about 70 percent of projects in agriculture (without forestry) in FY 2013/14, as compared to 29 percent in FY 2012/13. This is partly due to a decline of registered donor projects from US$ 33.7 to US$ 19.1 million (FY 2012/13 and FY 2013/14, respectively) combined with a strong increase in government-financed projects. However, the detailed projections do not include contributions from USAID. Furthermore, as donors make firm commitments only for sufficiently planned projects, the actual disbursement in FY 2013/14 is likely to increase, and the share of government-financed expenditure in total projects in agriculture will fall.

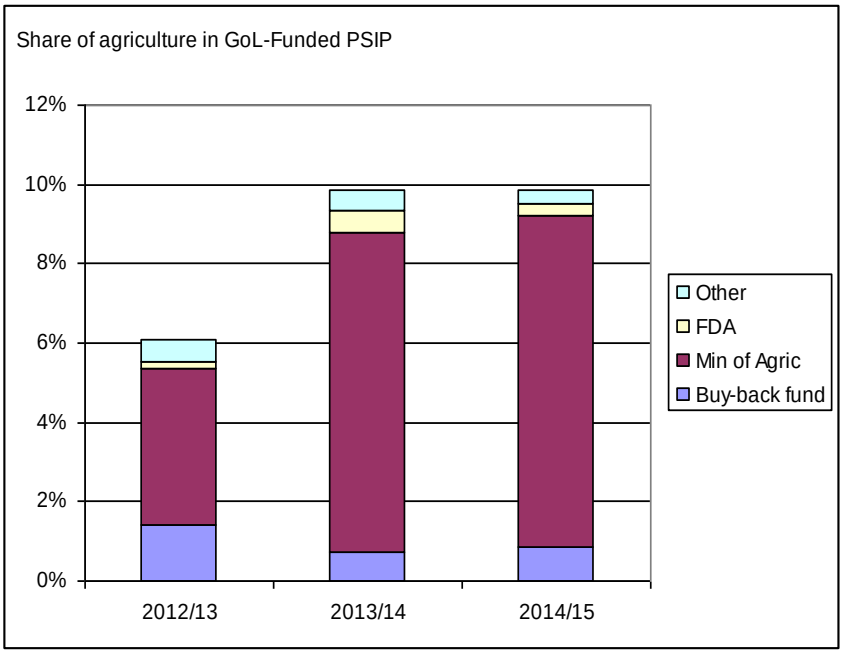
iv) The share of agriculture (without forestry) in government spending is projected to increase from 3.1 percent in FY 2012/13 to 5.5 percent in the following year. This is noteworthy because it coincides with a huge investment in the energy sector (rehabilitation of the Mount Coffee Hydro Plant).

Figure 17: PSIP Allocations to Agriculture: Internal Funds



Source: Data from PSIP 2012/13 – 2014/15.

Figure 18: Share of Agriculture in GoL-Funded PSIP

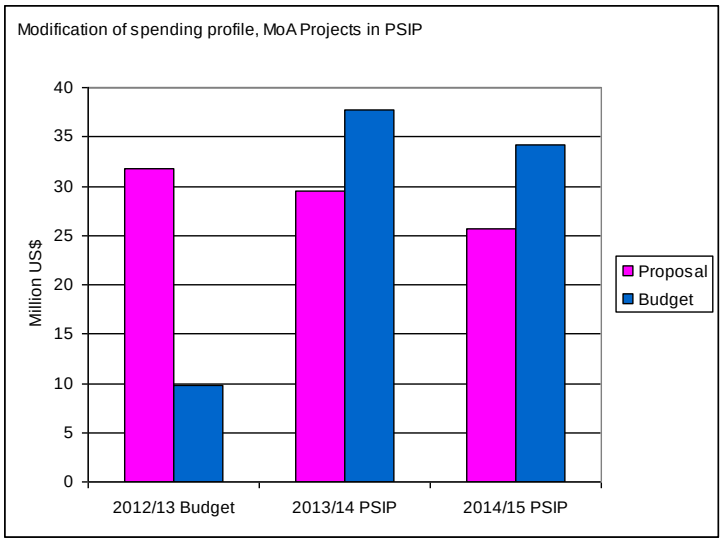


Source: Data from PSIP 2012/13 – 2014/15.

160. The projects that appear in the agriculture and forestry sections of the PSIP are discussed in more detail in Chapter 4.

161. The spending profile of the MoA projects that appear in the PSIP changed dramatically during the negotiation with the MoF. The changes backload expenditure. If this was because of particular resource constraints in FY 2012/13, it may indicate that the same situation could occur in FY 2013/14. It would therefore be wise to interpret the outer years as quite provisional allocations which may not be sustained when the next budget is prepared and negotiated.

Figure 19: Modification of Spending Profile, MoA Projects in the PSIP



Source: Data from PSIP and information provided by the MoA on documents submitted for budget negotiations.

Table 15: MTEF and PSIP Spending Plans

Million US$

#	Sector	2012/13				2013/14				2014/15			
		Operations	Investment			Operations	Investment			Operations	Investment		
			Priority GoL	Sector GoL	Donors		Priority GoL	Sector GoL	Donors		Priority GoL	Sector GoL	Donors
1	Public Administration	124.4	15.0	17.8	32.2	133.8	15.0	27.8	33.7	143.1	15.0	19.4	20.2
2	Municipal Government	32.8		1.7	7.0	35.1		0.9	4.3	37.5		0.9	2.3
3	Transparency and Accountability	16.2		4.2	1.3	17.4		13.2	0.8	18.6		34.1	
4	Security and the Rule of Law	61.9		9.1	11.4	66.3		12.5	8.1	70.9		7.9	4.6
5	Health	44.8	14.0	11.1	29.3	47.9		46.0	22.2	51.3		23.5	11.0
6	Social Development Services	6.9	7.5	1.7	29.7	7.4	7.5	3.0	20.9	7.9	7.5	3.5	8.8
7	Education	65.8	2.5	8.6	19.2	70.4	2.5	22.5	26.1	75.3	2.5	20.7	20.2
8	Energy and Environment	11.0	45.3	7.5	56.6	11.8	136.3	10.9	71.6	12.6	120.6	10.4	54.6
9	Agriculture	6.0	3.5	10.5	33.7	6.5	3.5	39.1	19.1	6.9	3.5	34.8	13.8
10	Infrastructure and Basic Services	11.5	55.5	15.7	91.0	12.7	77.6	5.2	113.9	13.6	88.7	4.0	76.3
11	Industry and Commerce	18.6	15.0	3.6	5.3	19.0	32.5	13.4	7.6	20.3	6.8	4.5	5.3
GRAND TOTAL		400.0	158.3	91.5	316.7	428.2	274.8	194.5	328.3	458.1	244.5	163.6	217.0
Agriculture/Total		1.5%	2.2%	11.5%	10.6%	1.5%	1.3%	20.1%	5.8%	1.5%	1.4%	21.3%	6.4%
as percent of													
Investment All sources			8.4%				7.7%				8.3%		
Investment GoL sources			5.6%				9.1%				9.4%		
All GoL spending		3.1%				5.5%				5.2%			
All spending incl. donors		5.6%				5.6%				5.4%			
Donor investment in agriculture as percent of total investment in agiculture			29.3%		70.7%		69.1%		30.9%		73.5%		26.5%

Notes: In this table, "Agriculture" includes the MoA, the CDA, the LPMC, and the Liberia Rubber Development Authority. It does not include forestry and environment, which are included in line 8 and lumped together with energy. Donor spending does not include USAID.
Source: Budget documentation FY 2012/13 and PSIP tables annexed to it; authors' calculations.

3.5.2 Projection of Aggregate Spending on Agriculture in Relation to the Maputo Target

162. To project the performance of spending on agriculture against the Maputo target of 10 percent of total public expenditure, some assumptions are needed for items where the budget and PSIP projections are incomplete:

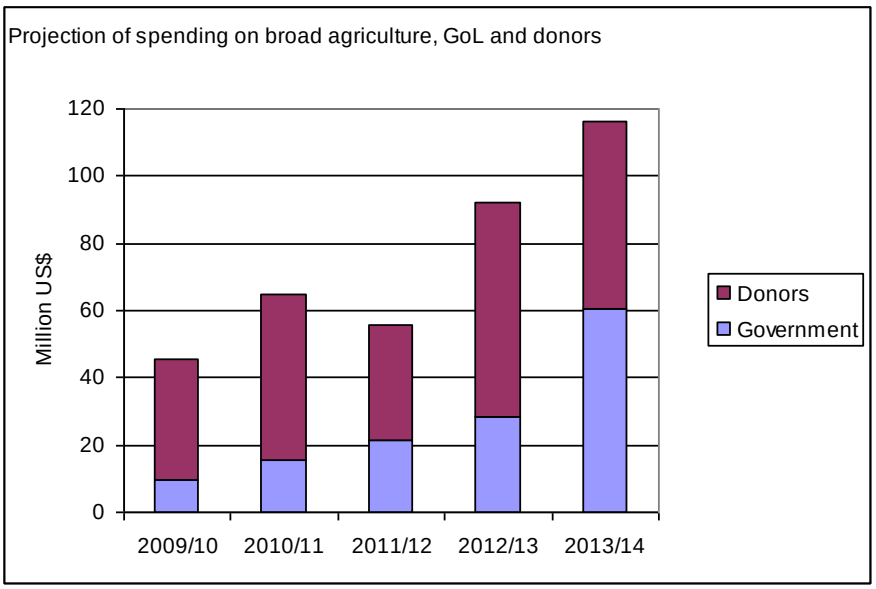
- USAID spending on agriculture in FY 2011/12 was indicated as US$ 33.9 million in the Budget Framework Paper 2012/13. However, this amount might include food aid under PL-480.[37] More detailed statistics available from the AMU show spending of US$ 25 million on agriculture in FY 2010/11. It was therefore assumed that US$ 25 million will be spent by USAID on agriculture in FY 2012/13 and FY 2013/14.
- Recurrent (non-project) spending on broad agriculture in FY 2012/13 is budgeted at US$ 13.01 million. For FY 2013/14, an increase of 5 percent to US$ 13.66 million was assumed.

163. In addition, the last PSIP year was not taken into account because actual aid is likely to be higher than its projections, which are based on firm commitments rather than realistic projections.

164. The calculation method is shown in Table 17.

165. Total spending on agriculture will more than double in three years, from US$ 56 million (budgeted) in FY 2011/12 to US$ 124 million in FY 2013/14. Obviously, this constitutes a substantial challenge with regard to the capacity of agricultural institutions to absorb the increase and ensure that these funds are spent in a focused and efficient manner.

Figure 20: Projected Public Spending on Broad Agriculture, All Sources

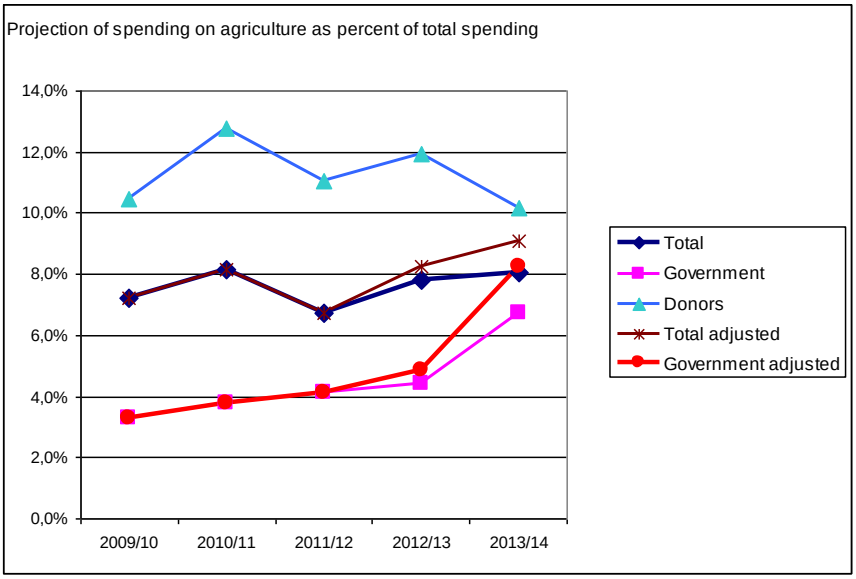


Source: See Table 17.

166. The unadjusted share of agriculture in total spending from all sources (see below) will be 8.2 percent in FY 2012/13 and 9.0 percent FY 2013/14 (see Figure 21). For internal funds, the share will increase from 4.3 percent in FY 2012/13 to 6.7 percent in FY 2013/14.

[37] Public Law No. 480 (PL-480) regulates food aid provided by the U.S.

Figure 21: Projected Public Expenditure on Agriculture as a Percent of Total Budget



Source: See Table 17.

167. However, some adjustments in the denominator (total spending in all sectors) are necessary to eliminate special factors. The PSIP 2012/13-2014/15 contains large investments in ports, power generation, and transmission, which result in unusually high overall public expenditure in FY 2012/13 through FY 2014/15. The projects, classified as National Priority Investments, are shown in Table 16:

Table 16: Big National Priority Investment Projects for Economic Infrastructure

US$

Code	Sector/Investment Name	2012/13	2013/14	2014/15
P1a	Mount Coffee Rehabilitation, Transmission and Distribution to Bushrod Island	10,000,000	95,000,000	85,000,000
P1a	Thermal Diesel (HFO) Power station.	15,000,000	5,700,000	0
P1a	Transmission and distribution	20,000,000	35,583,889	35,583,889
P1d	Renovation of Roberts International Airport	10,000,000		
P1d	Expansion of Sea Ports	8,800,000	27,300,000	1,300,000
Total		**63,800,000**	**163,583,889**	**121,883,889**
Memorandum item: Projected borrowing		80,034,000	339,629,000	282,256,000

Sources: Draft Budget 2012/13, Budget Summary Table 1.3; Medium Term National Revenue Forecast, May 2012.

168. These investments are financed by additional borrowing; therefore, they represent additional, specific expenditure with additional, specific financing.[38]

169. Therefore, an alternative calculation was prepared to exclude these five projects from total public expenditure, thereby reducing the denominator ("adjusted total budget" and "Government adjusted," respectively). The results of this alternative calculation are also shown in Figure 21.

[38] Excluding these items is justified because they could also be considered as investments by profit-making commercial companies; the loans could be treated as government guaranteed, in which case they would not appear in the budget.

170. After adjustments, agriculture is planned to receive 4.8 percent and 8.2 percent of total expenditure in FY 2012/13 and FY 2013/14, respectively. Overall (government and donor) spending on agriculture will increase to 8.2 percent and 9.0 percent of the adjusted budget, respectively.

171. As mentioned, the MTEF makes provision for commercial borrowing of US$ 340 million in FY 2013/14, up from US$ 80 million in the current budget. Revenues before borrowing in FY 2013/14 are projected to amount to US$ 558 million only. The planned expenditure on agriculture (US$ 60.56 million) in FY 2013/14 represents 10.9 percent of that year's projected revenue before borrowing.[39]

Table 17: Expenditure Relative to the Maputo Target

Million US$

	2009/10	2010/11	2011/12	2012/13	2013/14
Expenditure on Broad Agriculture					
Government on agriculture, TOTAL	9.44	15.39	21.33	28.60	60.56
Recurrent and capital	9.44	15.39	21.33	13.01	13.66
PSIP GoL Projects				15.59	46.90
Donors on agriculture	35.97	49.47	34.59	63.77	55.50
captured	35.97	49.47	34.59	38.77	30.50
USAID				25.00	25.00
All spending on agriculture	45.41	64.86	55.92	92.37	116.06
References					
GoL total spending	285.55	408.38	516.43	649.72	897.47
of which against non-concessional borrowing				*80.03*	*333.63*
Big PSIP port, energy, airport projects				*63.80*	*163.58*
GOL adjusted total spending	285.55	408.38	516.43	585.92	733.88
Donors total excl. GBS	343.10	387.20	312.80	534.74	546.26
captured	343.10	387.20	312.80	316.74	328.26
USAID				218.00	218.00
Percentages					
Total	7.2%	8.2%	6.7%	7.8%	8.0%
Government	3.3%	3.8%	4.1%	4.4%	6.7%
Donors	10.5%	12.8%	11.1%	11.9%	10.2%
Adjusted Percentages					
Total adjusted	7.2%	8.2%	6.7%	8.2%	9.1%
Government adjusted	3.3%	3.8%	4.1%	4.9%	8.3%
Donors	10.5%	12.8%	11.1%	11.9%	10.2%

Note: See text for the method and rationale for estimates and adjustments.
Source: Authors' calculations and estimates; tables presented earlier in this chapter.

172. A question that cannot be answered here is whether the MTEF and PSIP projections, with their high amount of borrowing, are realistic. Quite a significant amount of current and even recurrent expenditure was pushed into the projects' budget, thus disguising the real salary bill. The projects particularly in agriculture will not create physical assets. Although Liberia's indebtedness is low after the HIPC debt relief, the planned borrowing signifies a significant increase of debt and future debt burden. As of now, the legislature has approved the budget, and the IMF has not raised objections.

[39] As throughout this study, projects focusing on value chains for agricultural products or project components that intend to promote marketing and processing are included in the calculation of spending on "broad agriculture," while rural roads are not.

4. Quality and Effectiveness of Agriculture Expenditure in Liberia

4.1 Introduction

173. In addition to increasing the volume of public expenditure to achieve appropriate levels of growth of agricultural production and poverty reduction, the available funds need to be spent in a focused and efficient manner. Chapter 4 provides a discussion of the quality and effectiveness of past and planned expenditure.

174. Available data do not allow analysis of effectiveness in great depth. Hard evidence on the effects of government spending is not available, as the MoA's monitoring system is not yet operational. Ministry officials were asked to identify at least some cases where the effects of their interventions could be traced and observed, either by way of statistics or anecdotal evidence, but the information available is too limited to build on. Donors generally assess effectiveness in project reports and evaluations; the task of assessing effectiveness would require going through old project documents one by one.

175. Furthermore, the recent history of Liberia since the end of the armed conflicts in 2003 suggests that effects and results traceable to public sector activities can hardly be expected. After the end of the conflict, all public administration including that of the MoA had to be rebuilt. Investments were made to create the minimum conditions for effective public administration. Staff have moved to the counties only recently; the process of deconcentration and building up a presence in rural areas is ongoing and will remain a substantial challenge for the immediate future. Activities that could have an impact on farmers and agricultural production were generally undertaken in cooperation with donor-funded projects.[40]

176. Therefore, this chapter of the AgPER looks in particular to the future and examines the results that can be expected from projects contained in the new PSIP.

4.2 Overview of Liberia's Agricultural Production

177. To promote agricultural production and income from agricultural activities is the ultimate task of public interventions in the sector. How has production of Liberia's main agricultural products developed?

178. Due to the prolonged conflicts, statistical series are incomplete and the methodology for their calculation may have changed. The only available data are presented herein with the usual warning against over-interpretation. The data are the result of post-harvest surveys undertaken by the LISGIS in cooperation with the MoA. Data were collected for 2008, 2009 and 2010; results from the 2011 survey are not yet available. Comparative data, albeit possibly calculated with different methodologies, are available for 1988 and 2001. Since surveys require reliable and uniform

[40] The Study Team's request for anecdotal evidence on the results experienced by farmers, or on the difference that public sector activities have made, only resulted in mention of cases where MoA departments and staff had worked with specific projects.

information about the universe of farm households and the main structural characteristics to extrapolate sample results to the national level, the margin of error is difficult to control.

179. In general terms, rice and cassava production has recovered since the conflict period. Cassava production is about 20 percent higher than it was in 1988, while rice production has essentially recovered to its pre-conflict (1988) level. The yield per hectare remains essentially the same; no real change in land productivity can be detected.

180. The recent surveys indicate that 9 percent of rice farmers are using improved varieties, while the others use traditional rice varieties (Table 18).

Table 18: Production Trends for Cereals

	2010	2009	2008	2001	1988
Production (MT)					
Rice (paddy)	296,090	293,000	279,000	219,040	298,630
Fresh Cassava	493,000	495,300	496,290	373,390	409,840
Total	789,090	788,300	775,290	592,430	708,470
Area Harvested (HA)					
Rice	251,230	247,580	222,760	170,480	235,760
Cassava	61,470	63,210	57,360	47,930	52,160
Total	312,700	310,790	280,120	218,410	287,920
Yields per Hectare (MT/HA)					
Rice (paddy)	1.179	1.183	1.252	1.285	1.267
Fresh Cassava	8.020	7.836	8.652	7.790	7.857
Farms					
Rice	241,310	245,840	231,650	144,240	181,030
Fresh Cassava	119,370	120,560	117,730	99,210	114,030

Note: "Paddy" refers to threshed but not yet milled rice, and covers both upland and lowland rice.
Source: LISGIS: Liberia Agricultural Statistics, Survey Results. Assembled from the 2008, 2009 and 2010 surveys.

181. Stocks of animals have grown recently, but only chicken stocks are higher than reported in 1988 (assuming that the numbers, presented side-by-side in the agricultural statistics published by LIGSIS, are reliable enough to draw this conclusion). Only the population of goats is growing at an accelerated pace (Table 19).

Table 19: Number of Livestock and Poultry Heads

Livestock Heads

	2010	2009	2008	1988
Livestock				
Cattle	10,660	8,370	8,370	14,830
Goats	96,750	75,330	63,460	128,670
Sheep	48,450	43,470	43,270	60,560
Pigs	64,990	68,000	77,720	52,440
Total	220,850	195,170	192,820	256,500
Poultry				
Chicks	800,780	774,960	785,010	723,390
Ducks	48,540	39,210	43,670	39,190
Total	849,320	814,170	828,680	762,580

Source: LISGIS: Liberia Agricultural Statistics, Survey Results for 2010.

182. The LISGIS statistics also provide a tentative rice balance for Liberia. The numbers may not be exact because: cross-border trade has not been taken into account; the assumptions about post-harvest losses may be over-optimistic (10 percent was assumed); and changes of stock at rice mills were taken as an internal, residual variable. The result, shown in Table 20, provides an extract from the LISGIS publication. Note that the LIGSIS data are different from the baseline as defined in the

National Rice Development Strategy (revised 2012 version) and that the reduction in the sum of production and importation that results from these figures cannot not plausibly be explained by variations of the stock of imported rice or paddy at the mills. It emerges, though, that at least 60 percent of the rice consumed in Liberia is imported.

Table 20: Production and Importation of Rice in Liberia

Metric Tons

	2010	2009	2008
Production (milled rice)	163,130	167,600	159,590
% of total	40%	39%	32%
Importation	242,567	260,925	341,285
% of total	60%	61%	68%
Total	405,697	428,525	500,875
Memorandum item:			
Production according to Rice Development Strategy (milled rice equivalent)	145,600	129,350	

Note: LIGSIS converted "paddy" harvested to "milled rice" by deducting 10 percent loss and 2-5 percent of seed retention from its estimate of paddy production, and then converted the result to "milled rice" using a conversion actor of 0.65 of milled rice per 1.00 of paddy.
Sources: LISGIS: Liberia Agricultural Statistics, Survey Results for 2010; and MoA: National Rice Development Strategy. May12, 2012, p. 38.

183. A tentative conclusion is that production has recovered to more or less pre-conflict levels, but that particular growth patterns cannot be seen. It is unclear from these statistics the extent to which recovery has been the result of public interventions and services.

4.3 Effectiveness of the Activities of the Ministry of Agriculture

184. In a situation where monitoring information is not available and where it is impossible to attribute the modest growth of agricultural production to activities of the MoA and other institutions in the sector, the remaining option for assessing quality and effectiveness of expenditure is to scrutinize the annual MoA reports for activities that are likely to have made a distinct difference to farmers and agricultural production. MoA reports for the years 2010 and 2011 were scrutinized for this purpose.[41]

185. The reports refer to a large number of activities, but many of these were supported by donors and realized in cooperation with MoA staff. It is not possible to pinpoint activities financed primarily by allocations from the internal budget. The coverage and scope are often not indicated, and explanations of the rationale or analyses of effects are not mentioned. Some examples of outreach activities found in the two reports are included in Box 7.

186. Box 7 shows that a considerable number of activities that could have had an impact on farmers' income and agricultural production were carried out, but with low coverage. Some aggregate tables appear in MoA's 2011 report, but not in 2010. The 2011 report (but not earlier reports) shows detailed tables about seeds, fertilizer, and implements distributed, broken down by county, crop (for seeds), and product (for fertilizer), and indicates the number of beneficiaries for each county. Yet it does not reveal how these were financed, nor does it indicate how many farmers had contact with

[41] MoA reports cover a calendar year, rather than a fiscal year. See Republic of Liberia Ministry of Agriculture. Undated. *Annual Report. For the years 2006 through 2011.* Monrovia.

extension or technical services staff. An activity monitoring system is clearly necessary; this will also enable production of reports that reflect the efforts undertaken.

187. Striking is the frequent reference to items “distributed” to farmers, while it is not clear whether this was in the context of emergency and recovery, part of technology packages, or simply *ad hoc*. Also striking is the overlapping of responsibilities, mainly between the Technical Services Department and DRDRE, but also between the Management and Administration Department and the technical departments.

Box 6: Examples of Outreach Activities

- Conducted training in pest management program under Crop Pest Control Program (2010);
- Identified 500 acres of swamp land and dam and water control structures to be rehabilitated to provide lowland production fields for 1,500 farm families in Lofa (2010);
- Trained 800 youth in Basic Livestock Production at Tumutu, Bong County (2010);
- Organized 20 Fisheries Based Organizations (FB's) and 1,350 fishmongers, fishermen and fish processors in nine Coastal Counties, who were trained in good fish hygiene practices through the sponsorship of the European Union (EU) to ensure good quality fish on the local market (2010);
- Trained 1,500 stallholder farmers, and concluded training under the pilot village-based FFS methodology in fishery (25 farmers), livestock (150 farmers) and food crops (1,325 farmers) (2010);
- In concert with UN Joint Food Security & Nutrition, assessed/constructed 110 km road to serve 64,380 farmers in Lofa and Nimba counties (2010);
- Technical backstopping was provided to 24,300 farmers (2010);
- CARI: A total of 61.26 metric tons of different seed rice varieties was distributed to outgrower farmers in ... for multiplication (2010);
- CARI: A total of 73.5 metric tons of seed rice was harvested from both upland and lowland ecologies from CARI and outgrowers in Blama and Saclepea, respectively (2010);
- Released ten monthly market bulletins (the Liberia Market Price Monitor) (2010);
- PMU: Identified 1,620 ha of swamp land and selected four project sites for rehabilitation and development in four counties (2010);
- PMU: Distributed 384,000 improved cassava cuttings corresponding to 678 ha of rice and 38.4 ha of cassava (1,000 cassava cuttings per farmer/household) [written like this] (2010);
- [After a study tour:] As a result of the tour, the Ministry in collaboration with development partners had developed an indicative cocoa pricing model based on international cocoa price index. This will enable cocoa farmers to receive fair market prices for their cocoa and increase production (2010);
- 5,600 smallholder cocoa farmers received training to increase production of cocoa to improve their livelihoods (2010);
- Rehabilitated 160 hand pumps within 98 communities in 9 counties (...) with Africare-Liberia under the Crop Pest Control Project to provide safe drinking water (2010);
- Performed vaccination against rabies to 10,037 companion animals, and against PPR to 648 Small Ruminants (2010);
- [Foundation Seed Program] To date 64 metric tons of foundation seed rice has been produced and given to farmers. Another 1240 metric tons will be delivered for the April-May rice planting season (2010);
- Capacity building training carried out for 741 farmers as well as MoA and CARI Technicians trained in power tiller maintenance and repair; school garden methodology; swamp development; vegetable production as well as rice and tuber crops production (3 Counties);
- 73 farmer-based organizations were trained in agro-processing and marketing under the auspices of the Food Security and Commercialization Project (2011);
- "During the year, all production assistance to farmers across the country was input (supply) driven. This was due to the high cost of supplies in the private sector. To ensure continued production of the staple food needed for daily consumption, seed rice, assorted vegetable seeds, agro-chemicals and basic hand tools comprised the input package distributed to small farmers in rural and urban locations" (2011, p.31);
- A total of 3,091 farms cultivating lowland and upland rice were distributed a total of 127,935 kg seed rice. ... At the beginning of the reporting period (first quarter) only a total of 576 of the targeted 200,000 farmers received and utilized agro-chemicals ... During the reporting year, a total of 4,571 of the targeted 200,000 farmers were provided with agricultural inputs.;
- According to a table, 23,562 pieces of assorted tools were distributed to 24,325 beneficiaries. (2011);
- Technical assistance was given to farmers in swamp areas. Advisory services were given to 8,941 beneficiaries, and a total acreage of 3,357 (2011);
- Livestock advisory services were provided to 31,532 animals (of which 23,472 female), benefiting 3,345 farmers (of which 979 female). Among the animals are 6,338 heads of poultry, and 232 cattle (calculated from the table provided) (2011);
- 3 small-scale poultry houses with a capacity of 500 birds were established in Lofa and Bong counties to ensure protein sources from which daily diets of households can be improved and to diversify and boost incomes (2011);
- 15,951 farmers were delivered extension and advisory services at 2,368 farms (2011);
- In the context of the AIRP project, 452 ha of irrigation schemes for rehabilitation were designed.

4.4 Alignment of Agricultural Expenditure with Objectives

4.4.1 Alignment of Government-Funded Projects

188. As mentioned in Chapter 3, the financial envelope for the MoA is planned to increase substantially in FY 2012/13. At the same time, the financial envelope for the FDA in FY 2012/13 will be less than in the previous budget. According to the PSIP, and consistent with the medium-term revenue projection, even more substantial growth is planned for the following two years. The envelope for projects financed by the GoL is planned to grow from US$ 15.2 million in FY 2012/13 to US$ 46.4 million in FY 2013/14, before falling back to US$ 40.2 million in the third year of the PSIP.

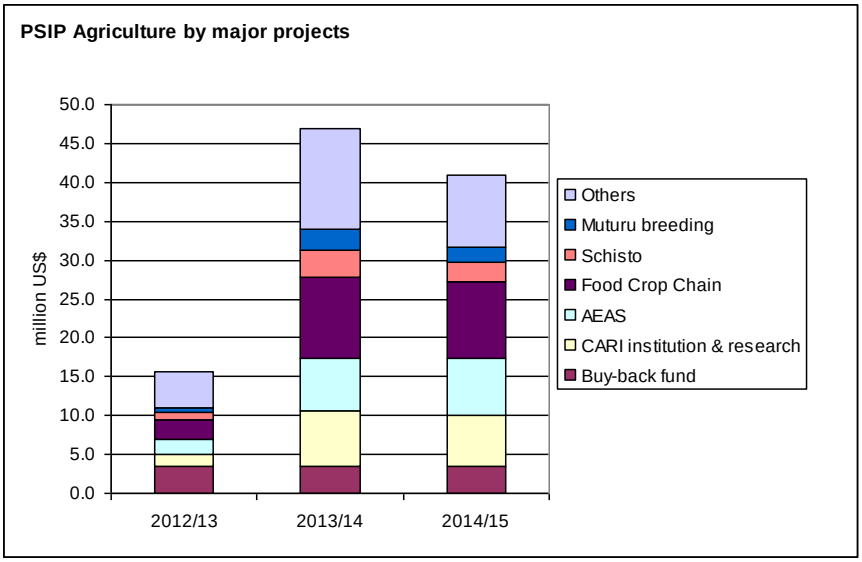
189. The list of GoL-funded projects provided in the PSIP (see extract in Table 21) suggests a good alignment with the objectives of agricultural policy and the existing strategies. Large projects are defined for:

- Extension and Advisory Services;
- Agricultural Research (CARI);
- Promotion of the Food Crop Value Chains;
- Mechanization;
- Inland Fisheries; and
- Statistics.

190. Many projects start with relatively small amounts in Year 1, followed by steep increases in Year 2. At least one project (Integrated Control of *Schistosomiasis* and Intestinal Helminths – ICOSA) has existed in the past as a line under "Goods & Services" in the recurrent budget.

191. The list does not include any general "Capacity Building" or "Institutional Development" projects which, in many countries, are slotted into investment programs to build offices, purchase cars and computers for the ministry's headquarters and regional offices, and training seminars and workshop of different kinds. In principle, it is laudable that the PSIP does not contain this type of catch-all projects, which can easily mutate into a fund for various extras. On the other hand, some of this institutional administrative expenditure is required over and above projects that relate to specific services provided to farmers.

Figure 22: Financing for GoL-Funded Projects in Agriculture



Source: Draft Public Sector Investment Plan FY 2012/13 – FY 2014/15.

Table 21: GoL-Funded Projects in Broad Agriculture in the PSIP

US$

Sector/Investment Name	2012/13 Budget	2013/14 PSIP	2014/15 PSIP
Category A - Government			
Priority Investment	**3,500,000**	**3,500,000**	**3,500,000**
Agricultural Produce Buy Back Fund	3,500,000	3,500,000	3,500,000
401 Ministry of Agriculture	**9,835,667**	**37,767,590**	**34,163,220**
CARI Institutional strengthening, research enhancement	1,500,000	7,202,830	6,505,800
Rebuild the National Agricultural Advisory Services for better efficiency and service delivery to farmers	2,000,000	6,758,200	7,450,540
Muturu breeding and development	600,000	2,800,880	1,920,600
Integrated control of Schistosomiasis and Intestinal Helminths (ICOSA)	1,000,000	3,385,000	2,385,000
Training in agriculture statistics to provide evidence based data for policy and planning.	500,000	2,181,213	1,481,213
Inland Fishery Development	735,667	3,471,667	2,471,667
Promote the food crop value chain	2,500,000	10,378,800	9,839,400
Provide training on crop and livestock value chain and mechanization for farmers in Liberia.	1,000,000	1,589,000	2,109,000
405 Cooperative Development Agency	**368,288**	**736,575**	**368,288**
Provide employment, training and capacity building for registered women and youth cooperatives to carry out income generating activities based on the interest of members.	368,288	736,575	368,288
414 Liberia Produce Marketing Corporation	**154,519**	**127,770**	**128,470**
Capacity building for tree crop farmers	154,519	127,770	128,470
423 Liberia Rubber Development Authority	**117,099**	**429,658**	**125,518**
National rubber survey	0	319,830	0
Rubber nursery development	78,449	109,828	125,518
Capacity training in rubber culture techniques for smallholder farmers	38,650	0	0
120 Environmental Protection Agency	**425,000**	**1,289,000**	**735,500**
Establish and equip central and two regional resource centers.	225,000	1,085,000	295,000
Develop and implement 50 environmental policies, laws, regulations, and standards based on technical baseline study.	200,000	204,000	440,500
305 Forestry Training Institute	**300,000**		
Rehabilitation of FTI's , development of curriculum and provision of logistics including training tools & equipment to hence the creation of jobs and incomes.	300,000		
407 Forestry Development Authority	**500,000**	**2,500,000**	**1,200,000**
Afforestation and reforestation projects	500,000	2,500,000	1,200,000
125 Land Commission	**392,500**	**552,500**	**632,000**
Vetting of public land sale Deeds	192,500	52,500	52,500
Processing of Tribal Certificate	200,000	500,000	579,500
Subtotal GoL	**15,593,073**	**46,903,093**	**40,852,996**

Source: Data from Draft Public Sector Investment Plan 2012/13 – 2014/15.

192. Although judging by their titles the projects appear to be well aligned with policy and needs, other aspects give rise to concern. The first concern is that three months into FY 2012/13 (in September 2012), the AgPER Study Team was unable to obtain formulated project documents that would define expected outputs and outcomes or the project approach. The documentation was not yet ready, and it remained unclear whether it is under serious preparation. The AgPER Study Team asked

specifically for documentation on the extension project, the value chain project, and the Agricultural Buy Back Fund. A draft proposal for a project on the implementation of the recent "National Policy for Agricultural Extension and Advisory Services" was provided.

193. The second concern is that very little and at times contradictory verbal information was found with regard to the GoL's "Promote the food crop value chain" project and the "Agricultural Buy Back Fund." It is unclear what the value chain project (on which over US$ 10 million is to be spent in FY 2013/14 and US$ 2.5 million in 2012/13) will actually do. The project brief contained in the PSIP suggests that the value chain project aims at promoting seed multiplication. During some interviews in the MoA, it was suggested that the construction of TTIDCs will be done with funds that appear under the title of "Promote the food crop value chain."

194. The "Agricultural Produce Buy Back Fund," classified as a National Priority Investment under the "Youth" pillar, is described in general terms in a document entitled "Implementing US$ 20 Million Liberian Youth Empowerment and Employment Strategy," dated May 2012. According to this document, the strategy consists of guaranteeing a market for young farmers, who will receive training and other support. However, it remains unclear whether the produce will be sold (to mills or to consumer markets after milling?) or used in public institutions (for instance, providing food to prisons or schools, or stocking a strategic food reserve). Whatever the intended use, the purchase of agricultural produce alone does not constitute public expenditure on agriculture. It cannot be clearly classified due to the lack of definition of the destination of project funds—purchase and subsequent sale (or consumption in schools and prisons) or assistance to farmers.

195. The project is apparently in an early conception phase (Box 7). From the description, it transpires that initial prices offered to farmers will be higher than market prices, but with the expectation that market prices will suffice for sustainable production once the market has been developed and private investors provide the necessary downstream facilities. Ending subsidies may be thought to be automatic, but a careful financial feasibility study would be required to ensure that production is profitable and self-sustained afterwards. The description gives no indication that this is planned.

Box 7: Agricultural Produce Buy Back Fund: Excerpts of the Project Description

A project description of the Agricultural Buy Back Fund appears in the annexes of the document "Implementing US$ 20 Million Liberian Youth Empowerment and Employment Strategy." The overall objective is stated as "Ensure markets exist for agriculture produce." Four activities appear:

Activity / Expected Outcome	Description
2.5.1.1 Launch the Buy Back program Expected Outcome: Agriculture Buy Back launched	Buyback and other agriculture subsidy schemes are a central and permanent feature of agriculture markets in developed economies. The GoL can catalyze growth in the agriculture sector through a buyback program. Farmers assured through production contracts that their produce will be bought have a stronger incentive to increase production. A buyback program may further strengthen agriculture supply chains since the government would be a major actor on the chain. Other private actors, knowing that huge quantities of produce would be demanded [by] the GoL, would have the incentive to invest in transportation, while others might invest in construction of storage facilities. The net outcome of the buyback is increased agricultural productivity and possible modernization of agriculture. The Ministries of Finance, Agriculture and other relevant agencies would be involved in planning and launching the buyback program.
2.5.1.2 Select farmers to participate in the buyback program and create buyback database Expected Outcome: Farmers selected and database created.	Selecting farmers may be a challenge. The program aims to target farmers within the age range of 18-35, but evidence shows that the most successful farmers are far above that age range. As such, some selected farmers may not necessarily be youths. Youths might be able to access the benefits of the buyback indirectly, as in the jobs the buyback might create in the form of higher demand for farm workers due to increased production spurred by buyback.
2.5.1.3 Hold Buyback information Seminars/conferences with selected farmers Expected Outcome: Information seminars held	These sessions would educate participating farmers about the buyback program. Consultants and experts from the MoA and other agencies would give guidance to the sessions.
2.5.1.3 Administer buyback program Expected Outcome: Information seminars held [repeated in the original document]	Administration of the program may rely on existing buyback modalities already in place at the MoA. These modalities will be reviewed to assess strengths and weaknesses and plug existing gaps. It is important the program be implemented within the Program Management Unit or Working Group framework..

Source: "Implementing US$ 20 Million Liberian Youth Empowerment and Employment Strategy." Dated 17 May, 2012; obtained from MoF (2012).

196. The third concern relates to a possibly missing link between project expenditure and induced recurrent costs. The activities around agricultural extension and advisory services in particular will entail additional costs for permanent personnel in the medium term. It is unclear whether these have been or will be taken into account in the preparation of the recurrent budget for next year. If not controlled, recurrent cost implications could easily squeeze out funds that were initially programmed for time-bound activities bundled into projects.

197. In an interview, a high-level official in the MoF informed that disbursements on the projects contained in the PSIP will only be made after reception and validation of a project document. Delays in producing these could, therefore, easily lead to severe underspending. The alternative—releasing funds without a proper project strategy and operational planning—is equally worrisome.

4.4.2 Alignment of Aid Projects

198. If the projections materialize, aid to agriculture will also increase. After aid amounting to US$ 36 million in FY 2009/10 and US$ 49 million in FY 2010/11 (with special factors in the latter year), project aid (excluding the contribution by USAID) is projected to amount to US$ 39 million in the current FY 2012/13 and US$ 31 million in FY 2013/14. Adding expenditure for U.S.-funded projects of an estimated US$ 20 million per year, the total in FY 2012/13 would sum up to roughly US$ 59 million. The reduction in the following year is mainly due to the approach to only include projects with finalized agreements and guaranteed funding, while not (yet) including "pipeline projects."

199. The list of donor-funded projects that do not use national finance mechanisms and procedures[42] in the PSIP reveals a number of known projects that have been under discussion for some time. Noteworthy is the large amount budgeted or earmarked for projects that focus exclusively on promoting value chains for agricultural products, particularly in the next financial year (FY 2013/14): Sida intends to contribute US$ 4.2 million, while the U.S.-financed FED project (not shown in the table) was allocated US$ 75 million over five years, or an average of US$ 15 million per year.[43] These two projects are discussed in more detail in Chapter 5.

200. The World Food Programme's (WFP) "Protracted Relief and Recovery Operation" project may not fall under agriculture if it contains substantial amounts of food aid—the study team could not verify its content. The World Bank's "West Africa Regional Fisheries Program (WARFP)" aims at increasing value-added for national fisheries, among other component objectives. The classification under agriculture is correct, except for the component "Monitoring, Control and Surveillance (MCS) Systems," which also covers surveillance by airplanes and patrol boats, and does not fall within NEPAD's definition of broad agriculture.

201. Many of the projects probably have components for institutional development and related workshops, seminars, and medium-term trainings. However, no specific project for institutional support and development appears in the list.

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[42] In the PSIP and budget, these are referred to as "off-budget" projects. However, since they are included in the budget and therefore "on budget book," the term "off-system" would be more precise.

[43] The Sida project appears under "Commerce and Industry" in the PSIP; however, it was confirmed with Sida that it will be probably operated in close coordination and under supervision of the MoA.

Table 22: Donor-Funded Projects in Agriculture in the PSIP

US$

Category B - Donors off-system	2012/13 Budget	2013/14 PSIP	2014/15 PSIP	Donor
Agriculture				
Regional Development and Extension Services	**15,534,558**	**10,882,909**	**9,471,191**	
Gbarpolu Agriculture, Infrastructure and Nutrition for Food Security (GAINS)	33,000	0	0	EU
Lofa Livelihood Security Program (LLSP)	165,000	0	0	EU
Enhancing Urban and Peri-Urban Agriculture in Liberia (Bomi)	618,040	204,600	0	EU
Enhancing food security and nutrition in and around Monrovia and Tubmanburg	791,642	791,642	346,811	EU
Improved food security in Foya District through promotion of value chain approach	1,000,089	42,240	0	EU
Promoting food security in Southeast Liberia (SEL) through commercial rice value chain development	170,680	0	0	EU
Promoting food security in Southeast Liberia (SEL) through rice value chain development and crops diversification	499,547	499,547	204,380	EU
Urban / Peri-Urban Agriculture Project in Liberia (Bong)	470,492	209,880	0	EU
Small Tree Crop Rehabilitation Project (STCRSP)	2,300,000	3,360,000	4,420,000	IDA
Enhancing Agricultural Capacities and Economy (PEACE) in Southeast Liberia	211,068	0	0	EU
West Africa Agricultural Productivity Program (WAAPP)	8,000,000	4,500,000	4,500,000	IDA
Purchase for Progress (P4P)	1,275,000	1,275,000	0	WFP
Fisheries Development	**6,228,860**	**2,155,283**	**590,000**	
West Africa Regional Fisheries Program (WARFP)	5,800,000	2,000,000	590,000	IDA
Development of Sustainable Inland Fish farming to Achieve Food Security in Rural Liberia	428,860	155,283		EU
Agricultural Planning and Development	**11,920,138**	**6,022,964**	**3,732,479**	
Smallholder Agricultural Productivity Enhancement and Commercialization project	1,606,920	1,641,354	872,902	AfDB
Build the capacities of the agriculture sector actors to develop sustainably agriculture and improve livelihoods in Bong County	43,512	0	0	EU
Agriculture Sector Rehabilitation Project	4,883,045	4,381,610	2,859,577	AfDB
Protracted Relief and Recovery Operation (PRRO-108210)	5,386,661	0	0	WFP
Environment	**820,000**	**0**	**0**	
Consolidation of Liberia's Protected Areas Network (COPAN)	100,000	0	0	IDA
Expanding the Protected Area Network (EXPAN)	720,000	0	0	IDA
Forestry Development Authority	**3,512,296**	**7,199,270**	**5,311,309**	
Civil Society Independent Monitoring of Forest Law Enforcement and Governance (CSIMFLEG) in Liberia	0	19,800	0	EU
Improving Forest Governance through Civil society monitoring	0	17,142	0	EU
Mano River Forest Management and Ecosystem Preservation (Multinational)	2,754,720	5,647,176	3,796,157	AfDB
Community Forest Management	757,576	1,515,152	1,515,152	SIDA
Land Commission	**757,576**	**757,576**	**0**	
Land Commission	757,576	757,576	0	SIDA
Ministry of Commerce and Industry	**757,576**	**4,242,424**	**4,545,455**	
Market & Value Chains	757,576	4,242,424	4,545,455	SIDA
Total Donors off-system	**39,531,004**	**31,260,426**	**23,650,434**	
Total by donor	4,431,930	1,940,134	551,191	EU
	9,244,685	11,670,140	7,528,636	AfDB
	16,920,000	9,860,000	9,510,000	IDA
	2,272,728	6,515,152	6,060,607	SIDA
	6,661,661	1,275,000	0	WFP

Source: Draft Public Sector investment Plan, FY 2012/13 – FY 2014/15

4.5 Improving the Allocative Efficiency of Agricultural Expenditure

202. Overall, the attribution of funds to the different institutional segments of the public services for agriculture appears broadly in line with policy objectives and identified needs. All principal priority areas are covered by GoL and donor projects. Projects are planned in the areas of research, extension, fisheries, and private sector involvement in value chains. Plantations, which need few public services they cannot procure themselves, are correctly not covered. The main crops planned for promotion cover smallholder tree crops, vegetables, rice, and cassava—i.e., the main crops crucial for food security in general and poverty reduction at the level of the producers. Efficiency of the planned projects cannot yet be assessed, as they are just starting.

203. However, the assessment "broadly in line" assumes that the GoL and donor-funded projects that appear in the 2012/13 budget will be implemented. If the GoL extension project and the project for CARI get seriously delayed, or if the focus changes to only a sub-component of the area, crucial functions of public agriculture administration will be lacking.

204. Past expenditure patterns were misaligned for structural reasons. CARI was defunct and therefore had to start with creating its own infrastructure; the distribution of its personnel was headquarter and administration-heavy. The last budget, the projects therein contained, and the latest list of planned donor interventions will correct this.

205. A comparison of each subsector's contribution to GDP and the amount of public funds spent on its promotion and regulation is often used in PERs to identify imbalances. However, this method is not applicable in Liberia for two reasons: (i) the quality of subsector statistics is too weak to be taken as a reference; and (ii) one would need to look at potential GDP contribution rather than actual.

206. Thus, it is difficult to assess the effectiveness of the allocation in more detail. One would need to know the concrete plans and programs that cannot currently be implemented because of lack of funds. Since clear, quantified objectives were not formulated and impact is not assessed, it is difficult to propose priorities.

207. Some observations still emerge from the analysis in Chapters 3 and 4:

i) Many activities that align well with priorities require more qualified staff. The cap on personnel costs (which has its convincing logic), however, may prevent recruitment and integration into the civil service. Space for more staff in extension and technical services in the counties and districts and for research could be created by reviewing staffing needs and actual staffing in the Administration Department of the MoA and in organizations like the LPMC and the Liberia Rubber Development Authority.

ii) The recent tendency to transfer current costs into project expenditure can have positive effects provided that projects are clearly defined and performance is assessed. If not, projects risk becoming a means of hiding expenditure. Attention is required with regard to the implications of some of the projects on recurrent (routine) expenditure.

iii) Since government presence in areas outside Monrovia is an issue for agriculture, the transparency of the MoA budget would increase if a category like "regional offices" was created to capture all expenditure in counties and districts regardless of whether they refer to technical services, extension, or administrative costs in the field.

iv) The relationship between salaries and other costs in the MoA does not seem right. The low level of salaries and high level of expenditure on the "Goods & Services" category may have its

explanation (for instance, the high cost of transport equipment and fuel and travel expenses), but a reexamination of the balance appears to be warranted.

v) Improved reporting on donor-financed expenditure would definitely enhance the capacity to plan expenditure in line with programs and their objectives. There is no reason why numbers obtained from donors should differ from those recorded by the AMU, since they originate from the same source. The Planning Department of the MoA could contribute to allocation efficiency by seeking cooperation of the AMU and ensuring that all relevant projects and donors are adequately captured. It may also want to set up its own reporting mechanism to provide better insight into project components than the AMU reports do.

5. Selected Policy Issues

208. An AgPER's analysis of past trends, structure, and effectiveness of public expenditure also serves to inform decisions about future agricultural spending. With this perspective in mind, Chapter 5 looks into three issues where it is useful to review policy decisions in the context of the expenditure that they may entail; namely:

1. The approaches to value chain development;

2. The experience with subsidies and handouts and lessons to be learned for possible future expenditure; and

3. The future of key public services and the transition from donor-designed projects to an MoA-led framework.

209. These three issues were selected and agreed upon with Liberian partners during a workshop in Monrovia on April 28, 2012. The AgPER Study Team had discussions with MoA officials as well as donor representatives to understand their perceptions of each issue, the experience gained through pilot projects or projects that focused on a particular area, and the expected results of planned projects. The presentations in this chapter strive to provide structure and guidance for the specification of policies and action plans and their relationship to public expenditure planning and management.

5.1 Approaches to Value Chain Development

5.1.1 Concept and Issues

210. The term "value chains" arises from the trade-intensive nature of commercial agriculture. For commercial agriculture to succeed, inputs have to be available at the right time and quality and at a reasonable price; there have to be buyers for farmers' produce; roads are necessary to take agricultural produce to the next stage of processing; storage facilities are required before or after the processing stage; and there have to be markets for the processed goods that yield rewarding prices. This is obvious in situations where the ultimate market for agricultural products is located at some distance from the farms. The issue of value chains does not arise where markets are in close proximity to farms or in the case of subsistence agriculture.

211. Market-oriented agriculture is important in Liberia to supply food for populations living in cities and working in plantations and mines. Thirty-five percent of the population lives in the ten largest cities; Monrovia alone accounts for 27 percent of Liberia's total population (Table 23). The population working at concessions and producing less food than they require needs to be added. Some non-concession agricultural production can be exported, which further expands the list of farms and farmers who potentially rely on functioning value chains. Rural to urban migration continues, due primarily to migrants' hopes of finding jobs and income. This growing urban population of unemployed persons without skills must eat.

Table 23: Population of Cities and Towns in Liberia, 2008

Rank	Name	County	Population	% of total population
1	Monrovia	Montserrado	939,524	26.9%
2	Gbarnga	Bong	45,835	1.3%
3	Kakata	Margibi	33,945	1.0%
4	Bensonville	Montserrado	33,188	1.0%
5	Harper	Maryland	32,661	0.9%
6	Voinjama	Lofa	26,594	0.8%
7	Buchanan	Grand Bassa	25,731	0.7%
8	Zwedru	Grand Gedeh	25,678	0.7%
9	New Yekepa	Nimba	24,695	0.7%
10	Greenville	Sinoe	16,434	0.5%
Total cities			1,204,285	34.5%
Total population:			3,489,072	100.0%

Source: http://en.wikipedia.org/wiki/Liberia

212. The dilemma is that agricultural production, marketing, and processing are activities in the realm of the private sector. Many states have attempted to assume direct responsibility for marketing, storage, and processing, and most have failed, with immense cost to the state budget. However, the simple assumption that the private sector will come in when and where market conditions are "right" has proven to be overly simplistic. Private actors do respond to market incentives, but this takes time—often, too much time. Lack of capital, ingenuity, and entrepreneurial spirit and skills as well as administrative and legal constraints and lack of access (feeder roads in particular) are the main underlying reasons hampering private actors from responding to market incentives in Liberia's agriculture sector.

213. The issue resembles the "chicken-and-egg" question: in the absence of input and output markets, it is futile to try to introduce new technologies to improve productivity at the farm level. If there is no produce to pick up and process, the incentive to invest in marketing and processing is nil. Development of production and value chains requires synchronization. The state may therefore want to intervene to strengthen those elements of the value chain lagging behind.

214. Renewed interest in value chains also stems from the insight that efficiency and innovations along the chain have a potentially strong impact on farmgate prices and farm income. Cooperation between the enterprises along the chain and a sustained focus on markets are essential for innovation of products and processes. The structure and degree of competition in markets are crucial for providing incentives for efficiency and constant adaptation to market opportunities. The issue is how a government can promote these structures and processes while reinforcing private initiative and the positive effects of market mechanisms.

215. Many agricultural projects in Liberia show the development of value chains as a prominent objective. Donor-driven as well as government-financed projects quite often refer to value chain development in their titles or descriptions. But it often remains vague how these projects intend to promote them. It is generally neither feasible nor desirable for the state to take responsibility for the chain. The crucial question is how the state, and donors acting on behalf of the state, can promote the development of value chains in a way that "crowds in" private investment and initiative.

216. The risk of crowding out private initiatives rather than crowding them in is real. Examples abound where governments invested in processing plants that were subsidized to an extent that made private investment unattractive or that then did not find sufficient produce to process.

217. How can governments in general and the Liberian government in particular, with support of donors, promote value chains that are driven by the private sector? Is it enough to remove constraints, or are more direct interventions (like training or time-bound subsidies or similar arrangements)

required to promote a balanced development of production and input and output markets? How can such interventions be designed to promote private initiatives rather than replace them?

218. It is expected that the projects set to address the issue will provide the answers. In the context of this AgPER, the aim was to learn more about the projects' specific plans.

5.1.2 Value Chain Projects and Intervention Strategies

219. Three big projects designed around some form of value chain approach have just begun operating or are just starting in Liberia:

i) The FED project, financed by USAID, started in September 2011 and has a budget of US$ 75 million over five years. Its focus is on rice, cassava, vegetables, and goats in six counties along the Monrovia Corridor (Bong, Grand Bassa, Nimba, Lofa, Montserrado, and Margibi).

ii) Sida will fund a project called, for the time being, "Support to the Development of Markets and Value Chains in Agriculture," with a total budget of US$ 21.5 million over five years. The Implementing Partner is currently (September 2012) being selected; the project is planned to start in FY 2012/13. Its focus will be on cassava, vegetables, cocoa, oil palm, and rubber in urban Monrovia and four corridors (Monrovia–Ganta, Monrovia–Buchanan, Monrovia–Robertsport, and Gbarnga–Lofa).

iii) The GoL put a project called "Promote the Food Crop Value Chain" into the PSIP 2012/13 to 2014/15, which will start with US$ 2.5 million in the current FY 2012/13, but will have around US$ 10 million available for each of the following two years.

220. These three projects add up to approximately US$ 29 million annually once they are fully operational, a very substantive amount compared to the US$ 15.4 million spent on all "broad agriculture" by GoL in FY 2010/11 or to the total estimated expenditure of donor and government projects (i.e., excluding recurrent expenditure) of roughly US$ 100 million in FY 2013/14.[44]

221. The description in the PSIP annex points to interventions in the seed sector and acquisition of seeds multiplied by private contractors. Some interview sources indicated that the project is more about setting up TTIDCs that are planned to be built with public funds and then leased to private companies or, preferably, producer associations to operate.

222. A brief "Implementation Strategy," obtained in early November 2012, describes a project for the promotion of rice production in lowlands in three counties (not identified) and a timetable for merely 12 months. The project intends to: link farm-based organizations, private entrepreneurs, and banks; put in place water control structure (irrigation); link up with another GoL project for control of *Schistosomiasis* in swamp areas; and provide labor saving devices and other necessary inputs. The content of the document does not correspond to the name "Implementation Strategy."

223. The focus of the GoL project on "food crops" is noteworthy, because the two donor-funded projects also target export crops.

[44] The amount is the total of GoL projects according to the PSIP (US$ 42.6 million), donor projects (US$ 30.5 million in Year 2 of the PSIP), plus an estimated US$ 8 million for projects that had not yet been finalized, plus US$ 20 million for USAID projects in agriculture).

224. The two projects funded by USAID and Sida have several features in common:[45]

- They begin with an extended phase for operationalizing the approach and designing work plans. Details of focus and intervention modalities will only be available after the inception phase.
- Both projects implement approaches that are well developed and documented on the internet and presented as innovative concepts.[46] The USAID approach, talking simply about value chains, stresses the potential for dynamic economic development that is based on cooperation and cooperative innovation of the actors along the chain. The Sida project follows an approach called M4P – Make Markets Work for the Poor. The available documentation, which is systematically referred to in the project and tender documents, stresses the project's role as facilitator. The facilitator is expected to advise groups and broker relationships and trust, but should not become a player in the market directly, nor provide equipment or subsidies.
- Although the value chains are related to agricultural products, it emerged in interviews that the donors tend to see their contribution more in the realm of private sector development than as support to agriculture.
- There is no intention to spend funds on public infrastructure (e.g., roads), but linkages to other projects of the same donors that deal with infrastructure are to be exploited.
- Industrial hardware will only be financed exceptionally. Sida's project document mentions "seed money" for private investors, but not prominently. The FED project is analyzing options, but providing funds for storage facilities or processing plants will, at most, be a very small part of the budget.
- The projects are outsourced to private companies ("Implementing Partner," a type of general contractor). They are not managed by the PMU in the MoA.
- The choice of value chains and regions to support was guided by the existence of basic infrastructure and private actors. Therefore, the selected project areas are along the corridors, not in the isolated hinterlands. The product selection was guided by relevance to the country's agricultural development and due consideration of the potential for inclusive development (many beneficiaries), poverty reduction, and gender considerations. Therefore, they partly overlap geographically and with regard to the chosen products. Notably, however, the Sida project does not intend to deal with the rice value chain, while rice is a prominent part of the FED project.
- An elaborate monitoring system is part of the job description for the implementing firm. The Sida project makes explicit provision for external evaluation.
- Training for entrepreneurs and government staff will probably be a prominent expenditure item of the FED project; no information is available for the Sida-funded project yet.

225. Expectations are high. The project description ("Statement of Work") of the FED project mentions that "Inherent in these objectives is the assumption that USAID resources will be used to achieve results that are not only sustainable but also achieve levels of performance which are

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[45] The presentation is based on the "Statement of Work" for the FED project, USAID's FY 2011-15 Multi-year Strategy for the Feed the Future Program for Liberia, the tender documents for the Sida project, and the websites explaining the approach which are referred to in these documents.

[46] For USAID's Value Chain Approach, see http://microlinks.kdid.org/topics/value-chain-development. Sida's approach is described at http://www.m4phub.org. Both sites also give access to operational guidelines and other related resources.

unprecedented in post-conflict Liberia" and that "The FED program's aim is to achieve dramatic improvements in food security and employment …"

226. The FED project, which started in September 2011, was researching possible processing technologies that could be adapted to Liberian conditions when the Study Team met the "Chief of Party." The design of a monitoring system is also ongoing. It will monitor, in particular, socio-economic variables in the intervention areas, while incorporating some agriculture-related indicators like area planted, yield, income derived from agriculture, etc. The monitoring system is not explicitly designed to focus on effects that can be attributed directly to project activities, but rather on the overall effect of all interventions on economic growth and well-being in the selected areas.

227. Two aspects of the Liberian context were important in project design:

i) The FED project was prompted partly by the observation that very little private investment is taking place in agriculture or downstream processing and marketing, with the exception of value chains related to export and plantation crops. The project was then conceived to understand the constraints and find solutions to remove them.

ii) A good business environment is necessarily based on trust among the trading partners. In an environment where long-standing conflicts have reduced the general level of trust and where the legal system does not deal efficiently with cases where trust was not returned by the other partner, it is difficult to establish long-lasting and creative trade and business relationships. Building trust is therefore one of the challenges that these projects will have to address.

5.1.3 Guidance for Promoting Value Chains

228. The projects definitely address pressing issues for Liberia's agricultural sector, and they are interesting with regard to their broad approach. As long as they sustain the approach of avoiding direct interventions in markets and providing subsidies, issues of sustainability will not arise.

229. The value chain approach has the potential of bringing different projects together: those dealing with agronomy, trade, processing, and market development. However, synergetic effects need to be made use of. To be effective, these projects require close and permanent coordination and dialogue not only between the various stages of functioning value chains, but also with government regulators and individual projects that deal with specific stages of the value chains.

230. The focus on whole chains requires careful assessment of economic viability across the chains. The chain focus opens the possibility of increasing the scope of variables that can be influenced through appropriate actions and support; the approach tends to expand the policy space. This is an opportunity that needs to be exploited systematically.

231. The size of these projects is in itself a challenge. Large self-contained and complex projects tend to resist efforts to coordinate, and to focus more on achieving targets and writing reports to those who provide the finance. Particularly in this case, it is essential that the value chain projects inform the MoA (and maybe other ministries) about their progress, the constraints identified, and possible avenues to address them, and suggest other interventions that would supplement the facilitator role these projects are meant to play. Since many other more production-oriented projects contain activities for the promotion of elements of the full value chains, regular coordination sessions would be useful. They can only be coordinated by the MoA at the central, county, and district levels.

232. Coordination at the local level may actually be crucial, particularly when it comes to building access roads, providing land for setting up industrial plants, and providing other public infrastructure like energy and communications.

233. According to their promoters, the projects especially target private sector development in the wider area of agriculture, and address the constraints to private investment in food trading and processing. However, it will depend on a variety of factors whether finance for investment as well as operating capital (for financing stocks of produce and consumables) can be made available through the financial system. The current interest rates of over 20 percent are, obviously, a significant constraint. Financing schemes that, for instance, provide partial grant finance for investment in processing plants are required. If investment facilities are contemplated, it is essential to ensure that they do not become new elements of market distortion that act as a disincentive for more investment to take place without concessional or subsidy elements.

234. Do these USAID- and Sida-financed projects provide examples for the GoL to emulate? Possibly in the future. However, it would be useful for the GoL as well as other donors to observe closely how these projects evolve, and for the MoA to develop its own project in close cooperation with the implementing partners of the USAID and Sida projects to ensure complementarity, limit overlapping, and arrange regular coordination and exchange of experiences. Over the next few years, these projects are likely to identify constraints that require interventions outside the projects. The government and donors may need the ability to react flexibly to take up the challenges.

235. These projects are also likely to produce some useful lessons for other projects in the areas of:

- Involvement of the private sector in agricultural extension and advisory services;
- Available options for giving incentives to input traders instead of public sector institutions or projects handing out inputs and tools to farmers;
- Options for financing agro-trade and agro-processing;
- The focus on the linkages between different stages of the value chain, rather than only the technical and economic issues of a single stage (like a processing plant); and
- The need to look at the overall economic viability of a value chain, which opens up more options for making agricultural production beneficial to farmers and avoids investments driven by technical considerations without adequate consideration of economic realities.

5.2 Subsidies and Handouts: Rationale and Sustainability

5.2.1 Concept and Issues

236. Subsidies and handouts are different stages in a continuum: where agricultural inputs are distributed for free, subsidies amount to 100 percent, and are considered handouts. When subsidies are provided, inputs can be sold below market prices or buyers can receive some form of supplement so that they bear only part of the full cost.

237. The policies defined in the PRS-1 of 2008 and repeated in most subsequent policy documents are clear:

- There should not be any handouts; beneficiaries should always make at least some contribution;
- Provision of subsidized inputs (seeds, fertilizer, pesticides, or tools and implements) should be targeted to vulnerable groups and be time-bound, and an exit strategy should be defined; and
- Interventions should promote rather than replace or marginalize markets and should not delay their development.

238. Subsidies are a controversial instrument of agricultural policy, although they are widely applied throughout the world. Situations and the rationale for subsidies in developing countries are shown in Box 8. However, it is difficult to find documentation of examples where they have actually reached their target at reasonable cost to the budget.

Box 8: Subsidies as an Instrument of Agricultural Policy

There are three main concerns about subsidies and handouts:

- Once started, it often becomes politically very difficult to end subsidization schemes because recipients see them as support to which they have a right. As a result, subsidies tend to absorb an ever-increasing share of budgetary resources and reduce fiscal space and budgetary flexibility.
- They may distort production patterns, for instance by giving incentives to grow specific crops in areas that are not suitable or where production is not sustainable on the basis of market prices.
- Subsidies may marginalize markets: when inputs are distributed for free or at low prices, incentives to private traders for setting up marketing channels cease to exist.

To avoid these problems, subsidies should be targeted, time-bound, and market-friendly. Subsidies as an instrument of agricultural policy may be justified in the following situations:

- *Introduction of new methods and technologies:* Farmers are inherently risk-adverse, often for good reasons. To introduce new technologies, it is reasonable to subsidize new types of inputs for a limited period of time until farmers can verify for themselves the advantages the new technologies can bring about. Once they have done that, the private sector can supply the necessary inputs. However, subsidies on inputs should be part and parcel of a wider program to improve and modernize agricultural production. They should be combined with activities that ensure that private suppliers will eventually come in.
- *Substitution for food aid:* It may be less expensive to subsidize improved seeds and fertilizer for farmers than to provide food aid when their production is insufficient to meet their needs. This argument would apply to subsistence farmers in particular.
- *Provision of time for the development of efficient supply chains of inputs:* Supplying fertilizer is a logistical and financial challenge; the economies of scale are substantial. The idea is to offer inputs at a price that would be realistic when and if logistics are developed so that private suppliers can see the market potential and work on the efficiency of supply chains.
- *Capitalization of farmers:* Even though the use of seeds and fertilizer and pesticides may be profitable, farmers may have no capital or access to credit to pre-finance the inputs. Therefore, subsidizing inputs may be the second-best solution. It is justified if credit schemes cannot be developed and if farmers can be expected to use the surpluses of a few years to accumulate savings that would allow them to buy the inputs from their own resources after a limited period.

Some of the frequently cited arguments in favor of subsidies are questionable because they lead to high economic and budgetary costs. Some of the questionable arguments are:

- Equity considerations: Farmers in remote and possibly isolated areas should have the same conditions as farmers close to markets or on fertile land.
- Compensation for inefficiencies that have their root cause in poor administrative practices: The best solution is to address these inefficiencies directly rather than compensating for them.
- Compensation for low access to credit.
- Reduction of the price of agricultural produce for the benefit of the urban population.

Subsidies and handouts are frequently used to buy votes. In economic terms, subsidies provided under this perspective are an inefficient use of public funds, with distributional consequences.

5.2.2 Past and Current Practices with Regard to Subsidies and Handouts

239. To find out how donor-driven projects have approached the question of handouts and subsidies in their respective intervention areas, the AgPER Study Team interviewed a number of donor representatives. The insights gained are as follows:

240. Neither the government nor the donors appear to have put the PRS policy orientation on subsidies into practice. All players distribute inputs for free rather than at a subsidized price. Voucher schemes, which would allow farmers to buy inputs from traders at reduced prices, are not being used. Therefore, the distribution of inputs does not involve private traders, nor does it make any contribution to the development of input markets.

241. Donor-financed projects are providing inputs at significantly larger scale than the government, but not even approximate figures exist with regard to the volume of funds and cost involved. The impacts of subsidies on production and income of beneficiaries are not monitored. However, records about who received what are said to exist. Rice appears to have been the main crop promoted by donors in this way. Some donors are providing services such as introduction of fair trade practices and use of solar dryers to cocoa farmers; anecdotal stories about distribution of vegetable seeds are available. In the early years after the end of the conflicts, donors and government provided cassava cuttings for improved varieties.

242. The donors' rationale for free distribution (handouts) of inputs is generally simple. Most projects in the agricultural sector have their origins in the immediate post-conflict period. Donors typically picked a specific geographic area and attempted to identify ways and means to their recovery, security, and development. At that time, trading networks essentially did not exist, farmers were undercapitalized, and the public agricultural administration was absent at the local level. Quick results were called for. Therefore, new and possibly improved seeds and some fertilizer and pesticides were distributed for free to make progress and obtain visible results. This strategy continued over the years and is being revisited only now, as the rationale of interventions is changing from emergency interventions to promotion of sustainable development.

243. Under the overall approach taken by donors, handouts were typically part and parcel of a wider package that also included elements of technical advice on farming methods, creation/ resuscitation and promotion of farmers' groups, and storage and processing to some extent. In many cases, repairs of feeder roads were also part of the project activities.

244. Donors appear to be geared to stop all handouts by the end of 2012. Although this does not seem to be a joint decision, all interviewees said that they would end handouts.

245. Handouts provided by government institutions were of limited scale. Spending on agricultural inputs and tools that are likely to have been provided to farmers was in the order of US$ 350,000 to US$ 450,000 in the three years FY 2008/09 through FY 2010/11, but the allocation rises to about US$ 760,000 in FY 2012/13 and FY 2013/14. These items absorb some 5-9 percent of the agricultural budget.

246. These figures originate from budget documentation, which permits quantification of the amount spent by the MoA on two categories of "Goods and Services":

- Agricultural Supplies and Inputs (code 221807); and
- Small Tools/Equipment and Household Materials (code 222104).

Table 24: Handouts and Subsidies: MoA Excluding CARI

USD

	2007/08 Revised	2008/09 Actual	2009/2010 Actual	2010/2011 Revised	2011/2012 Budget	2012/13 Budget
Agricultural supplies and inputs	197,702	449,517	235,635	189,762	436,762	436,762
Tools, small implements and household materials	15,000	0	117,493	178,500	322,000	322,000
Total excl. CARI	212,702	449,517	353,128	368,262	758,762	758,762
Total spending Ministry of Agriculture	3,778,511	4,988,009	4,012,446	7,522,577	9,658,274	15,078,029
Handouts as percent of total spending	5.6%	9.0%	8.8%	4.9%	7.9%	5.0%

Notes: The line "Total spending" does not include the Priority National Investment item (Agriculture Buy Back Fund). Amounts shown under CARI were subtracted, since CARI needs supplies and inputs as well as implements for its own research activities.
Source: Various budget documents.

247. Caution must prevail when interpreting these data series, because budget data rather than actual expenditure had to be used in some years. On such a detailed level, deviations between initial or revised appropriations and actuals may be substantial. Budget modifications can be prompted by emergency situations as well as be politically motivated.[47]

248. The Ministry of Internal Affairs, through its activities at the county level, is reported to also have provided agricultural inputs and implements for free. The budget classification does not permit identification of these amounts, which are therefore not included in the estimate of handouts provided by the government.

249. As far as the Study Team could determine, no reliable and organized records exist about products distributed or beneficiaries. Effects were definitely not monitored, and objectives and targets were not specified. There are indications that the motivation for giving inputs to farmers was driven by political considerations. The distribution was not focused on vulnerable groups, or even vulnerable localities. But government institutions did have an exit strategy: the inputs were distributed only once in particular political circumstances.

250. In addition, the mechanism had technical flaws. Seeds were often provided too late (i.e., well after planting time) and had very low germination rates. The handouts appear to have been granted in an *ad hoc* manner. No indications were found that they were part of a wider package or program to modernize agricultural activities or introduce a market focus. Thus, significant positive effects cannot even be expected.

5.2.3 Generalized Subsidies in Liberia

251. Generalized subsidization schemes of the type and scale used in Malawi or Zambia do not exist in Liberia, nor do plans exist to introduce such schemes. In view of bleak experiences with generalized subsidies elsewhere in Sub-Saharan Africa (SSA), the restraint shown by the government is very positive. Elsewhere, voucher approaches were implemented to target subsidies to poor producers, to encourage private sector agro-traders, and to limit the cost and impact on the budget. The schemes, however, did not live up to their promise (see Box 9).

[47] Spending peaks on seeds and fertilizer for distribution to farmers are a common phenomenon in many countries in election years, as incumbent parties may use handouts in an attempt to secure re-election.

Box 9: Experiences in Sub-Saharan Africa with Subsidies through Voucher Schemes

Several SSA countries introduced voucher schemes as an instrument to target subsidies to needy farmers with the potential to increase production. Market-smart subsidies were advocated to engage private suppliers rather than crowding them out by taking market opportunities away. Voucher schemes were used to target the subsidies to some farmers only. The assessment of schemes in Zambia, Malawi, Ghana, and Tanzania, however, is not encouraging. All were targeted particularly to maize farmers.

They did result in notable increases of production. However, they were still very expensive, not well targeted to the poor in practice, exit strategies were not defined or implemented, and rural trade was most often marginalized.[48]

Assessing the effect on production is subject to large margins of error because there are indications that farmers shifted from unsubsidized to subsidized products, that subsidized input supplies provided through voucher schemes replaced commercial purchases, and that fertilizer application rates did increase less than initially expected. Hopes that poor farmers without access to financial services would save surpluses derived from subsidized inputs to be able to purchase them at commercial terms after two or three years did not materialize.

Source: Authors.

5.2.4 Conclusion and the Way Forward Regarding Subsidies

252. The undifferentiated position of the PRS-1 against handouts was probably unrealistic under Liberia's post-conflict circumstances. The fragility of peace and the need to quickly provide a basis for livelihood for resettled internal and external refugees, combined with a weak administration in rural areas, left little choice to do otherwise. There was no practical way to target vulnerable groups; virtually every farming community was vulnerable.

253. In view of the shaky peace, limited public financial resources, limited road access, and other challenges, handouts were probably easier to administer than subsidies. However, the public sector's failure to develop a system to target beneficiaries and then monitor distribution left unauthorized distribution open to abuse, including the politicization of the process that determined where handouts were given. Rather than the policy stated in the PRS-1, a framework toward efficient distribution would have been more realistic. Such a framework might have contained a process to induce private participation at a defined future date.

254. A useful framework should demand that the impact of subsidies and handouts on the private sector be carefully assessed. Localized (not country-wide) voucher schemes, which allow farmers to buy specified inputs from private traders, may be a suitable solution where agro-traders exist or may be convinced to take up new market opportunities. The emergence of the value chain approach (see Section 5.1) provides an opportunity for considering all constraints simultaneously and analyzing the effects of temporary financial incentives on production levels and sustainability.

255. Providing handouts and subsidies with the intent of allowing farmers to accumulate working capital and then purchase these inputs on the market may seem to be a good rationale for post-conflict Liberia. However, the experience with general subsidies has shown that this objective will not be achieved unless some form of financial services (not necessarily bank services) is in place to allow farmers to actually invest surpluses in the procurement of inputs for next year as and when the surpluses materialize.

[48] A recent and interesting evaluation of voucher schemes can be found in the evaluation study of Balzer and Hansen (2012).

256. Local agricultural fairs at county or district levels can also be useful forums for disseminating information about the benefits of modern inputs (seeds, fertilizer, pesticides, tools, implements, and machinery) while connecting traders and farmers at the same time. Agricultural shows of this type take place regularly in many Southern African countries, providing a place for buyers and providers of agricultural inputs and products to meet, exchange information, and initiate trading relationships.

5.3 Extension and Other Public Services: What Experiences Can Government Absorb?

5.3.1 Concept and Issues

257. Agriculture requires the use of not only inputs and services that can be provided by the private sector, but also the use of non-exclusive inputs, also known as "public goods." These have to be paid for by the general public or by a group of farmers because even those who do not pay for them still benefit. (Box 11 gives some examples of public goods relevant to agriculture.)

258. After the end of the conflict, the MoA was confronted with the task of rebuilding its services. However, the task and challenges were greater than just re-establishing the ministry that existed before the conflict. As mentioned in Chapter 2, earlier Liberian governments tended to focus on concessions and exports and to neglect agriculture and food production, with the exception of rice farming. Therefore, the challenge even now is to build a sustainable network of public services for agriculture in areas where agriculture is the main source of livelihood for the population.

259. Public extension services only reach a small percentage of farmers. Only recently has the MoA established a presence outside of Greater Monrovia. County Agricultural Officers have been appointed in all counties, and their offices are gradually becoming operational. The MoA is in the process of setting up District Offices as well.

260. In the immediate post-conflict period, donors had little choice but to provide some of the services normally provided by the state. Since agricultural policy was only starting to be developed, no guidance about approaches and sustainable size of services was available. Donors and their implementing NGOs had to operate in a policy vacuum and hence designed individual projects that were sometimes repetitive and often non-reinforcing.

261. Donor projects will change focus in the near future, as the challenge shifts from post-war reconstruction to sustainable development. Their presence on the ground is likely to be reduced. What will then happen to the public services formerly provided by donors to farmers and agricultural enterprises? Must they continue to be available for the sake of sustainability? Are there experiences gained by donor projects that can be beneficial for the GoL to take note of as it increases its presence in rural areas and steps up the level of services?

Box 10: Public Goods in the Agriculture Sector

Typical public goods in agriculture are:

- Research, which yields results that are freely available to the general public and farmers and producers of inputs;
- Quality control of seeds and fertilizer, which falls under the category of consumer protection and is essential for farmers to be assured of the quality of the inputs they buy or receive from the government or donors;
- Pest control of specific diseases that spread from one farm to another, including vaccinations and dip or spray treatment of animals;
- Certification of quality and classification of agricultural produce;
- Extension and advisory services; and
- Roads that link farms to processing plants and markets.

In addition, government ministries have the responsibility to define and enforce rules to make competitive markets function and to establish level playing fields. Last but not least, access to land and security of land tenure are crucial for agriculture to flourish, and governments are called upon to establish adequate laws and systems to enforce the rules. Security of land title and rights are crucial to Liberia, with its dual, conflicting customary and statutory systems.

Note that the items in the above list are not necessarily 100 percent public goods. Research is also undertaken by seed producers for their own benefit. Certification for exports can be sold at cost; the government can license and supervise private certification companies. Certified quality of seeds and other inputs can be an important marketing factor for the supplier, and the supplier can therefore be expected to pay for the service. Vaccinations of animals and tick and fly treatments benefit first and foremost the animals' owner, who can therefore be expected to pay at least part of the cost. Some subsidy may be required, however, because the vaccination rate needs to be reasonably high to prevent epidemics.

Yet there are strong elements of public goods in these services in practical settings. Extension and advisory services and agricultural research are generally thought to be the most critical and the most beneficial services that Ministries of Agriculture can provide.

The concept of "Club Goods" is useful particularly in the context of agriculture. Club goods are public goods for a group in the sense that none of its members can be excluded from benefiting, and payment by each beneficiary individually is therefore not possible. However, the public goods character of the services is limited to specific groups, which can be organized and apply some form of moral suasion or pressure on their members, or demand mandatory contributions to procure the services that groups as a whole require.

5.3.2 Donor-Funded Public Services

262. According to interviews held with various donor representatives, their projects typically ended up providing a wide range of agricultural services. They were not planned to do so, but given the almost complete initial absence of agricultural public services in the areas where donors operated, they had no other choice. The services provided include extension services and training of farmers, determination of nutrients deficiency of soils, regulation of inputs to assure quality, construction of feeder roads to make the removal of produce to markets possible, and organization of farmers' groups. Large numbers of locals and staff from other African countries (e.g., Kenya) were hired for this purpose.

263. At the same time, it appears that no donor project built up extension and advisory systems. Rather, the activities were developed as and when needs became apparent. In other words, advisory services tend to focus on particular improvement programs and technologies that a given project has found to be appropriate for the area and population where it operates. They are meant to facilitate adaptation and change, and end when the task is accomplished. This is quite different from a general extension system meant to provide continuous advisory services for technological and managerial

innovation. Initially, donors focused on the principal crops of rice and cassava. In 2012, donors provided such services to vegetable farmers, to animal husbandry, and even to cocoa farmers, including regular visits by Fair Trade experts.

264. This approach has consequences with regard to sustainability. Sustainability was presumably aimed for with regard to farmers' ability to produce food and marketable surpluses. The advisory services and provision of seeds and other inputs aimed at achieving the transition. When donors eventually leave, the advisory services are likely to cease, but it is hoped that the advances made by farmers will continue to yield benefits.

265. A key question is whether it would be advisable for emerging government structures to take over the services provided by donors. Interviewed donor representatives were reluctant, however, to rank which public goods to provide or to indicate the most essential ones, since they are complementary and available only through their respective projects. Donors seem to consider those goods and services they provide as gap fillers, provided temporarily by the project to achieve the set objectives. At the same time, they recognized the usefulness of continuing such services after the end of the donor-funded project. Donors also pointed out the need to muster political will to build up service delivery capacity outside the Greater Monrovia area and to improve financial management.

266. Existing projects have been designed and operate without much coordination with government agencies or other donors. The attempt to coordinate through the ADWG is recent. Duplication of effort and mismatches between project priorities and objectives of government policy are likely consequences.

5.3.3 Government Policy and Perspective on Public Services

267. The first ever "National Policy for Agricultural Extension and Advisory Services" (AEAS Policy) for Liberia was prepared in the first half of 2012 and validated and finalized in July. It lays out the basics of a modern system, which is:

- *Pluralistic:* the public sector, donors, NGOs, and private providers are expected to become key actors; sellers of agricultural inputs and contract farming arrangements can and shall also provide extension services;
- *Decentralized:* this is a prerequisite for farmers to have substantial input into planning extension programs and to identify program priorities;
- *Demand- rather than supply-driven*, as in the past: Farmer Field Schools are mentioned in this context as an appropriate method for delivery of extension services;
- *Market-oriented:* this involves the promotion of value chains and greater involvement in facilitation of market chains;
- *Cross-cutting:* the system addresses issues of priority, such as gender, equity of access and participation, HIV/AIDS and other health issues, nutrition, and sustainable natural resources management and climate change.

268. Extension and advisory services shall focus on supporting farming as a business.

269. The MoA is planned to act as lead agency and the focal point for content and messages, and will be responsible for the preparation of an implementation plan and overall monitoring.

270. The AEAS Policy was prepared by the MoA and is not costed (which is normal for a "policy").

271. In parallel with the AEAS Policy, a draft project proposal for implementing the GoL's part of this policy was developed. It makes provision for training extension staff and increasing staff

presence in counties and districts.[49] Table 25, taken from the draft project proposal, proposes to recruit and appoint an additional 24 District Agriculture Officers (DAO) so that all 52 districts in the six counties considered have one DAO. Apart from this table, no figures with regard to overall current staffing and gaps are offered.

Table 25: MoA DRDRE Extension Staff and Staff to Farm Population Ratios

	Current[1]						DAO/Farmer Ratio	
County	CAC	DAO	Districts[2]	DAO Deficit if 1 per District	Total Farm Population[2]	Total Population[2]	Current	If 1 DAO per District
Bong	1	5	12	7	237,928	333,481	47,586	19,827
Grand Bassa	1	2	7	5	142,798	221,693	71,399	20,400
Lofa	1	8	7	-1	227,625	276,863	28,453	32,518
Margibi	1	5	4	-1	82,510	209,923	16,502	20,628
Montserrado	1	4	5	1	117,796	1,118,241	29,449	23,559
Nimba	1	4	17	13	360,246	462,026	90,062	21,191
Total	6	28	52	24	1,168,903	2,622,227	41,747	22,479

Source: [1] DRDRE MOA Field Extension Staff Status, February 7, 2012; [2] In Liberia Feed the Future FY 2011-2015 Multi-Year Strategy, p. 43 from Republic of Liberia: 2008 Population and Housing Census Final Results. Population, Table 5, p. 10.
Reproduced from: Strengthening Agricultural Extension And Advisory Services (SEAS): Program Description. Final Draft, August 23, 2012.

272. The AEAS Policy also states that one of the key functions of extension services is "to source and transform research-based and indigenous knowledge of improved technologies and practices that are remunerative into extension messages and materials."[50] The draft project proposal contains various activities to this effect.

273. The planned collection of good practices, adequate technological packages, and proven extension messages may be a good opportunity for feeding experiences gained in initially isolated donor projects into a toolkit for future extension work.

5.3.4 The Way Forward Regarding Public Services

274. The new AEAS Policy and the available elements of the GoL-funded project for initiating the implementation of the part that concerns the MoA provide adequate space and an appropriate conceptual framework for a gradual transition of advisory services provided by donors to sustainable institutions. Good aspects of the policy include: the emphasis on participatory, demand-driven services; the focus on knowledge that exists at local and farm levels; the emphasis on good practices and the quality of extension messages; and a clear focus on farmers' needs rather than national production targets. The guiding principles are improvements in techniques, practices, and markets to increase earnings derived from agricultural activities.

275. The main challenges that need to be addressed during the policy's implementation are training of extensionists and coordinating non-governmental players without giving instructions. In the process of implementing the AEAS Policy, it would be useful to pay particular attention to the following points:

[49] The exact staff numbers required are neither shown nor costed. Since the AEAS Policy proposes a pluralistic approach and several suppliers of extension services, costing would not have been possible at this stage.

[50] Republic of Liberia Ministry of Agriculture 2012a (p. 12).

i) The planned activity of collecting useful techniques and innovations that exist locally and turning them into extension packages is crucial. At the same time, phasing is important, since extension staff must have something to offer to farmers as and when they first appear on the ground.

ii) Donors' experience can usefully be integrated into the extension programs at this stage of collecting useful techniques and technologies. Donors and their project staff may want to support the effort of rebuilding extension actively. If, through the ADWG, they could put together an extended list of useful lessons and technologies for general use, this would be a significant help to the government's efforts.

iii) Where donors have established support services that are essential to preserve when projects wind up, the option of transition to private providers of AEAS should be analyzed. Examples where non-state actors provide services are definitely needed.

iv) Although a minimum physical presence of official advisory and extension services in all districts is useful, the MoA may want to think strategically about where to start. Important decision factors are: (i) the need for continuity of services that have been provided by donors in the past; and (ii) the availability of messages, extension packages, and activities that are most likely to make a difference to farmers' lives and income.

6. Recommendations

276. The eight recommendations spelled out in Chapter 6 are based on the preceding numerical analysis, contextual analysis of objectives and approaches, and interviews. They are generated for use by the Liberian authorities, especially the MoA and the MoF, as well as by donors supporting agricultural development in Liberia. The recommendations were presented and discussed during the AgPER Workshop on September 26th, 2012, in Monrovia. The reaction of participants was generally supportive.[51]

Recommendation 1. Prepare GoL projects with diligence and detail

277. The transition from a classic budget presentation organized by spending units and line items to a budget presentation structured by programs and projects signifies a major and very positive step forward. As presented in the PSIP 2012-15, programs are detailed in terms of projects. They are time-bound and expected to produce specified results—in principle. However, this concept has not yet been applied systematically. Apart from the very general description contained in the PSIP annex, only fragments of project documents were available three months into the budget year and about six months after the preparation for budget hearings.

278. In view of the significant amounts budgeted and planned for projects in the agriculture sector—US$ 11.7 million in FY 2012/13 and US$ 42.9 million in FY 2013/14— and the significant values for some of these projects, more stringent requirements and practice for project preparation are recommended. Failure to prepare complete project documents would run the risk of hasty and ineffective spending, or gross underspending when projects do not take off because they were not prepared beyond the initial concept stage. Furthermore, convincing project documents can be helpful in next year's negotiations between the Ministries of Agriculture and Finance, since the amounts earmarked in the PSIP are likely to be reviewed, particularly if available resources fall short of the MTEF projections.

279. A more complete project document should contain at a minimum: a clear specification and quantification of expected results; a description of the approach and modalities; arrangements for monitoring of results; and a costing table that relates expenditures to outputs of components. A project document should also explain how the proposed project is complementary to other planned initiatives (regardless of whether they are financed by internal or external funds), and whether recurrent expenditure is required in the future to ensure the sustainability of project results.

280. The responsibility for the detailed preparation and documentation of GoL-funded projects may require better clarification. Staff of the technical departments are not normally experienced in designing approaches or monitoring arrangements, and might not be used to giving due attention to questions like costing, sustainability, or the impact of public action on markets. The Department of Planning plays a key role at this stage in many countries. However, it appears that in Liberia the Planning Department is not routinely involved when the technical departments of the MoA propose projects through the Administration and Management Department to the MoF. A "project for preparing projects" might be created and given a budget, to allow to hiring of consultants to assist in preparing project concepts, documents, and budgets.

[51] Saying that the recommendations were "validated" would be exaggerated, because time did not permit going through each of them in detail.

281. It has been observed in other ministries that Program Implementation Units (or similar) designed to implement donor-funded projects have almost no links to the sections that deal with GoL-funded projects. It is said that staff are even forbidden to work on internally funded projects. Better integration and a broader definition of staff responsibilities would be highly desirable to realize training effects for the benefit of "normal" government functions with regard to project design and implementation.

Recommendation 2. Strengthen analyses of economic and commercial viability in policy and strategy formulation

282. While preparing this study, the Study Team heard remarks that locally produced rice may not be competitive vis-à-vis imported rice. At the same time, not a single study on the commercial or economic viability of rice production in defined areas was found. The National Rice Development Strategy does not mention economic viability.

283. A reliable supply of rice and its price are undoubtedly sensitive issues. Quite obviously, the price of the major staple is crucial for the survival of the urban population particularly, and poorly designed and phased variations of the price can provoke serious social upheaval. At the same time, spending public resources on inefficient ways to sustain production that is not economically viable should be avoided.

284. The National Rice Development Strategy and many other policy documents aim at achieving self-sufficiency in rice in about a decade, from a situation where about 60 percent of the rice consumed in Liberia is imported.[52] Questions about the feasibility of the objective of rice self-sufficiency arise, however, especially if market conditions remain as they are. The National Rice Development Strategy hinges on a fast expansion of low-land rice. Irrigation schemes (particularly drainage) are necessary to expand cultivated areas. Low-land rice presents different seasonal patterns of work load and is, in general, more labor intensive than up-land rice. Therefore, the availability of labor becomes a factor to take into account.

285. Rather little low-land rice is being produced at the moment, but the exact reasons are not clear (possibly labor constraints and health reasons, among others). The National Rice Development Strategy does not provide an explanation.[53]

286. The need for economic analysis is evident in the rice sector, but is also an issue with regard to other crops.

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[52] See Section 4.2 for details.

[53] The CAAS-LIB report of 2007 (p. 45 and Box 4) provides some additional aspects. It highlights land ownership issues (setting up permanent fields or planting trees is often seen as establishing a permanent claim on the land, but ownership arrangements may only allow for simple use for one season); food security issues (swamps do not produce all that is needed for a balanced diet); conflicts with upland farm calendars; time sensitivity of swamp rice cultivation; the need for communal structures to ensure maintenance, which is difficult when "working for today" is more important than "investing for tomorrow" and social cohesion is weak. The Study Team got conflicting information about the importance of *Schistosomiasis* as a constraint and the possibility of either eradicating the vector snails or reasonable protection of workers. It was also reported that men do not work in swamps as it is considered a sign of weakness—strong men should be felling trees and clearing the bush.

There are some explanations. The point is that the Rice Strategy should explain how constraints will be dealt with, and make it plausible that the foreseen fast growth in swamp rice production is realistic in spite of past constraints.

287. Therefore, it is recommended to improve strategies by routinely adding economic analyses of the feasibility of considered production options. These can be based on some rough assumptions with regard to, for instance, yields or responsiveness to fertilizer or cost of inputs, that can then be modified and varied to quantify the significance of parameters that are not well known. With rather little effort, such economic analysis would reveal, for instance, what the highest acceptable transport cost or processing cost and loss would be, and allow mapping of areas that may be suitable for production for urban markets. Given the weight difference, the location of mills near consumption centers or in production areas makes a difference in transport costs, and the effect can be modeled empirically.

288. The exercise can provide insight into the relevant questions of whether the production of a certain crop in a given region can become attractive and what the decisive variables are. These calculations do not substitute a more detailed analysis for specific interventions or for assessing the viability of specific investments, but can provide a first indication of what might be feasible.

Recommendation 3. Clarify agricultural subsidies policy and implementation

289. Subsidies and handouts may be a reasonable and acceptable option under specific circumstances; e.g., for promoting the introduction of new, specific products in specific areas to create a critical mass of production, or for alleviating risks when applying new crop varieties and techniques. Guaranteed purchases may be another method for reducing risk in a transition period. Subsidies can also serve to accelerate the adoption of new technologies like improved seeds or cultivation methods. However, it should be ensured that subsidies do not become a costly "entitlement," that they are designed to only facilitate transition and innovation, and that they are discontinued when the transition is over or has failed. They should never provide incentives for production of goods or adoption of methods that will not be sustainable in the medium term.

290. It is therefore recommended to revisit the PRS-1 statement and prepare operational guidelines for specific situations where subsidies and free distribution of inputs can be granted.

291. Subsidies to compensate for natural disadvantages (like remote location or poor roads) or price distortions in markets should be avoided, as was successfully done in the past years. Removing constraints where this is possible is generally more cost-effective than attempts to compensate for their impact.

292. When subsidies are used for specific, time-bound purposes, they should be implemented through market-friendly mechanisms whenever feasible. Voucher schemes, for instance, would signal to traders that there is an emerging, potentially rewarding market. As the immediate post-conflict era recedes, market-friendliness should become an important consideration. The sustainability of input supply and input use without subsidies should guide decisions to provide handouts or subsidized inputs. Sustainability requires two things: first, economic viability of the technology with a realistic view of market conditions for the product; and, second, a network of agro-traders who will supply farmers with modern inputs after the end of the special promotional program.

293. Local markets for agricultural produce exist in many places, but annual events where input suppliers, farmers and processors could meet and initiate longer term contracts exist neither in Monrovia nor in the countryside. Agricultural fairs that are not primarily about competition (fattest cow, biggest cob, prettiest sheep, and the like), but rather a place where new technologies and the products in which they are embedded can be presented and explained to farmers are a useful tradition elsewhere. Liberia's MoA, through its extension services, may copy and adapt these approaches for the benefit of reliable input supplies and means of technological improvements.

Recommendation 4. Operationalize the AEAS Policy with appropriate content and absorb experiences from donor-funded projects

294. The DRDRE in MoA has presented elements of its approach to extension and advisory services, which suggests a good starting point for the task of re-establishing an extension system that goes beyond what existed before the conflict. Efforts to build up an extension network, hire and train staff, and procure transport equipment often raise the question of whether the system will have useful messages to convey to farmers and whether it takes into account that farmers also have other means (like radio, agricultural shows, hearsay) to learn about technological improvements. According to the documents presented, the DRDRE plans to collect information about technologies that have worked and to mold them into training and information materials. Thus, a concept for ensuring that the extension system has useful technologies and messages to convey to farmers and actors in agricultural value chains exists, although only on paper at this stage.

295. The agricultural sector in Liberia is currently going through changes and the related challenges provide ample opportunities to bring innovations and training to farmers. Farmers need to acquire new techniques suitable for the products and soils where they settle, oftentimes with characteristics different from their origins (in the case of resettlement). The traditional slash-and-burn agriculture is constrained because most areas are already used and therefore not as fertile as they were initially; alternatives are required. Swamps and low-lands are the obvious expansion area, but require new agricultural methods as well as new ways to allocate time and divide labor between family members. As trade channels open up, new forms of organizing down-stream value chains are required so that farmers can benefit from opportunities. All this points to a substantial need for information at the level of farmers, and a role for extension services.

296. The issue of how the public agriculture administration could absorb the experiences and lessons of donor projects which, by necessity, have often been designed and implemented with little involvement of public institutions, was raised in this AgPER report. A collection of proven approaches and innovations from these would be a good way to start a process of gradually "handing over" the extension function to a national system.

297. Donors could support the rebuilding of an extension system if they prepared a list of lessons worth taking note of, and organized events where they conveyed the existence of this information to the emerging extension system. A regional focus might be useful given the cultural, ecological, and economic diversity of the country.

298. Monitoring of results, an exchange of experience with other providers of agricultural extension services in a pluralistic system (with several providers and some choice for the farmers as to where they obtain information about new technologies and required seeds and tools), and close links between extension, technical services, and research are called for. The tasks are described in the AEAS Policy, but need to be operationalized and implemented.

Recommendation 5. Do not neglect subsistence and part-time farmers

299. A substantial portion of Liberia's population is structurally food-insecure.[54] Many people have various sources of income, mainly by working in concessions, in the public sector, or in petty trade.

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[54] According to the draft PRS-2 (Republic of Liberia Ministry of Planning and Economic Affairs 2012, p. 73), "Less than half of the population is food secure." This assessment is based on a 2011 Stakeholder Survey. The Comprehensive Food Security and Nutrition Survey of 2010 states: "The farm sector which employs two thirds of the 3.5 million population is underperforming due to low investment and impact of the civil war. However, rice production, helped by the 2008 food price crisis, is gradually mounting. Liberia is a cash-crop

The focus on "agriculture as a business," which currently guides much of the support and advisory activities in the agriculture sector, may lead to a neglect of this target group for whom production for own consumption or local markets is essential for livelihood, but who will not become producers for more sophisticated and distant markets in the near future.

300. The AgPER team therefore suggests differentiating somewhat more with regard to the target group, and not neglecting farmers who do not contribute to feeding the cities, but who will either migrate to cities or become easy targets for renewed conflicts if their situation does not improve. Support packages for these farmers are required. These may consist of technologies and seed varieties that take farmers' typical labor constraints into account. They can also include targeted subsidies for seeds, fertilizer, and pesticides, which may be more cost-effective than food aid. However, three points need to be considered:

i) Farmers who have other sources of income (like wages from working on plantations and in concessions) may also dispose of investable funds; information and availability of inputs in the medium term may be sufficient, such that subsidies may not be required.

ii) Monitoring of results and regular verification of the cost-effectiveness of public interventions are indispensable.

iii) All targeting mechanisms can be subject to fraud; the administrative capacity to design and implement a fraud-robust system must exist.

Recommendation 6. Focus on implementation capacity for the expected growth of allocations to agriculture

301. With regard to the Maputo target, the immediate and most urgent challenge is to ensure that budgeted internal funds are effectively available and can be spent. The need to plan the envisaged projects in sufficient detail and document the plan, with all it entails, was highlighted in Recommendation 1.

302. After adjustment of what is to be considered "Total Spending," allocations of internal funds to broad agriculture are planned to absorb 4.9 percent of total internal spending in FY 2012/13 and 8.3 percent in FY 2013/14. For external and internal funds combined, the percentages would be 8.2 percent and 9.1 percent in FY 2012/13 and FY 2013/14, respectively.

303. This percentage places Liberia fairly high amongst SSA countries, particularly post-conflict countries. Countries in this transition still need to spend substantial amounts on reconstructing transport infrastructure and rebuilding key institutions like the justice system; huge spending on health, education, and water supply and sanitation are also required.

304. Statistics on GDP, as presented in this report, with all their limitations and contradictions, suggest a total contribution of agriculture and fisheries to GDP (excluding rubber) in the order of US$ 380 million in 2011. From this perspective, public spending of roughly US$ 80 million per year in FY 2012/13 and 2013/14 (US$ 100 million minus an estimated US$ 20 million on forestry) is extremely high. Even if it is assumed that statistics show grossly underestimated values (quantification of subsistence production and its valuation might be questioned) and that the potential would be three times higher (i.e., a contribution to GDP of US$ 1,100 million), public expenditure

oriented economy and issues of competitive food imports, limited infrastructure and pressure to keep food prices low for the urban population hinder agricultural food crop production." (Key Messages).

would still amount to 7 percent of the agriculture sector's contribution to GDP, which seems quite high.[55]

305. Road access to farms remains a major bottleneck in several areas. Expenditure on agriculture must be synchronized with opening access roads to be effective. Sufficient funding for feeder road rehabilitation as well as coordination at the local (county) level between the agriculture administration and the road construction and maintenance departments is required and needs funds. Both the roads and the agriculture sector compete for funds for the benefit of rural areas, so the balance must be reasonable.

306. While the volume of allocations to agriculture is not currently a reason of concern (provided that the projections in the MTEF materialize), attention needs to be paid to the quality, effectiveness, and absorption capacity of the expected wave of funds to agriculture—an increase of investment expenditure versus internal funds from US$ 15.6 million in FY 2012/13 to US$ 46.8 million (broad agriculture) in the following year. Translating this increased spending into growth of non-plantation agriculture is a real challenge.

307. The concern relates to the fact that the direction and intervention methods of some big upcoming projects are still vague, giving the impression that the budgeted projects are still ideas rather than projects ready for implementation. Capacity for the implementation on the ground and financial management of these projects needs to be strengthened and sometimes built. The ongoing build-up of presence of MoA in counties and districts is another critical factor for successful implementation of these projects and the effectiveness of interventions.

308. Another intensive round of collective reflection on capacity needs and a plan to improve capacity so that the large amounts of additional funds can be absorbed and transformed into effects are strongly recommended.

Recommendation 7. Ensure that public spending on private goods remains limited

309. It is recommended that public spending on private goods in agriculture is restrained when funding increases as expected. It may be tempting to use additional funds for direct interventions, but this may undermine private sector development and lead to unsustainable temporary production increases. The projects on the "Agricultural Produce Buy Back Fund", the GoL Value Chain Project, and mechanization initiatives touch areas where too much intervention can be harmful for sustainability and private sector development. The project documentation should be prepared with due attention to this point.

310. Priority should be given to services that fall clearly into the category of public goods. The extension and advisory system and agricultural research are not effective and have little impact, partially because they lack funding. Plans are under way to expand these services. They must not be marginalized because funds are spent on investment projects that should be in the realm of the private sector. The experience of those new projects dealing specifically with value chains and the promotion of private investment and activities required to make agriculture grow should be observed, and occasions for regular exchange of experience should be created and used.

[55] International comparisons would be useful here, but comparable data were not readily available.

Recommendation 8. Work towards a Sector-Wide Approach (SWAP) on the basis of LASIP

311. The preparation of LASIP in 2010 was a very positive step towards making donor interventions and GoL spending consistent and coordinated. The challenge now is to maintain the momentum and develop LASIP further into a SWAP-like arrangement without pooled funding arrangements for the time being. Currently, there is little evidence that the institutional framework described in the document is being put in place. It would be a pity if the acquisition of funds from the Global Agriculture and Food Security Program (GAFSP) Trust Fund would remain the only effect of LASIP.

312. A SWAP requires an approved sector strategy (LASIP could be considered as such), donor commitment to adhere to the agreed priorities documented in the sector strategy, a costed implementation plan, a common system for monitoring results, a forum for regular dialogue and appraisal of results (achievements and failures), and strong national leadership. Several of these elements were defined in the existing LASIP document, but still need to be implemented.

313. In addition, LASIP would require further consultation and discussion to become a tool to guide resource allocation and activity planning, and to avoid creation of a "wish list" of items. Production targets as well as financial requirements appear overambitious as they stand. Without a clear and realistic financial ceiling and without taking institutional capacity into account, priorities with regard to targets and resource allocation remain non-exclusive ("everything is a priority") and are not a useful guide.

314. The normal sequence of preparation of a sector investment or expenditure program is to:

- First, define desirable and technically realistic targets;
- Second, specify the activities required to reach the targets, including measures required to build the capacity to implement them;
- Third, cost these activities to verify if the financial requirements can possibly be satisfied; and
- Fourth, if financial requirements cannot be realistically met, go back to Step 1 and "sacrifice" some targets, and to Step 3 and work on efficiency with regard to necessary activities.

315. The feedback from Step 3 to 4 to Step 1 does not appear to have been done in the LASIP.

316. Furthermore, monitoring and prioritization should take place at the level of targets and activities rather than available finance. The reason is that delivery costs for specific activities and targets may vary significantly across different players—the government and different donors. Therefore, it is recommended to view the costing exercise as part of the reality check of a sector program rather than taking estimated costs as targets for financing and criterion for identifying gaps that may remain.

317. The SWAP mechanisms to safeguard consistency and priorities should influence projects at the conceptualization and design stage, rather than just taking note of decisions taken elsewhere. For LASIP to be a guide, a regional dimension, missing at the moment, has to be added, because many projects' designs contain actions on various components that are complementary in a specific region. Without a regional breakdown, it is difficult to plot projects into the framework. In this context, it is useful to define targets by region and to strengthen regional coordination mechanisms.

Appendix 1a: Project Disbursements in FY 2009/10 (AMU Listing)

Donor	Project Title	Disbursement FY 2009/10 (USD)	Description	PRS Sector
AfDB	Agriculture Sector Rehabilitation Project	**3,100,000**	The project aims to increase the income of smallholder farmers and rural entrepreneurs, including women.	Agriculture Infrastructure
WB	Agriculture and Infrastructure Development Project	~~**Not included in the Total [14,220,000]**~~	This project provides: Policy Reform and Institutional Support for infrastructure management and agriculture; Agriculture and Infrastructure Investments, including roads, bridges, water, market facilities and agriculture.	Food & Agriculture [spending was on infrastructure only]
WB	COPAN Consolidation of Protected Area Network (TF092010)	**300,000**	Technical and logistical support to the creation of three proposed Protected Areas, community engagement and participatory planning, and capacity strengthening to FDA and EPA.	Forestry
WB	Emergency Food Crisis Response: Agricultural Productivity Support (TF605001)	**1,670,000**	The project will support government's efforts in re-establishing basic infrastructure and reviving agriculture activities. This is executed as co-financing to the Agriculture and Infrastructure Development Project listed above.	Food & Agriculture
WB	FCPF - TF094047 Forest Carbon Partnership Agreement*	**200,000**	Assist Liberia to develop a Readiness Plan for REDD (Reducing Emissions from Deforestation and Forest Degradation).	Forestry
WB	Expansion of Liberia Protected Area Network Project (EXPAN)	**200,000**	Support to FDA in the expansion of protected areas network .	Forestry
WB	Forest Carbon Partnership Facility	**100,000**		Forestry

Donor	Project Title	Disbursement FY 2009/10 (USD)	Description	PRS Sector
WB	Support to Chain of Custody	**300,000**	Interim support for funding gap in chain of custody contract.	Forestry
WB	Forestry Reform Project (TF 057090)	**710,000**	Technical and logistical support to FDA in law enforcement, institutional restructuring, community forestry, communications and decentralization.	Forestry
WB	SAPO National Park Conservation (TF055668)	**195,000**	Biodiversity conservation in the SAPO National Park.	Forestry
USA	Liberian Integrated Assistance Program (LIAP)	**2,300,000**	Provide seeds, tools, livestock and food to farmers.	Food & Agriculture
USA	Land Rights and Community Forestry Program	**2,400,000**	Support for Community Forestry activities and land tenure.	Forestry
USA	Food and enterprise Development Program (FED)	**500,000**	Increase agricultural productivity and profitability, stimulate private enterprise growth and investment, build local technical and managerial human resources capacity.	Food & Agriculture
USA	Technical Assistance to the Ministry of Agriculture (TASMOA) project	**2,200,000**	Agriculture Sector Reforms- Ministry of Agriculture Technical Assistance.	Food & Agriculture
Denmark	Danish Support to the Attainment of MDG3 in Liberia	**5,848,068**	This is the largest Danish development assistance programme to Liberia which provides funding as well as technical assistance support to the implementation of three GoL and United Nations Joint Programme on Food Security and Nutrition, Joint Programme on Gender Equality and Women Economic Empowerment and the Joint Programme on Youth Employment and Empowerment.	Food & Agriculture
AfDB	Emergency Caterpillar Project	**1,000,000**	The project is to help prevent and control caterpillar outbreak.	Food & Agriculture

Donor	Project Title	Disbursement FY 2009/10 (USD)	Description	PRS Sector
WFP	Purchase for Progress (P4P)	**999,478**	The Purchase for Progress (P4P) initiative of the WFP aims to support low income farmers by enhancing their linkage to markets and through agricultural development. This project is a pilot and is linked to and directly supports the livelihood Asset Rehabilitation component of the WFP project PRRO 108210.	Food & Agriculture
EC	Improved Food security in Foya	**2,820,000**	Support the rehabilitation/reconstruction of 6 micro-dams and transform adjacent swamps into irrigated plots; Train farmers in swamp production and provide adequate tools and improved rice service; Support the CARI to establish a seed rice breeding and multiplication facility, including seed laboratory and seed facilities; Train farmers in rehabilitation and management of chemical free small-scale cocoa plantations and provide adequate tools for rehabilitation; Support the rehabilitation of farm-to-market roads and small bridges	Food & Agriculture
EC	Promoting food security in Southeast Liberia thru commercial rice	**1,302,699**	Expected results of the projects are: Increased productivity of local rice; Enhanced capacity of farmer-based organizations, marketing associations, individual farmers, and MoA to sustainably develop and manage a commercial rice value chain; Sustainable local rice value chain growth through a market-led approach; Increase incomes for poor families.	Food & Agriculture
EC	Build the capacity of the agriculture sector actors to develop sustainable and improve livelihood in Bong county	**564,973**	The project has three result areas: 1) A network of agriculture sector actors and local authorities is empowered and able to design, implement, monitor and capitalize on sustainable projects; 2) 25 pilot projects demonstrating sustainable agriculture development are implemented; 3) A Consortium of NGOs monitor both agriculture development and food security situation and share key findings with the actors of agriculture development at both county and country level.	Food & Agriculture
EC	Development of sustainable inland fish farming to achieve food security in rural Liberia	**576,636**		Food & Agriculture

Donor	Project Title	Disbursement FY 2009/10 (USD)	Description	PRS Sector
EC	Urban and Peri-Urban Agriculture project in Liberia	**1,012,569**		Food & Agriculture
EC	Enhancing Urban and Peri-Urban Agriculture in Liberia	**646,592**	Main activities are: (a) to establish agricultural production systems that make efficient use of existing human and natural resources and improve food security and income; (b) to establish a market orientation which produces the right product for the right buyer at the right time and price; (c) to develop appropriate business and marketing skills and organizational schemes which lead to economies of scale, and; (d) to improved links among market chain actors and flows of information and technologies.	Food & Agriculture
EC	Food Facility EC-WFP-I- Liberia ***	**1,996,064**	EC's contribution to Strengthening the Government and UN Joint Response to the Food Crisis in Liberia through WFP.	Food & Agriculture
EC	Food Facility EC-UNDP-I-Liberia ***	**1,200,876**	LIBERIA EC's contribution to Strengthening the Government and UN Joint Response to the Food Crisis in Liberia through UNDP.	Food & Agriculture
EC	Food Facility EC-UNICEF-I- Liberia ***	**1,007,445**	The action is part of the Joint Food Security and Nutrition Programme for Liberia developed between the GoL and the UN, which aims at increasing food security for urban/rural populations.	Food & Agriculture
EC	Food Facility EC-FAO-I- Liberia ***	**2,816,475**	The action is part of the Joint Food Security and Nutrition Programme for Liberia developed between the GoL and the UN, which aims at increasing food security for urban/rural populations.	Food & Agriculture
	Total 2009/10	**35,966,875**		

Appendix 1b: Project Disbursements in FY 2010/11 (AMU Listing)

Donor	Project Title	Disbursement 2010/11 (USD)	Description	PRS Sector
AfDB	Agri-sector Reform Program	***2,436,600***		Food & Agriculture
WB	Consolidation of Liberia's Protected Areas Network	***120,283***		Forestry
WB	Development Forestry Sector Management Project	***250,000***		Forestry
EC	Strengthening Forest Management in Post-Conflict Liberia	**1,347,193**	To ensure management of forest resources in Liberia meets national and international standards, and is integrated into sustainable national development, restoring the nation's credibility in forest governance.	Forestry
EC	Build the capacities of the agriculture sector actors to develop sustainably agriculture and improve livelihoods in Bong County	**721,928**	To improve agricultural systems through actors synergies and sustainable intensification and diversification in Bong County. Specific objective is to set up an operational local non-state actors and local authorities network that is able to implement sustainable projects and share lessons learnt.	Food & Agriculture
EC	Development of Sustainable Inland Fish farming to Achieve Food Security in Rural Liberia	**916,201**	Overall objective: To significantly reduce the negative effects of food price rises on the poorest consumers in Liberia.	Food & Agriculture
EC	Urban / Peri-Urban Agriculture Project in Liberia	**1,005,141**	Specific objective: Sustainable food security achieved through improvement in urban agriculture and nutrition of the most vulnerable peri-urban producers, mainly women and youth in 6 eastern townships of Greater Monrovia and Gbarnga towns.	Food & Agriculture
EC	Enhancing Urban and Peri-Urban Agriculture in Liberia	**1,320,358**	Specific objective: Small scale urban and peri-urban producers improve food security and increase income and UPA is officially recognized.	Food & Agriculture

Donor	Project Title	Disbursement 2010/11 (USD)	Description	PRS Sector
EC	Food Facility EC-UNICEF-I- Liberia ***	**329,155**	The action is part of the Joint Food Security and Nutrition Programme for Liberia developed between the GoL and the UN, which aims at increasing food security for urban/rural populations.	Food & Agriculture
EC	Food Facility EC-FAO-I- Liberia ***	**1,928,199**	The action is part of the Joint Food Security and Nutrition Programme for Liberia developed between the GoL and the UN, which aims at increasing food security for urban/rural populations.	Food & Agriculture
EC	Food Facility EC-UNDP-I- Liberia ***	**904,450**	The action is part of the Joint Food Security and Nutrition Programme for Liberia developed between the GoL and the UN, which aims at increasing food security for urban/rural populations.	Food & Agriculture
EC	Lofa Livelihood Security Programme (LLSP)	**710,139**	The result areas of the action are: Result 1: improved and diversified local food production and the availability of food products; Result 2: improved and sustainable access to markets; Result 3: improved and strengthened capacity of local institutions to support livelihood recovery.	Food & Agriculture
EC	Enhancing Agricultural Capacities and Economy (PEACE) in Southeast Liberia	**1,315,285**	To reduce food insecurity and malnutrition in vulnerable households and contribute to the (re)establishment of sustainable agrarian production, and strengthened resilience to shocks in targeted communities in southeast Liberia.	Food & Agriculture
EC	Gbarpolu Agriculture, Infrastructure and Nutrition for Food Security (GAINS)	**625,676**	To improve food security and agricultural livelihoods for vulnerable populations in Gbarpolu County, through improvement in agriculture and nutrition for 50 communities, and building productive and community assets.	Food & Agriculture
EC	Promoting food security in Southeast Liberia (SEL) through commercial rice value chain development	**338,155**	Improving access and affordability of local rice to vulnerable people in G. Gedeh and R. Gee counties through increased productivity and a market-led approach.	Food & Agriculture
EC	Food Facility EC-WFP-I- Liberia ***	**3,033,391**	EC's contribution to Strengthening the Government and UN Joint Response to the Food Crisis in Liberia through WFP.	Food & Agriculture
US	Land Rights & Community Forestry Program (LRCFP)	**2,488,618**	Support for community forestry development activities, promote pilot land tenure management systems & conflict management models in Nimba, Sinoe and the newly created National Land Commission.	Forestry

Donor	Project Title	Disbursement 2010/11 (USD)	Description	PRS Sector
US	Smallholder Oil Palm Support (SHOPS)	**2,000,000**	Strengthen the smallholder oil palm sector in four target counties.	Food & Agriculture
US	Food and Enterprise Development (FED) Project	**14,451,984**		Food & Agriculture
US	Global Development Alliance - Rubber	**500,000**		Food & Agriculture
US	Natural Resource Management and Sustainable Livelihoods	**5,000,000**		Food & Agriculture
Denmark	Joint Programme on Food Security and Nutrition	**894,363**	The Joint Programme on Food Security and Nutrition was formulated by the GoL and the UN as a direct response to minimizing the impact of the global food crises and to promote food sufficiency in Liberia. The Danish funding supports women food crop growers to access markets and factors of production, and support for national leadership and coordination through increased capacity of MoA and MoGD to allow for efficient and effective extension and coordination services in place and integrated in county and district structures.	Food & Agriculture
US	Strengthen Land Rights and Access	**4,000,000**	Support the GoL efforts to strengthen Land Rights and Access.	Land and Environmental Policy
	Total 2010/11	**46,637,120**		

Appendix 2: ADWG Liberia Projects – *January 25, 2012*

Donor/Agency	Project Description (with Status and Closing Date)	Project/Program Coverage	Budget by LASIP programs in USD	Implementing organization	Project contact persons
Single Donor Projects (*LASIP programs: 1- Food and nutrition security / 2- Competitive value chain and market linkage / 3- Institution development / 4- Land and water)*					
MoA	The Comprehensive African Agriculture Development Programme (CAADP) aims at stimulating an all-inclusive agricultural growth to achieve the MDGs Launched March 2009 – closing?	Countrywide coverage	1= 2= 3= 4= Total=		
WFP	The Purchase of Progress Programme (P4P) intends to purchase locally produced rice at the International Parity rate, giving small-scale farmers access to reliable markets and the opportunity to get a better price out of their surplus. It also intends to improve capacity of farmer cooperatives in agro-processing and marketing, and in the development of procurement processes. Ongoing 2009 – 2013	Initial implementation in Lofa, Nimba and Bong counties with progressive incorporation of other counties	1= 2= USD $6.0 million 3= 4= Total= USD $6.0 million	WFP	Getachew Diriba
	The Livelihood Assets Rehabilitation program (LAR) intends to mobilize communities to develop/rehabilitate their lowland rice farms. It follows a Food or Cash for Work modality to provide a small incentive to those youth and other vulnerable community members who participate in the program. Small inputs of tools are also provided by WFP along with contributions from joint program partners (i.e., FAO: seeds, machines and UNDP: roads, warehouses). September 2011 – December 2012 (under review to be finalized in due course)	Initial implementation in Lofa, Nimba and Bong counties with progressive incorporation of other counties	1= USD $2.0 million 2= USD $0.4 million 3= USD $0.3 million 4= USD $1.0 million Total= USD $3.7 million	WFP	Getachew Diriba

Donor/Agency	Project Description (with Status and Closing Date)	Project/Program Coverage	Budget by LASIP programs in USD	Implementing organization	Project contact persons
USAID	LAUNCH: The five-year Liberia Agriculture Upgrading, Nutrition, and Child Health (LAUNCH) Project addresses key causes of chronic food insecurity in 6 rural districts of Bong and Nimba counties through health, nutrition, agriculture, and infrastructure activities. Ongoing (2010-2015)	Six rural districts in Bong and Nimba counties	1= 2= 3= 4= Total= USD $40 million	ACDI/VOCA	Ahmadou N'diade, Chief of Party
	HANDS: The five-year Health, Agriculture, Nutrition Development for Sustainability (HANDS) Project addresses key causes of chronic food insecurity in rural districts of River Gee and Grand Gedeh Counties through health, nutrition, agriculture, and infrastructure activities. Ongoing (2010-2015)	Grand Gedeh and River Gee counties	Total= USD $35 million	Opportunities Industrialization Centers (OIC)	Ben Anamoh, COP
	E-HELD: The five-year Excellence in Higher Education for Liberian Development (E-HELD) project focuses on developing Liberian women and men for professional careers as leaders, managers, extension agents, researchers, and small business owners through strengthening higher education at the University of Liberia and Cuttington University (CU), College of Agriculture and Integrated Development Studies (CAIDS). A Center of Excellence in Engineering will be established at UL and a Center of Excellence in Agriculture will be established at CU-CAIDS. 2011-2016 (ongoing)	University of Liberia Cuttington, Fendell Campus, Montserrado County University, College of Agriculture and Integrated Development Studies, Bong County	Total= USD $18.5 million (About 40% of which is agriculture specific – related to program 3 of LASIP)	Research Triangle Institute (RTI)	Luann Gronhovd, Education Development Officer, USAID I
	SHOPS: The three-year Smallholder Oil Palm Support (SHOPS) project aims to increase smallholder oil palm sector productivity and profitability; improve smallholder oil palm sector marketing and trade capacity; and improve smallholder oil palm sector enabling environment and support functions in four counties. 2011-2014 (recently awarded)	Bong, Nimba, Lofa, Grand Bassa counties	Total= $ USD 3.75 million	ACDI/VOCA, Winrock	Michael Boyd, Economic Growth Office Team Leader, USAID

Donor/Agency	Project Description (with Status and Closing Date)	Project/Program Coverage	Budget by LASIP programs in USD	Implementing organization	Project contact persons
USAID	FED: The five-year Food and Enterprise Development (FED) project, a primary contributor to the US Government's Feed the Future Initiative, focuses on agriculture sector development and applies a value chain approach to increasing agricultural productivity and improving human nutrition; to stimulating private enterprise growth and investment; and to building related local technical and managerial human resources. (Under Development)	Bong, Nimba, Lofa, Grand Bassa, Margibi, Montserrado	Total= USD $75 million	DAI	Michael Boyd, Economic Growth Office Team Leader, USAID
	RISE: The four-year Rural Infrastructure in Support of Enterprise (RISE) project will be designed to support the infrastructural needs of the Food and Enterprise Development (FED) project and the Excellence in Higher Education for Liberian Development (E-HELD) project. This support will be achieved through the construction of rural roads, rehabilitation of agricultural infrastructures (offices, warehouses, irrigation systems, etc.), and the construction/rehabilitation of the centers of excellence in Agriculture and Engineering at Cuttington University and the University of Liberia, respectively. (Under Development)	Bong, Nimba, Lofa, Grand Bassa, Margibi, Montserrado	Total= USD $30-$35 million	TBA	Michael Boyd, Senior Economic Growth Officer/Team Leader, USAID
	PROSPER: The four-year People, Rules, and Organizations Supported for the Protection of Eco-System Resources (PROSPER) project will build on and expand GoL/USAID current activities focused on increasing forest-dependent communities' capacity for forest management and for development of forestry and agricultural-based enterprises. The project will also increase awareness of the need for and benefits from environmental management and compliance. (Under Development)	TBA	Total= USD $18-$20 million	TBA	Dan Whyner, Forestry Advisory
	LEAD: Africa Leadership Training and Capacity Building Program (LEAD) explicitly supports the Comprehensive African Agriculture Development Programme by developing a cadre of Liberian leaders (from government, the private sector, and civil society) who will design and implement food security strategies and investment plans. 2011 – TBA	Liberia-wide	Total for Liberia = USD $0.5 million	DAI	Carla Denizard, COP

Donor/Agency	Project Description (with Status and Closing Date)	Project/Program Coverage	Budget by LASIP programs in USD	Implementing organization	Project contact persons
USAID	STCP: The Sustainable Tree Crops Program (STCP) promotes tree crop based farming systems and protects biodiversity. In particular, the project assists Liberian tree crop farmers, particularly cocoa and oil palm farmers, to revitalize their damaged plantations/farms through support for provision of improved planting materials, with their associated technologies, including processing improvements such as the Freedom Mill for oil palm processing. 2006 – Dec. 2011 (ongoing)	Bong, Nimba, and Lofa counties	Total= USD $9.3 mil	International Institute for Tropical Agriculture (IITA)	Martha Lukens, Country Program Manager
	The Integrated Agriculture for Women's empowerment program will improve food security entrepreneurial opportunities for women and men in Lofa county, using a skills training and value chain approach to integrated lowland rice, livestock, and aquaculture production. The program will train smallholder farmers in literacy and agribusiness, graduating farmers from basic skills to producer groups and associations. 2010-2013 (ongoing)	Foya and Kolahun Districts in Lofa County	Total= USD $1.3 million	Samaritan Purse	Kendell Kauffeldt, Country Director
	The Famine Early Warning Systems Network (FEWS NET): this USAID-funded activity collaborates with international, regional and national partners to provide timely and rigorous early warning and vulnerability information on emerging and evolving food security issues. FEWS NET professionals in Africa, Central America, Haiti, Afghanistan and the United States monitor and analyze relevant data to identify potential threats to food security. FEWS NET uses a suite of communications and decision support products to help decision makers mitigate food insecurity. These products include monthly food security updates for 25 countries, regular food security outlooks, and alerts, as well as briefings and support to contingency and response planning efforts. More in-depth studies in areas such as livelihoods and markets provide additional information to support analysis as well as program and policy development. FEWS NET also focuses its efforts on strengthening early warning and food security networks. Activities in this area include developing capacity, building and strengthening networks, developing policy-useful information, and building consensus around food security problems and solutions. Ongoing	Worldwide, remote monitoring in Liberia (country-wide) from West Africa office	1= 2= 3= 4=? Total=	Chemonics International, Inc.; United States Geological Survey (USGS); National Aeronautics and Space Administration (NASA); National Oceanographic and Atmospheric Administration (NOAA); United States Department of Agriculture (USDA)	West Africa *Regional Representative*

Donor/Agency	Project Description (with Status and Closing Date)	Project/Program Coverage	Budget by LASIP programs in USD	Implementing organization	Project contact persons
USAID	ACE: The four-year Agriculture for Children's Empowerment project (ACE) is part of USAID's global initiative to improve child welfare using economic growth activities. ACE's underlying assumption is that sustainable improvements in children's vulnerability require similar improvements in their families' economic circumstances. ACE works in the vegetable and rice value chains in Nimba (Saclepea district), Bong (Kpai and Jorquelleh districts) and Montserrado (Mt Barclay and Fendell) counties. ACE provides a package of assistance to smallholder farming enterprises which consists of technical assistance in crop production management systems, competiveness and market analysis, linkages with marketing outlets and private agricultural supply firms. Ongoing (2008-2012)	Bong, Nimba, and Montserrado counties	Total= USD $2.7 million	ACDI/VOCA	Mahawa Wheeler, COP
European Union	Enhancing food security and nutrition in and around Monrovia and Tubmanburg. To contribute to increased food and nutrition security as part of strengthening resilience of households and farmers in Greater Monrovia, Tubmanburg and Saint Paul River District. Vegetables and livestock value chain approach. Ongoing-End date 08/06/2015	Montserrado and Bomi counties	1= USD $1.34 million 2= 3= 4= USD $1.34 million Total= USD $2.68 million	DEUTSCHE WELTHUNGERHILFE	Adolfo Cires Alonso
	Enhancing Agricultural Capacities and Economy (PEACE) in Southeast Liberia. To reduce food insecurity and malnutrition in vulnerable households and contribute to the (re)establishment of sustainable agrarian production, and strengthened resilience to shocks in targeted communities in southeast Liberia Ongoing-End date 03/01/2012	Maryland, Grand Kru, and River Gee counties	1= USD $2.1 million 2= 3= 4= Total= USD $2.1 million	DANSK FLYGTNINGEHJAELP (DRC)	Adolfo Cires Alonso
	Enhancing Urban and Peri-Urban Agriculture in Liberia Small-scale urban and peri-urban producers improve food security and increase income through a vegetable and livestock value chain approach. Ongoing-End date 30/11/2012	Greater Monrovia and Bomi county	1= USD $1 million 2= USD $1 million 3= 4= Total= USD $2 million	DEUTSCHE WELTHUNGERHILFE	Adolfo Cires Alonso Adolfo.

Donor/Agency	Project Description (with Status and Closing Date)	Project/Program Coverage	Budget by LASIP programs in USD	Implementing organization	Project contact persons
European Union	Urban / Peri-Urban Agriculture Project in Liberia. Sustainable food security achieved through improvement in urban agriculture and nutrition of the most vulnerable peri-urban producers mainly women and youth in 6 eastern townships of Greater Monrovia and Gbarnga towns. Vegetables value chain approach. Ongoing-End date 10/12/2012	Greater Monrovia and Bong county	1= USD $1 million 2= USD $1 million 3= 4= Total= USD $2 million	STICHTING CARE NEDERLAND	Adolfo Cires Alonso
	Development of Sustainable Inland Fish Farming to Achieve Food Security in Rural Liberia. To support the income of smallholder farmers in rural and urban areas of Liberia by developing sustainable rural fish farming. Ongoing-End date 15/12/2012	Bong and Nimba counties	1= USD $1.52 million 2= 3= 4= Total= USD $1.52 million	ASSOCIATION PISCICULTURE ET DEVELOPPEMENT RURAL EN AFRIQUE TROPICALE HUMIDE-FRANCE (APDRA-F)	Adolfo Cires Alonso
	Build the capacities of the agriculture sector actors to develop sustainable agriculture and improve livelihoods in Bong County The program aims to support agriculture evolution towards higher and diversified production as well as to promote longer term livelihoods stability. Pilot projects approach. Ongoing-End date 29/2/2012	Bong county	1= USD $1.18 million 2= 3= 4= Total= USD $1.18 million	SOLIDARITES INTERNATIONAL ASSOCIATION	Adolfo Cires Alonso
	Improved Food Security in Foya District, through promotion of value chain approach. Continuation of a GIZ Food Facility funded project in line with the Food Security Thematic Programme strategic priority: ''Addressing food security for the poor and vulnerable in fragile situations.'. The project implements a value chain approach in rice and cocoa. Ongoing-End date 31/12/2013	Lofa- Foya district	1= USD $1.3 million 2= 3= 4= USD $1.3 million Total= USD $2.6 million	GIZ - GMBH	Adolfo Cires Alonso

Donor/Agency	Project Description (with Status and Closing Date)	Project/Program Coverage	Budget by LASIP programs in USD	Implementing organization	Project contact persons
European Union	Promoting food security in Southeast Liberia (SEL) through commercial rice value chain development and crops diversification. Increased production of locally produced rice and other food crops by developing 1,500 acres of lowland rice paddies and water management infrastructures and 500 acres of other food crops in River Gee County and Grand Gedeh County. Ongoing-End date 10/11/2014	Grand Gedeh, River Gee counties	1= USD $1 million 2= 3= 4= USD $0.9 million Total= USD $1.9 million	OXFAM GB LBG	Adolfo Cires Alonso Adolfo.
FAO	Food Security through Commercialization of Agriculture (FSCA) Project. Ongoing - December 31, 2012	Montserrado, Nimba, Maryland and Grand Kru counties	1= 2= 3= 4= Total= USD $2,250,002	FAO/MoA	Joseph Boiwu
	Stimulating rural employment through integrated agro-enterprise development. Ongoing – December 31, 2011	Montserrado county	1= 2= 3= 4= Total= USD $448,000	FAO/CSLI	Joseph Boiwu
	Improved Food Security & Nutrition through Economic Empowerment of Women Ongoing – June 30, 2012	Lofa, Bong and Nimba counties	1= 2= 3= 4= Total= USD $1,523,00	FAO/MoA	Joseph Boiwu
	Moving Forward in the Implementation of the Non-legally Binding Instrument on All Types of Forests in Liberia: A Contribution to Reducing Deforestation and Forest Degradation Ongoing – December 31, 2013	Country-wide	1= 2= 3= 4= Total= USD $450,00	FAO/FDA	Joseph Boiwu
	Emergency food production for Ivorian refugees and Liberian host families (TCP/LIR/3302). Ongoing – Duration: January 31, 2012	Nimba, Grand Gedeh counties	1= 2= 3= 4= Total= USD $500,00		Mr. Tiago de Valladares Pacheco

Donor/Agency	Project Description (with Status and Closing Date)	Project/Program Coverage	Budget by LASIP programs in USD	Implementing organization	Project contact persons
FAO	Emergency food security assistance to Ivorian refugees and host families in Nimba County, Liberia (OSRO/LIR/101/CHA). Ended September 30, 2011	Nimba county	Total= USD $498,930		Mr. Tiago de Valladares Pacheco
	Emergency Food Security Assistance for Ivorian Refugees and Affected Host Communities in Liberia (OSRO/LIR/102/EC). Ongoing – Duration: December 31, 2012	Nimba, Grand Gedeh, Maryland counties	1= 2= 3= 4= Total= USD $2,057,613		Mr. Tiago de Valladares Pacheco
	Support to the Government's Coordinated Response to the Food Price Crisis. (GCP /LIR/014/EC) Ongoing – Ends November 2011		1= 2= 3= 4= Total= USD $6,630,022		Mr. Tiago de Valladares Pacheco
World Bank	Agriculture component of the Agriculture and Infrastructure Development Project (AIDP): Project supports GoL efforts in re-establishing basic infrastructure and reviving the agriculture economy for rural growth and poverty alleviation, through: Policy reform and institutional support / Infrastructure investment / Project management capacity building. Ongoing - 2007-2011	Lofa, Bong, Nimba	1= USD $800,000 + USD $3 million 2= USD $3.2 million 3= USD $1 million 4= Total= USD $8 million	FAO IITA AfricaRice MoA/PMU	Oliver Braedt
CARD/JICA (Process Assistant Organisation: PAO)	Support to the Processes of Development of Liberia National Rice Development Strategy (LNRDS). CARD as a consultative group of bilateral and multilateral donors and African and international institution supports GoL for the formulation and launching of LNRDS through: a. Short term Consultant Arrangement b. Funding for Launching of LNRDS c. Promotion of Implementation of LNRDS Mid February 2011 – End of March 2013	Countrywide	1= 2= 3= USD $31,500 (Max) 4= Total= USD $31,500 (to be determined)	MoA CARD National Committee	Kazuyuki Fujiwara (Mr.) CARD Secretariat Shitau Miura (Mr.) JICA Liberia Field Office

Donor/Agency	Project Description (with Status and Closing Date)	Project/Program Coverage	Budget by LASIP programs in USD	Implementing organization	Project contact persons
Government of Japan	Food Aid (KR) of JFY2011: Phase1 Period: to be determined	Country-wide	1= to be determined 2= 3= 4= Total=	Japan International Cooperation System (JICS)	Shunsuke Saito (Mr.) First Secretary Embassy of Japan in Ghana Liaison: Shitau Miura (Mr.) JICA Liberia Field Office
Government of Japan	Food Aid (KR) of JFY2011: Phase2 Period: to be determined	Country-wide	1= to be determined 2= 3= 4= Total=	Japan International Cooperation System (JICS)	Shunsuke Saito (Mr.) First Secretary Embassy of Japan in Ghana Liaison: Shitau Miura (Mr.) JICA Liberia Field Office
IFAD	Support to Vulnerable Group in Rice Production and Productivity Project (SVGRPP). This grant is aimed at strengthening the capacities of the MoA. Ongoing – To end in September 2012	Lofa county	1= 2= 3= USD $600 000 4= Total= USD $600 000	MOA	Hubert Boirard
	Smallholder Tree Crop Revitalization Support Project (STCRSP). Objective is to increase the cash crop income of smallholder farmers through (i) rehabilitation of cocoa and coffee plantations, (ii) improved access to market (roads and public-private partnership for marketing) and (iii) building the capacities of the MoA extension services, cooperatives, and Farmer Based Organisations. To start in 2012, until 2016 *This project has additional parallel funding from the World Bank (see in Multi-Donors project section below)*	Lofa county	1= USD $17 million 2= 3= 4= Total= USD $17 million	MOA/PMU Hifab Cocoa private sector company 3 cocoa cooperatives	Hubert Boirard

Donor/Agency	Project Description (with Status and Closing Date)	Project/Program Coverage	Budget by LASIP programs in USD	Implementing organization	Project contact persons
Sida	Support to the Development of Markets and Value Chains in Agriculture. The several-year programme is in the development stage and will focus on the development of markets and value chains in selected agricultural subsectors (food and tree crops) adopting a so-called Making Markets Work for the Poor (M4P) approach. It will emphasize the role of the private sector, development of market linkages, and promotion of systemic and sustainable change.	To be determined	1= To be determined 2= To be determined 3= 4= Total=	To be determined	Gun Eriksson Skoog
	Support to the Development of Community Forestry. Sida is exploring opportunities to support the development of community forestry, with a particular focus on forest communities' ability to sustainable manage and economically benefit from forest resources.	To be determined	1= 2= 3= 4= Total= To be determined	To be determined	Jallah Kennedy
	Support to the Land Commission in Liberia (2011-2013). The project provides core support to the Land Commission (LC) to strengthen its capacity of drive and coordinate reforms in the land sector in accordance with the broad Liberia Land Programme. The support is intended to complement the GoL funding of the LC budget, finance a technical adviser to the LC, and finance non-financed prioritized activities of the Liberia Land Programme determined in annual work plans.	Country-wide	1= 2= 3= 4= USD $2.3 million Total= USD $2.3 million	UN-Habitat & Land Commission	Jallah Kennedy
	Liberia-Sweden Feeder Roads Project (LSFRP): Bong and Lofa Counties (2009-2014). The project rehabilitates and will subsequently maintain 300 km of feeder roads in Lofa and Bong counties, using a labour-based approach and including capacity development of private road contractors, Ministry of Public Works staff and local community labourers.	Lofa and Bong counties	1= 2= USD $15 million 3= 4= Total= USD $15 million	Ministry of Public Works and Hifab International	Jallah Kennedy
	Liberia-Sweden Feeder Roads Project (LSFRP) Expansion to Nimba County (2011-2015). This project builds on and extends the Lofa and Bong intervention to Nimba country.	Nimba county	1= 2= USD $14 million 3= 4= Total= USD $14 million	Ministry of Public Works and To be determined	Jallah Kennedy

Donor/Agency	Project Description (with Status and Closing Date)	Project/Program Coverage	Budget by LASIP programs in USD	Implementing organization	Project contact persons
KFW	Co-financing of the Reintegration and Recovery Programme in South-Eastern Liberia III. Ongoing 2011 - 2014	Grand Gedeh, River Gee, Sinoe counties	1= 2= 3= 4= Total= ?	Welthungerhilfe	
Multi-Donor Projects (*LASIP programs: 1- Food and nutrition security / 2- Competitive value chain and market linkage / 3- Institution development / 4- Land and water)*					
Government & UN Joint Programme (JP) on Food Security and Nutrition/EU	It has a multi-sectorial scope: i.e., actions are being taken on several fronts, in support of national leadership by the MoA and other key ministries with responsibilities in the area of food security and nutrition. Specific initiatives include: management of malnutrition, improving water and sanitation, nutrition policy reform, rice seeds purchase and distribution, technology transfer, multiplication of improved varieties of rice and cassava, capacity building, markets and farm-to-market roads, provision of post-harvest infrastructure, etc. Ongoing 2008-2012	Country-wide	1= 2= 3= 4= Total= USD $140.236 million (About USD $50 million for emergency support and USD $90 million for medium term support).	FAO (USD $5.6 million) WFP (USD $4.6 million) UNDP (USD $1.9 million) UNICEF (USD $1.85 million) (All the above Funded by EU FF -ending in November 2011)	Adolfo Cires Alonso
World Bank/IFAD (parallel funding)	Proposed Smallholder Tree Crop Revitalization Support Project. Will directly support GoL policy for economic revitalization, based on the promotion of export-oriented economic growth, through consolidating the role of the private sector, while at the same time facilitating rural development, increasing rural incomes, and contributing to poverty reduction. The objective is to increase poor tree crop farmers' income opportunities by rehabilitating unproductive farms and supporting tree crop replanting and new planting, and by supporting preparation activities toward the future development of the tree crop sector and effective smallholder participation. Under preparation	Proposed project should cover about 6 counties	1= 2= 3= 4= Total= WB- USD $15.6 million (approx.)+IFAD- USD $17 million (see IFAD section above)	MoA/PMU	Oliver Braedt

Donor/Agency	Project Description (with Status and Closing Date)	Project/Program Coverage	Budget by LASIP programs in USD	Implementing organization	Project contact persons
World Bank/Japan PHRD	West Africa Agricultural Productivity Program 1C (WAAPP 1C). The objective is to generate and accelerate adoption of improved technologies in Liberia top agricultural commodity priorities areas that are aligned with the sub-region's top agricultural commodity priorities as outlined in the ECOWAP.		1= 2= 3= 4= Total= USD $14 million	MoA/PMU	Oliver Braedt Abdoulaye Toure
EU/World Bank	Administration Agreement for the Co-Financing of Liberia Agriculture and Infrastructure Project with the World Bank Group Ongoing-End date 31/12/2012	Bong, Nimba, Lofa counties	1= 2= 3= 4= Total= USD $13 million	World Bank	Adolfo Cires Alonso
	World Bank - Co-financing of the Liberia Community Empowerment Programme II with the World Bank Group Ongoing-End date 31/12/2012	15 counties	1= 2= 3= 4= Total= USD $11.4 million	World Bank	Adolfo Cires Alonso
USAID/WFP	USAID's contribution to Emergency Relief Operations (EMOP) for food assistance and logistics support for Ivorian refugees.	All areas with Ivorian refugees	Total= USD $10.4 million	WFP	Getachew Diriba (Country Director)

Donor/Agency	Project Description (with Status and Closing Date)	Project/Program Coverage	Budget by LASIP programs in USD	Implementing organization	Project contact persons
AfDB/IFAD/GoL	AGRICULTURE SECTOR REHABILITATION PROJECT (ASRP). The overall goal of the project is to contribute to food security and poverty reduction. Its specific objective is to increase the income of smallholder farmers and rural entrepreneurs, including women, on a sustainable basis. The project is implemented under three components: Agriculture Infrastructure Rehabilitation; Agricultural Production and Productivity Improvement; and Project Management. The project total cost is estimated at USD $27.495 million with AfDB share of USD $19.8 million (72%), (IFAD) share of USD $5.0 million (18%) and GoL contribution of USD $2.695 million (10%) in kind. AfDB financing is mainly targeted for marketing infrastructure rehabilitation and development works while IFAD financing is meant to cover production activities and capacity building for grassroots institutions (rice seeds and cassava cuttings, poultry and small ruminants distribution and exchange /agricultural training/farmers' and communities' organisations strengthening). The project is expected to directly benefit an estimated 9,610 households in 8 counties. The household income is expected to increase by 300% on successful completion of the project. The project will be implemented over six years (2010 – 2015). Procurement of the key service providers and implementation partners was completed in the first quarter of 2011. Major project activities commenced thereafter.	Four South-Eastern and four Western counties (i.e., Maryland, Grand Kru, Grand Gedeh & River Gee; Bong, Montsserrado, Cape Mount and Bomi)	1= 2= USD $15.3 million 3= USD $4.16 million 4= USD $6.9 million Total= USD $26.36 million (excluding project management costs)	MoA/PMU Action Aid WeltHungerHilfe Africare Concern	Dr. Moses Zinnah

Donor/Agency	Project Description (with Status and Closing Date)	Project/Program Coverage	Budget by LASIP programs in USD	Implementing organization	Project contact persons
GASP/AfDB/GoI	Smallholder Agricultural Productivity Enhancement and Commercialization Project (SAPEC). The proposed project aims to increase the production of main staples such as rice, for which annual import is currently estimated at 130,000 tons. Liberia has over 300,000 hectares of cultivable lowlands that are well watered during the rainy season (April to October). This project will tap into the land and water potential to assure food security. The specific objective is to increase the income of smallholder farmers and rural entrepreneurs, particularly women, through intensification of crop production, value addition and market development. The project is also aimed at improving technology adoption at farm levels and the building of the capacity of the Liberian agriculture sector for policy analysis, planning, program supervision, and agricultural extension and research. The total cost of the project over a six-year period is estimated at UA 33.08 million (UA 29.08 million GAFSP grant and UA 4 million ADF grant). The project will receive about 85.95% (about USD $46.5 million) of its funding from the Global Agriculture and Food Security Program (GAFSP). The Bank will fund the balance with an ADF grant (about USD $6.24). The GOL contribution, which will be provided in kind (office space rents, utilities, taxes) is estimated at UA 1.0 million. The project will comprise four components namely: i) Sustainable Crop Production Intensification, ii) Value Addition and Marketing, iii) Capacity Building and Institutional Strengthening, and iv) Project Management.	The project will be implemented in 12 counties: Maryland, River Gee, Grand Gedeh, Grand Kru, Sinoe, River Cess, Grand Bassa, Montserrado, Margibi, Bomi, Cape Mount and Gbarpolu.	1 & 4 = USD $27 million (tbd) 3= USD $2.5 million (tbd) Total= 33.8 million UA (including administration cost)	AfDB	Dr. Moses Zinnah

Donor/Agency	Project Description (with Status and Closing Date)	Project/Program Coverage	Budget by LASIP programs in USD	Implementing organization	Project contact persons
GIZ Funded by EU-Food Facility and BMZ (German Government)	Improved Food Security in Foya District, Liberia. Ongoing-End date 31.12.2011 Rehabilitation of livelihoods of poor rural households with focus on: Dam construction/rehabilitation; Rehabilitation of water canal structures; Rehabilitation of swamp land and rice production; Rehabilitation of cocoa plantations, processing and production of chemical-free cocoa; Preparation of plantain plantations and production; CARI: Construction of a seed rice laboratory and storage facility; Purchase of equipment for seed rice laboratory and rehabilitation of swamp land; Social Cohesion component: Literacy for Women; Crisis Prevention and Peace Building; Youth Club Promotion; Civic Education; Community Development Planning Training.		1= USD $5.2 million 2= 3= 4= Total= USD $5.2 million	GIZ	Christiane Hintzen Alan Gobeh
Sida and Multiple Donors	The Liberia Reconstruction Trust Fund (LRTF). Support to the World Bank multi-donor trust fund LRTF aiming at re-establishment of basic infrastructure, including roads.	Multiple counties	1= 2= USD $12 million 3= 4= Total= USD $12 million	World Bank and others	Jallah Kennedy

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Additional Web Resources:

On USAID concept of Value Chain Development: http://microlinks.kdid.org/good-practice-center/value-chain-wiki/key-elements-value-chain-approach

On M4P approach (Sida project): http://www.m4phub.org

Agrilinks: Voucher Schemes for Enhanced Fertilizer Use: Lessons Learned and Policy Implications (Presentation and Screencast). January 2012. +6http://agrilinks.kdid.org/library/voucher-schemes-enhanced-fertilizer-use-lessons-learned-and-policy-implications-presentation