

UNCLASSIFIED

# Annual Budget Submission

**FY 1984**

**LIBERIA**

BEST AVAILABLE

June 1982



Agency for International Development  
Washington, D.C. 20523

ANNUAL BUDGET SUBMISSION

FY 1984

LIBERIA

May 1982

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE OF CONTENTS

	Page
1. Table I - Long Range Plan and Narrative . . . . .	1
2. Table III - Project Obligations by Appropriation Account: FY 1982 - 1984 . . . . .	4
3. Table IV - Project Budget Data . . . . .	6
4. New Project Narratives	
<u>FY 1983</u>	
A. 669-0185 - Rural Dev. Training II . . . . .	11
B. 669-0186 - Agricultural Analysis & Planning . . . . .	15
C. 669-0162 - Livestock Dev. . . . .	19
D. 669-0164 - Land Tenure . . . . .	22
E. 669-0130 - Improved Efficiency of Learning I (Amendment) . . . . .	25
F. 669-0168 - OIC/Liberia (PVO) Project (Phase II) . . . . .	28
G. 669-0190 - Increased Revenue for Development II . . . . .	31
<u>FY 1984</u>	
A. 669-0188 - Agriculture Research & Extension (Phase II)..	35
B. 669-0187 - Agriculture Credit Bank II . . . . .	38
C. 669-0174 - Agriculture Extension . . . . .	42
D. 669-0191 - Rural Dev. Fund . . . . .	45
E. 669-0166 - Improved Efficiency of Learning II . . . . .	48
F. 669-0180 - Education/Human Resources Sector Analysis . . . . .	51
Program Grant - FY 83 & FY 84	
669-0179/669-0192 . . . . .	54
5. Table V. - Proposed Project Ranking . . . . .	57
6. Proposed Program Ranking Narrative . . . . .	58
7. Workforce and Operating Expenses	
A. Table VIII - Operating Expenses . . . . .	69
8. PL 480	
A. PL 480 Narrative . . . . .	72
B. Table XI PL 480 Title I/II Requirement . . . . .	75
9. Non Bilateral Funded Activities . . . . .	76

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE I - LONG RANGE PLAN BY APPROPRIATION ACCOUNT (\$ Thousands)

Country/Office USAID/Liberia

DEVELOPMENT ASSISTANCE	FY 1982 EST	FY 1983 EST	FY 1984 REQUEST	PLANNING PERIOD		
				1985	1986	1987
Agriculture, Rural Dev. & Nutrition						
Grants	<u>4,192</u>	<u>5,250</u>	<u>7,650</u>	<u>10,800</u>	<u>13,373</u>	<u>11,177</u>
Loans	-	-	-	1,000	700	-
Population						
Grants	-	<u>300</u>	<u>300</u>	<u>200</u>	<u>200</u>	-
Loans	-	<u>300</u>	<u>300</u>	<u>200</u>	<u>200</u>	-
Health						
Grants	<u>4,000</u>	<u>1,000</u>	<u>2,500</u>	<u>1,500</u>	<u>2,000</u>	<u>3,500</u>
Loans	<u>1,000</u>	<u>1,000</u>	<u>1,500</u>	<u>1,500</u>	<u>2,000</u>	<u>3,500</u>
Education						
Grants	<u>1,808</u>	<u>2,305</u>	<u>2,200</u>	<u>2,000</u>	<u>1,000</u>	<u>2,000</u>
Loans	<u>1,808</u>	<u>2,305</u>	<u>2,200</u>	<u>2,000</u>	<u>1,000</u>	<u>2,000</u>
Selected Dev. Activities						
Grants	<u>2,000</u>	<u>3,145</u>	<u>1,350</u>	<u>1,000</u>	<u>2,000</u>	<u>2,000</u>
Loans	<u>2,000</u>	<u>3,145</u>	<u>1,350</u>	<u>1,000</u>	<u>2,000</u>	<u>2,000</u>
Subtotal Func. Accounts	<u>12,000</u>	<u>12,000</u>	<u>14,000</u>	<u>16,000</u>	<u>18,373</u>	<u>18,677</u>
Grants	<u>9,000</u>	<u>10,300</u>	<u>13,000</u>	<u>15,000</u>	<u>17,673</u>	<u>18,677</u>
Loans	<u>3,000</u>	<u>1,700</u>	<u>1,000</u>	<u>1,000</u>	<u>700</u>	-
Total DA Accounts	<u>12,000</u>	<u>12,000</u>	<u>14,000</u>	<u>16,000</u>	<u>18,373</u>	<u>18,177</u>
Grants	<u>9,000</u>	<u>10,300</u>	<u>13,000</u>	<u>15,000</u>	<u>17,673</u>	<u>18,177</u>
Loans	<u>3,000</u>	<u>1,700</u>	<u>1,000</u>	<u>1,000</u>	<u>700</u>	-
Economic Support Fund						
Grants	<u>35,000</u>	<u>32,000</u>	<u>35,000</u>	<u>35,000</u>	<u>25,000</u>	<u>15,000</u>
Loans	<u>35,000</u>	<u>32,000</u>	<u>35,000</u>	<u>35,000</u>	<u>25,000</u>	<u>15,000</u>

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE I - LONG RANGE PLAN BY APPROPRIATION ACCOUNT (\$ Thousands)

Country/Office USAID/Liberia

DEVELOPMENT ASSISTANCE	FY 1982 EST	FY 1983 EST	FY 1984 REQUEST	PLANNING PERIOD		
				1985	1986	1987
Total Personnel	66.00	52.00	50.00	67.00	67.00	67.00
USDH (work years)	26.00	19.00	19.00	27.00	27.00	27.00
(Mission Specific)	23.00	17.00	16.00	23.00	23.00	23.00
(Part-time)	-	1.00	1.00	1.00	1.00	1.00
(IDI's)	3.00	1.00	2.00	3.00	3.00	3.00
FNDH	40.00	33.00	31.00	40.00	40.00	40.00

Forward Funding - New projects contained in this ABS are in line with forward funding guidelines contained in the FY 1984 ABS instructions.

Contraceptive Requirements - At the time this ABS is being prepared, contraceptive requirements through the planning period are not available. After completion of the redesign of the Primary Health Care project, this information should be known and will be relayed to AID/W. Thus the amount for centrally procured commodities for FY 1983 and FY 1984 will be forwarded later.

Work Force Levels - The reduction of Mission Specific Personnel from twenty-two to seventeen positions in FY 83 and sixteen in FY 84 will have a serious impact on Mission ability to manage and implement the expanded program proposed to the U.S. Congress in the AID Plan of Action submitted last December. The ceiling placed on IDI's of 1 position for FY 1983 will not allow the Mission to bring aboard any new IDI's until FY 84 since the one position provided for FY 83 will be utilized to allow the IDI now assigned to Liberia to complete her IDI assignment.

Given the proposed reduction in Mission specific personnel and since IDI's have in past years made a significant contribution to the Liberian program and have benefitted from the opportunities provided by its diversity and dynamism, the USAID finds the limitation placed on IDI positions especially unfortunate. No IDI's can be moved into regular positions under the FY 83/FY 84 approved workforce levels.

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE I - LONG RANGE PLAN BY APPROPRIATION ACCOUNT (\$ Thousands)

Country/Office USAID/Liberia

DEVELOPMENT ASSISTANCE	FY 1982	FY 1983	FY 1984 REQUEST	PLANNING PERIOD		
	EST	EST		1985	1986	1987

Pipeline and Related Problems

1. The present pipeline of the Agricultural Sector Analysis and Planning Project Phase I is inadequate to fund project activities through the PACD. Mission has requested additional funding (\$50,000) to bridge this shortfall. The pipeline for the Rural Roads III project continues to be much greater than is desirable due to the continued inability of the GOL to increase the pace of construction. The USAID will make a decision to resolve this problem within the next thirty days.
2. Consistent with our proposed programs in the CDSS, the Mission has developed a budget in the ABS which will support the minimum level of AID assistance required to continue our two tiered (i.e. short and long term) strategy for Liberia consistent with the AAPL. Because of the considerable divergence between the proposed levels of the CDSS and the AAPLs (especially in the case of the requested year and the first two years of the planning period), USAID/Liberia has found it necessary to incrementally fund and defer final funding of projects to a greater extent than is desirable or recommended by the FY 1984 ABS guidance. We feel that keeping up the momentum of development at this critical juncture in Liberia's history is vital to the achievement of both our developmental and strategic objectives. We are therefore, moving forward with the implementation of our proposed development program to the maximum extent possible within the limitations imposed by the AAPL's. We are optimistic that the increased levels proposed in the CDSS will be forthcoming as the results from such initiative as the Cancun Agricultural assessment provide further justification for expanded levels.

**TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION ACCOUNT**  
FY 1982 to FY 1984  
(\$ thousands)

Country/Office USAID/Liberia

APPROPRIATION ACCOUNT	FY 1982	FY 1983	FISCAL YEAR 1984
<u>Agriculture, Rural Dev. &amp; Nutrition</u>	<u>4,192</u>	<u>5,250</u>	<u>7,650</u>
669-0134 Rural Information System (G)	1,000	1,030	617
669-0134 Rural Information System (L)	-	-	-
669-0135 Agricultural Research & Extension (G)	1,617	1,245	-
669-0137 Ag. Analysis & Plng. (G)	50	-	-
669-0153 Rural Devl. Training Cutting (PVO) (G)	950	-	-
669-0162 Livestock Production	-	500	500
669-0163 Nimba Co. Rural Tech. (PVO) (G)	575	500	933
669-0164 Land Tenure (G)	-	500	500
669-0174 Agr. Extension (G)	-	-	1,800
669-0185 Rural Devl. II (G)	-	975	800
669-0186 Ag. Anly & Plng II (G)	-	500	500
669-0187 Ag. Credit Bank II (G)	-	-	500
669-0188 Ag. Res. & Ext II (G)	-	-	1,500
<u>Population</u>	<u>-</u>	<u>300</u>	<u>300</u>
669-0165 Primary Health Care (G)	-	300	300
<u>Health</u>	<u>4,000</u>	<u>1,000</u>	<u>2,500</u>
669-0165 Primary Health Care (G)	1,000	1,000	1,500
669-0165 Primary Health Care (L)	3,000	-	1,000
<u>Education</u>	<u>1,808</u>	<u>2,305</u>	<u>2,200</u>
669-0130 Improved Efficiency of Learning (G)	597	1,300	700
669-0168 Oppor. Indust. Cntr. Intl. - Liberia (PVO) (G)	1,211	1,005	-
669-0180 EHR Sector Analysis	-	-	500
669-0162 Improved Efficiency of Learning II (G)	-	-	1,000
<u>Selected Development Activities</u>	<u>2,000</u>	<u>3,145</u>	<u>1,350</u>
669-0184 Economic Mgmt. & Trng. (G)	-	1,145	350
669-0191 Increased Revenue for Dev. II (G)	-	2,000	1,000
Subtotal Functional Accounts	12,000	12,000	14,000
Other Programs	-	-	-
<b>TOTAL - ALL DA APPROPRIATION ACCOUNTS</b>	<b>12,000</b>	<b>12,000</b>	<b>14,000</b>

## FY 1984 ANNUAL BUDGET SUBMISSION

TABLE III - PROJECT OBLIGATIONS BY APPROPRIATION ACCOUNT  
 FY 1982 to FY 1984  
 (\$ thousands)

Country/Office USAID/Liberia

APPROPRIATION ACCOUNT	FY 1982	FY 1983	FISCAL YEAR 1984
<u>Economic Support Fund</u>	<u>35,000</u>	<u>32,000</u>	<u>35,000</u>
669-0178 Program Grant IV (G)	35,000	-	-
669-0179 Program Grant V (G)	-	32,000	-
669-0189 Program Grant VI (G)	-	-	35,000
669-0191 Rural Devl. Fund (L)	-	-	*
TOTAL ESF	35,000	32,000	35,000
TOTAL - DA AND ESF	47,000	44,000	49,000

\* See note on Table IV



Country/Office

USAID/Liberia

TABLE IV PROJECT BUDGET DATA

NUMBER	PROJECT TITLE	OBLIGATION DATE	OFL	INIT	WIN	HAITH	PLANN	LIFE OF PROJECT COST	CUM PIPELINE AS OF 9/30/81	FY 1982				FY 1983		FY OBLIGATIONS				YTPM #			
										OBL	EXP	OBL	EXP	OBL	EXP	1984 AAFL	FUNDED TO MO/YR	1985	1986		1987	FUTURE YEAR	
669-0165	Population Planning	83*	G	86	-	-	-	1000	-	-	-	-	300	267	300	12/84	200	200	200	-	-	-	
	Primary Health Care							1000					300	267	300		200	200	200				
	Appropriation Total							1000					300	267	300		200	200	200				
	Grant							-					-	-	-		-	-	-				
	Loan							-					-	-	-		-	-	-				
	Health							-					-	-	-		-	-	-				
669-0125	Lofa County Rural Health	75	G	79	2608	2608	2608	2608	202	202	202	202	-	108	-	-	-	-	-	-	-	-	-
669-0126	Health Management Planning	76	G	80	2371	2500	2500	2500	912	912	260	260	-	-	-	-	-	-	-	-	-	-	-
669-0157	Hand Dig Wells	78	G	78	267	267	267	267	37	37	37	37	-	-	-	-	-	-	-	-	-	-	-
669-0165	Primary Health Care	82	G	86	-	10000	10000	10000	1000	1000	-	-	1000	1323	1000	3/85	2000	2000	2500	-	-	-	-
669-0165	Primary Health Care	82	L	84	-	4000	4000	4000	3000	3000	-	-	3000	1183	1000	12/84	-	-	-	-	-	-	-
	Appropriation Total				5246	19375	19375	19375	1151	1151	499	499	1000	2614	1000		2000	2000	2500				
	Grant				5246	15375	15375	15375	1151	1151	499	499	1000	1413	1000		2000	2000	2500				
	Loan				-	4000	4000	4000	-	-	-	-	3000	1183	1000		-	-	-				



TABLE IV PROJECT BUDGET DATA

NUMBER	PROJECT	OBLIGATION DATE	LIFE OF PROJECT COST			WIN	AIFTH	PLAN	CUM PIPELINE AS OF 9/30/81	ESTIMATED US DOLLAR COST (\$000)						ITEM #			
			O/L	UNIT.	FY 1982 OBL					FY 1982 EXP	FY 1983 OBL	FY 1983 EXP	1984 APPL	FUNDED TO MO/YR	FY OBLIGATIONS			FUTURE YEAR	
															1985		1986		1987
669-0167	Economic Support Fund	79	80	5000	5000	80		3352											
669-0169	Low Income Housing II	80	80	200	200	80		110											
669-0178	Medical/Equipment Supplies	82	82	16000	35000	82		-											
669-0179	Program Grant IV	83	83	-	35000	83		-											
669-0189	Program Grant V	84	84	-	35000	84		-											
669-0191	Rural Devl. Fund	84	85	-	5500	85		-											
	Appropriation Total			21200	130700			3462											
	Grant			21200	125200			3462											
	Loan			-	5500			-											
	Country Total			83886	277489			29026											
	Grant			60386	244489			15204											
	Loan			23500	33000			13822											
	Obligation Dates different from CP.																		
	(*) See note attached.																		

Country/Office

USAID/Liberia

Note: The proposed FY 84 and FY 85 project starts shown below are not included in FY 84-87 totals due to AAPL constraints. These are presented for planning purposes and are conditioned on the increased funding levels proposed in the FY 1984 CDSS:

	FY 84	FY 85	FY 86	FY 87
(ARDN) Rural Dev. Fund	3,000 <sup>(a)</sup>	2,000 <sup>(a)</sup>		
(SDA) Private Sector Initiative	-	2,500	7,500	5,000
(EDA) National Energy Assessment	-	1,500	-	-
(ARDN) Cooperative Development	-	800	1,800	2,000
(ARDN) Storage and Marketing	-	-	2,700	3,000
Total	<u>3,000</u>	<u>6,800</u>	<u>12,000</u>	<u>10,000</u>

(a) To be funded out of proposed increased ESF levels.

Proposed Project Description FY 83/84/85

Project Number: 669-0185

Title: Rural Development Institute Phase II

Proposed Obligation: Agriculture, Rural Development and Nutrition

Life of Project Cost: \$3,875,000

FY 83 975,000

FY 84 800,000

Project Duration:

Start: FY 83

End: FY 87

Purpose: To expand the scope of training begun under Phase I, including improving existing training components and introducing new ones covering rural health, nutrition, family and household economics, cooperatives, credit and marketing and the delivery of local Government services.

Background: The Rural Development Institute (Phase I) of Cuttington University College is an outgrowth of a proposal developed jointly by the Administration of Cuttington University College and the Episcopal Church of both Liberia and the USA, and approved by the Minister of Agriculture and the President of the Republic of Liberia. A project to establish the Institute was subsequently authorized in July 1977. The appointment of a Director, design of the Institute, awarding of construction contract and recruitment of faculty were all begun at this time.

The Institute is a constituent part of Cuttington University College. The physical plant consists of one office and classroom complex, six dormitories, eight faculty residences, farm buildings and workshops plus a 1,300 acre college farm ~~contiguous~~ to the campus. It is located contiguous to the Central Agriculture Research Institute, and is closely aligned with the Pilot Agricultural Development Projects in Bong, Nimba and Lofa Counties, with the private sector and with the Ministries of Agriculture, Education, Health, the Cooperative Authority, Internal Affairs and with Planning and Economic Affairs.

The Institute offers a two year program of intensive training in theory, principles and application of Agricultural Development and production. One of two major areas of specialization may be selected; these are Plant Science or Animal Science. This program was designed specifically to train mid-level agricultural workers to assist subsistence level farmers to improve their production of food and cash crops. The emphasis is placed on creative application of existing indigenous and newer research technology that can best be adapted to each of the local agricultural regions in Liberia. The tasks for these workers will be to bring to the farm families necessary guidance direction, knowledge and encouragement about the wise use of their resources. These are the small scale village farmers who comprise the vast majority of Liberia's food production resource.

The first class of 80 students was enrolled in March 1979. By March of 1980, there were 145 enrolled and the first graduating class in November 1980 consisted of 63 who received their two year associate degrees in agriculture. Another class of 66 graduated in December 1981. Currently there are 170 first and second year students enrolled at the Institute.

It has been anticipated from the beginning of Phase I that a Phase II would be necessary. Phase II will be a continuation of the plan to provide trained agriculturalists and middle-level management personnel for Liberia in their continuing effort to become self-sufficient in food production. Additional training components include; rural health, nutrition, family and household economics, cooperatives, credit and marketing. It is not anticipated that training beyond the Associate Degree level will be offered. Additional classrooms and dormitories will be built to accommodate a larger number of students. Linkages with the Central Agricultural Research Institute, the Bong, Lofa and Nimba County Agricultural Development Projects and the Ministry of Agriculture Extension Science will be expanded and strengthened.

Major Outputs: It is expected that the number of graduates will be increased from the current level of 60-70 per year to 100-125 per year. These students upon graduation are employed by the Ministry of Agriculture as mid-level management and extension workers, by commercial farms, by agribusiness firms and some are self-employed.

Policy Concerns of the Reagan Administration in Accordance with Proposed Project:

Appropriate technology is being adapted under the current project. The new project will continue this initiative in addition to transferring this technological package more efficiently to the small subsistence farmers via a trained pool of Liberian workers.

Beneficiaries:

The direct beneficiaries are the students, male and female from each of the nine counties in Liberia who receive Associate Degrees in Agriculture. The indirect beneficiaries are the food producers whether they are subsistence farmers or at a more productive level, and the consumers of Liberia. Increased food production will provide a more stable economic and political climate.

Major Issues to be Addressed During the Project Development (Design Stage):

Careful consideration should be given and a determination made as to method of implementation, i.e. OPG vs. Cooperative Agreement.

Contributions of other donors including GOL and the Protestant Episcopal Church should be definitely determined, perhaps through a memorandum of understanding.

An exact description of the relationship between Cuttington University, Rural Development Institute and the Protestant Episcopal Church, New York and Liberia and how that relationship applies to the day-to-day operations.

Host Country and Other Donors:

The Government of Liberia is committed to a contribution of \$400,000 for FY 82 - 83 beginning July 1, 1982. They will also furnish some instructors on a part-time basis to teach certain classes and veterinary assistance to the animal operation.

The European Economic Community (EEC) is committed to \$300,000 for the next 3-4 years. FAO has indicated an interest and have indicated they will contribute \$330,000 in FY 83 and at a \$250,000 level through FY 87. The International Cooperative Alliance has expressed an interest but has made no commitment. The Near East Foundation and the Protestant Episcopal Church indicate they will continue or improve their previous levels of funding at about \$40,000 per year and \$150 to \$200,000 per year respectively

FY 83 Program:

Fiscal year 83 will be the first year of the second phase. Included will be construction of additional classrooms and dormitories, up-grading of physical facilities, and additional staff to accommodate expanded curriculum and increased enrollment. This will also be the first year of EEC, Volunteer Development Corp (VDC) and the International Cooperative Alliance (ICA) contributions. The Government of Liberia will also make a substantial contribution.

AID Financial Inputs - 1983 and 1984:

	FY 83	FY 84
Technical Assistance	\$490,000	\$490,000
Training	36,000	36,000
Commodities	25,000	25,000
Construction	164,000	49,000
Other Costs	260,000	200,000
Total	<u>\$975,000</u>	<u>\$800,000</u>

Design Plan:

1. Proposal Submitted - By August 15, 1982
2. Proposal Approved - By October 1, 1982

The full amount of the FY 83 and FY 84 obligations is being applied to support PVO activities.

Proposed Project Description FY 83

Project Number: 669-0186

Title: Agricultural Sector Analysis and Planning Phase II

Proposed Obligation: Agriculture, Rural Development and Nutrition

Life of Project Cost: \$3,000,000

FY 83 500,000

FY 84 500,000

Project Duration:

Start: FY 83

End: FY 86

Purpose: To build on progress made under Phase I by continuing to support and improve the Government of Liberia (GOL), Ministry of Agriculture (MOA) planning and policy formulation capability.

Background: There has been a USAID commitment to providing technical assistance to strengthen the planning and analytical capability of the MOA Planning Division since 1972, mainly through two projects: Agricultural Program Development (completed) and its successor project Agricultural Sector Analysis and Planning Phase I (active). The predecessor project, although it made substantial progress in developing that capability, had no lasting impact, necessitating certain key elements of the current project. The current project then attempted to specifically develop within MOA Planning Division a self-sustainable staff capability in those data collection and analysis functions essential for sector policy and planning purposes.

External influences, (five different Ministers of Agriculture in as many years, policy changes, various attempts at ministerial reorganization, severe budgetary constraints, and mainly the April 12 military coup) have adversely affected the project and have contributed to less than desired progress. Also because of the frequent changes in MOA senior staff and policies following the coup, project advisors were diverted from their assignments and responsibilities to the project in order to advise and guide new and inexperienced MOA officials in the formulation

of new policies and organizational revisions in response to changing GOL Agriculture and Rural Development priorities. Because of these unforeseen problems, some of the planned functions were delayed. It appears therefore unlikely that sufficient progress will have been achieved toward the end of project goals for these functions to have become sufficiently internalized and self-sustaining in the MOA by the end of the project.

The major thrust of the new project Phase II will therefore be to provide continuing on-the-job training to develop MOA staff capabilities in economic planning and analysis, agriculture statistics, and related functions so they can be carried out by Liberians without further external assistance. A number of Liberians analysts and statisticians have been trained under the current project. While more are needed, these current employees can provide a base from which some immediate progress can be made.

Policy Concerns of the Reagan Administration in Accordance with Proposed Project: This project is an institution building effort. It transfers appropriate technology to the MOA in developing and improving its planning capability. In addition, the planning bureau will enhance their ability to formulate meaningful agricultural economic policies in line with GOL priorities.

Beneficiaries: The immediate beneficiary is the Ministry of Agriculture's Planning Bureau whose staff and planning and analytical capability will be greatly strengthened. Ultimately, the Liberian farmers and consumers are the primary beneficiaries since they will profit from better and improved agriculture policies implemented by the Ministry of Agriculture.

#### Major Issues to be Address During Project Development

1. Will MOA staff trained under the project remain with the Ministry?
2. Will the economic situation in Liberia improve sufficiently to allow the MOA to pay per diem, transportation, and other support costs for Ministry Personnel so that they can apply principles and techniques acquired?

4. To what extent will the information gathered be utilized by the MOA and other agricultural policy making bodies?
5. Will the Ministry attempt to direct the project advisors from their assignments into different areas?

Host Country and Other Donors: GOL inputs will primarily be provided on an "an-kind" basis and will consist of staff salaries, travel, office and support facilities. Approximate LOP, GOL, contribution is \$1,000,000.

FY 83 Program: The primary emphasis of the FY 83 program will be to initiate a rice supply-demand study which will include the effect of PL-480 imports and their impact on rice self-sufficiency. Other activities to be initiated include land tenure studies, studies of concessionary agriculture (rubber, cocoa, etc.) and the role of private sector. Additionally, both U.S. academic training and on-the-job training in disciplines which require strengthening will be continued and expanded. Local training and workshops will emphasize project design and analysis as well as area frame sampling to improve the statistical divisions capability for data collection.

Major Outputs: Basically, this project is one of institution building and thus the major output will be a more improved and strengthened planning division within the MOA, with enhanced competence in program and project conceptualization, design and implementation.

AID Financed Inputs:

Technical Assistance	FY 83	FY 84
2 long term advisors	\$210,000	\$430,000
Training	100,000	26,000
Commodities	100,000	20,000
Other Costs	<u>90,000</u>	<u>24,000</u>
Total	<u>\$500,000</u>	<u>\$500,000</u>

Design Plan:

1. 1st quarter FY 83 PID design complete.
2. 2nd quarter FY 83 PID approved.
3. 2nd quarter FY 83 Project Paper design.
4. 3rd quarter FY 83 Project Paper approved.

No funds from this project will be obligated for energy, environment, the private sector or PVO activities.

Proposed Project Description FY 1983

Project Number: 669-0162

Title: Livestock Development Project

Proposed Obligation: Agriculture, Rural Development  
and Nutrition

Life of Project Cost: \$2,300,000 (Grant)

FY 1983 : \$ 500,000

FY 1984 : \$ 500,000

Project Duration:

Start: FY 1983

End : FY 1985

Purpose: This project will assist the Government of Liberia (GOL) in its efforts to increase food, particularly protein production, and to enhance the earning capacity of the rural community. More specifically, the project will establish a basic framework in collaboration with the Winrock Institute and Uniroyal Rubber Co. for increasing meat production, through improvement of the native goats and cattle. It will also develop the mechanism necessary to deliver training, technology, and improved breeds of animals to those who own the majority of livestock in Liberia - the small producer.

Background: Liberia currently imports approximately 90% of its red meat supply. The total value of these imports is estimated at \$6 million annually. Meat imports are in addition to some 11,000 head of cattle and 4,500 sheep and goats imported for slaughter (yielding about 1,500 metric tons of meat.) All indicators point to increased imports in the future to meet the demand of the expanding human population.

The poultry industry in Liberia has developed rapidly during the past decade to the point of self-sufficiency. The remainder of the livestock industry, however, has made little or no progress in the same period. Of the 26,000 head of cattle in the country, only 2,600 animals are slaughtered per year. This is an off-take rate of 10 percent. This rate is 3 to 4 times lower than in developed countries.

Although disease (principally trypanosomiasis) and harsh environmental conditions are serious constraints to livestock production in Liberia, it is felt that a general lack of production skills, poor services, and marketing structures, and a shortage of improved trypanotolerant breeding stock are major contributors to the slow development of the cattle sector. The traditional system under which the livestock are kept by the Liberian small farmers, who own **most** of the livestock, is not conducive to high productivity nor economic return sufficient for expanding output. Typically, the system is based on low inputs which yields low outputs. There is good evidence that substantial increases in productivity of native breeds can be obtained through an improved production system. Further increases are possible through systematic breeding and selection of native cattle and goats through judicious cross breeding programs.

Policy concerns of the Reagan Administration in Accordance with proposed project: This project will transfer existing animal husbandry technology and management techniques to the Liberian small farmer based on Winrock Institute and Uniroyal Rubber Co. past experience in this area. These organizations represent private sector involvement in Liberia. This project will also improve the Government of Liberia's ability to provide adequate protein to its citizens and reduce importation of red meat.

Beneficiaries: The most immediate and direct beneficiaries will be the small farmers who live in suitable grazing areas of the country and elected to participate in the program. The ultimate beneficiaries will be the 200,000 rural and urban poor families who will have access to new protein supplements to their diets.

Major Issues to be Addressed During Project Development:

1. Whether the selective breeding program, coupled with training in improved animal husbandry practices increases red meat production by decreasing calf and kid calving losses.
2. Whether the selective breeding program will be able to impact favorably by increasing the percent of carcass slaughter weight.

Host Country and Other Donors: The GOL will finance the operating costs of the multiplication farms and the livestock distribution system. The salaries and international travel costs of participants will also be paid by the GOL.

FY 1983 Program: The Winrock technicians will arrive in Monrovia the first quarter of FY 1983. The agreement between Winrock and Uniroyal will be completed before project implementation in order for details concerning location of technicians and training facilities to be established in an orderly manner. The initial cadre of Liberian technicians will be trained the second quarter and begin selection of the breeding stock to be used for improvements.

Major Outputs:

1. Trained livestock technicians
2. Livestock industry expanded to small farmers
3. Increased protein consumption in rural homes
4. Domestically-produced livestock products available on the urban and rural markets

<u>AID Financial Inputs:</u>	FY 1983	FY 1984
Technical Assistance		
Long Term	\$400,000	\$400,000
Short Term	-	6,000
Training	-	24,000
Commodities	70,000	50,000
Other Costs	<u>30,000</u>	<u>20,000</u>
Total	\$500,000	\$500,000

Design Plan:

1. The project will be designed in collaboration with Winrock Institute and Uniroyal Rubber Co. during the first quarter of FY 1983.
2. The project documents will be signed during the first half of FY 1983.

The full amount of the FY 83 and FY 84 obligations is being applied to support PVO activities.

Proposed Project Description FY 83

Project Number: 669-0164

Title: Land Tenure

Proposed Obligation: Agriculture, Rural Development  
and Nutrition

Life of Project Cost: \$5,197,000 (Grant)

FY 83 500,000

FY 84 500,000

Project Duration:

Start: FY 83

End: FY 85

Purpose: To assist the Government of Liberia to develop and implement a systematic policy of land registration and adjudication in the rural areas.

Background: Liberia has traditionally allocated land in the rural areas to the tribal councils to be administered by the different clan chiefs. This land is informally allocated on the basis of need and length of residence in the area. Normally, once the land is assigned it is not taken back; but since no deed or document is given, there is no guarantee of rights.

There is a system to acquire property by deed for private ownership, but the process is both time consuming and difficult, depending on a person's connections and ability to circumvent the maze of the red tape and "normal procedures".

Since the new government came to power in 1980, there has been a concerted effort to improve the rural tenure system, and AID has been asked to assist.

The Minister of Lands, Mines and Energy has begun to hold discussions with various groups with the view of developing a project to assist rural people, particularly small farmers to acquire the land on which they are living and farming. At the same time, the Ministry of Planning and Economic Affairs, (MPEA) is working on a policy paper to be presented to the National Planning Council dealing with the issue and its implications for more equitable development.

USAID has been invited from the very beginning to participate in these discussions and has been specifically requested by the Minister of Lands, Mines and Energy to assist in rationalizing the Liberian land tenure system.

Policy Concerns of the Reagan Administration in Accordance with Proposed Project: This project will aim at institutional development by means of sharing technology and management techniques in the area of land tenure.

Beneficiaries: Approximately 150,000 rural families ultimately will have access to the services and outputs of this project. They will be able to acquire the land on which they live and farm in a reasonable amount of time, with a minimum of red tape and within the bounds of procedures they understand. The cost to AID over the life of the project is estimated at \$34 per family.

Major Issues to be Addressed During project Development:

1. Whether the GOL can provide suitable full time counterparts to work and train under the project advisors during the life of the project. The success of the project will depend upon the GOL's capability to carry on with activities after the withdrawal of foreign experts.
2. Whether sufficient facilities are available at the Bureau of Lands, Mines and Energy to support the project.
3. Coordination between the various Ministries of the GOL is essential for developing priorities and policies with regard to land tenure.

Host Country and Other Donors: The GOL will make available the necessary land and facilitate relationships with the traditional leaders in the rural areas. In addition, it will provide facilities, local personnel, some logistical support and operating funds. The EEC will continue to make the services of the chief planning advisor in the MPEA available. This economist works in the forefront of those who see the land tenure question as central to accelerated rural development and increased agricultural production. FAO will provide continued support by means of LANDSAT mapping services while important bilateral donor countries in the agricultural sector (PRC, FRG, UK, Netherlands, and Japan) have pledged assistance to accelerated small holder development once the land tenure issue has been resolved.

Fy 83 Program: The land tenure team, consisting of a land tenure (legal) expert, a LANDSAT photo interpretation expert and a deed recording and filing technician, will work with the Ministries of Agriculture, Justice, and Planning. Three long term training participants will be selected. Deed records filing and storage equipment will be ordered; charter aerial surveys of selected areas will be carried out.

Major Outputs:

1. Land registration system functioning.
2. Freeholder deeds for all land simplified.
3. Legal procedures for clearing titles established.

AID Financed Inputs:

Technical Assistance	FY 83	FY 84
Long term	\$215,000	\$430,000
Short term	25,000	
Training	90,000	26,000
Commodities	120,000	30,000
Other Costs	<u>50,000</u>	<u>13,000</u>
Total	\$500,000	\$500,000

Design Plan:

1. The PID will be approved in the 1st quarter of FY 83.
2. The Project Paper will be designed the 3rd quarter.
3. The Project Paper will be approved the last quarter of FY 83.
4. The grant agreement will be signed the 4th quarter of FY 83.

None of the funds obligated in FY 83 and FY 84 for this activity will be directly applied for energy, environment, the private sector or PVO activities.

Proposed Project Description FY 84

Project Number : 669-0130

Title : Improved Efficiency of Learning Phase I (Amendment II)

Proposed Obligation : Education and Human Resources Funds

Life of Project Cost	\$7,500,000
FY 83	1,300,000
FY 84	700,000

Project Duration:

Start : FY 78  
End : FY 85

Purpose:

To develop and establish systems to increase effectiveness of instruction by elementary teachers.

Background:

An intensive study of Liberia's education sector in 1977 - 1978, showed that far less than 50% of the school-aged children were involved in an organized school situation, that only 30% of teachers were professionally qualified, that teachers taught 2 or 3 days in an average week, that there were almost no texts or other learning materials in the classrooms and that approximately 65% of the school children were at least 3 years over-age in grade. Given these facts, the GOL/MOE and USAID looked for a workable alternative to the traditional approach to education. The result was the Improved Efficiency of Learning Project, a six year effort, using a unique type of programmed instruction that provides learning materials at minimum cost and acts as a professional training vehicle for teachers while they are teaching. The current Project (IEL Phase I) was authorized June 23, 1978, with a LOP cost of \$4,500,000.

Due to a serious underestimation of inflation and the need for various items omitted from the original budget, an amendment for an additional \$1,000,000 was approved June 11, 1981. Since that time, three consecutive independent evaluations have described the work as well-conceived, well executed and of unique professional character. Progress, however, in material development has been slower than anticipated. All evaluations recommend that the project be continued and additional funding made available as necessary.

It is now apparent, following the latest evaluation, completed April 23, 1982, that another amendment, providing \$2,000,000 and extending the project an additional year, will be needed to complete all project objectives. Many factors contributed to this situation, including: (1) persistent failure of public utilities (lights and water) in the area where the project was being developed; (2) a doubling in the price of gas and kerosine; and (3) an inability to hire and/or train qualified Liberian technicians willing to live in the area where the project is being developed. Progress is expected to improve dramatically with the additional inputs provided.

Policy Concerns of the Reagan Administration:

The Improved Efficiency of Learning Project will institutionalize in Liberia a school system capable of developing appropriate educational materials and using them to effectively educate children at a cost that is within the country's ability to absorb. It thus addresses the Reagan Administration policy concern for institution building in developing countries.

Beneficiaries:

While the immediate beneficiaries will remain the teachers, administrators and students in the project, the improved educational techniques introduced will ultimately benefit the entire community. The project, when expanded, will affect 120,000 children and 4,000 teachers. Also, the project has been determined to be a replicable model for other developing countries, and therefore has the potential to affect large numbers of the rural poor beyond the borders of Liberia.

Major Issues:

The major issue to be addressed is: Will the GOL, by 1989, have the economic ability to support the IEL program's continuance, and its dissemination to all elementary schools?

Host Country and Other Donor:

This project is being implemented by the Ministry of Education. The World Bank is developing systems for teacher training, supervision and distribution that will dovetail with this project when it is expanded. They will also build schools where the materials will be used.

FY 83 Program:

Program will include the following: 250 modules for grades 5 and 6 written and edited, training of 60 teachers, short term training by Liberian staff; production and distribution of materials for 15 experimental schools; long term training for 2 staff; and final revision and publication of all programmed materials for grades 1-4.

FY 84 Program:

Program includes: summative evaluation and module verification for four grades; long term training completed for 3 Liberian staff members final revision and publication of all programmed materials for grades 5 and 6.

Major Outputs:

562 Program Modules 1-6 grades

4 Trained Implementation Staff  
15 Trained Writers  
15 Experimental Schools Tested  
2,000 Modules Distributed  
125 Teachers Trained  
15 Principals Trained

<u>AID Financed Inputs:</u>	<u>FY 83</u>	<u>FY 84</u>
Technical Assistance		
Long term	950	400
Short term	<b>50</b>	50
Training	50	50
Commodities	<b>75</b>	<b>35</b>
Other Costs	<u>175</u>	<u>165</u>
Total	1,300	700

Design Plan:

Submit Project Amendment July 1982.

Proposed Project Description FY 84

Project Number : 669-0168

Title : OIC/Liberia (PVO) Project

Proposed Obligation : Education and Human Resources Funds

Life of Project Cost	\$3,654
FY 83	1,005
FY 84	500

Project Duration:

Start : FY 77  
End : FY 84

Purpose:

Further institutionalization of the Liberian Opportunities Industrialization Center (OIC) vocational training program, through construction of permanent training facilities in Monrovia.

Background:

Traditionally, both private and public sectors of Liberia have suffered from a lack of trained personnel to meet middle level manpower needs and sustain economic growth. These constraints have contributed to the slow economic progress since the "rice riots" of 1979-80. Lack of a sufficient number of trained Liberians has also continued reliance on expensive imported manpower. Since 1977 AID has provided funds to LOIC to develop an OIC training facility in Liberia. The original site for the project was a former arts and crafts school situated over 30 miles from Monrovia. The GOL insisted that the OIC program be established there as a residential training facility, to take advantage of existing buildings, including shops, dormitories and staff housing. A mid-project evaluation, however, found the per pupil-per year cost to be over \$5,000 -- a sum far in excess of what the GOL can afford.

Under the proposed project amendment the USAID is providing \$2,265,000 to establish a center in Monrovia. This effort will result in several new training courses, a larger student body (recruitment of more female students will be emphasized) and a viable non-residential facility -- eliminating the need for housing and feeding trainees. This funding will also finance technical assistance, local programs, equipment/commodities and indirect costs to establish the program in Monrovia. Under the new program, operating costs will be reduced by over 40%, while output will increase by at least 30%. Building of the Monrovia center will extensively utilize student and faculty labor.

Policy Concerns of the Reagan Administration:

This project is particularly in line with the Reagan Administration concern in that it:

1. Assists in the development of long-term GOL policies that will significantly

increase both the quality and quantity of appropriately trained manpower -- contributing to increased private sector productivity.

2. Institutionalizes an effective training facility
3. Utilizes both US and GOL experts to maximize the transfer of appropriate technology.

Beneficiaries:

The primary beneficiaries will be the trainees from the greater Monrovia area. Secondary benefits will be in the form of improved private sector performance through increased labor productivity.

Major Issues:

Will this activity tend to increase the rural-urban migration to Monrovia?

Will the GOL be able to support this program after the termination of U.S. involvement?

Can funds be raised in the private sector to eventually support 75% of this program?

Host Country and Other Donor:

The project will be managed by LOIC, operating in conjunction with the National Youth and Sports Commission. There are no cooperating foreign donors.

FY 83 Program:

1. Building of the center in Monrovia
2. Purchase and installation of new equipment
3. Relocation of the current equipment and student body to the new site
4. Designing new courses in driver education and automotive electricity/air-conditioning
5. Staff training
6. Increased student body (30%) and the inclusion of female students

FY 84 Program:

1. Expanded Program
2. Staff training

Module production  
Trainee instruction

Major Outputs:

300 graduates in 7 technical areas  
A completely outfitted and staffed training facility -- capable of handling  
a student body of 165  
A complete instructional program, designed and produced in Liberia by Liberians

AID Financed Inputs:

FY 83

Technical Assistance

Long term	400
Short term	55
Training	50
Commodities	200
Construction	300
Total	<u>1,005</u>

Design Plan:

June 1982 authorization of proposed amendment

Proposed Project Description FY 83/84/85/86

Project Number: 669-0132: 669-0132

Title : Increased Revenue for Development II

Proposed Obligation:

Life of Project Costs:	\$8,000,000 (Grant)
FY 83	2,000,000 "
FY 84	1,000,000

Project Duration:

Start: FY 83  
End: FY 86

Purpose:

To increase revenues through better income, property and customs tax administration.

Background:

Since the coup of 1980 the GOL has been unable to effectively manage its finances. Revenues have remained relatively constant over the last year but expenditures have increased dramatically. The major problems throughout government are the absence of controls over cashiers and tax collectors (income, property and customs), and the inefficient identification of non-filers and delinquent tax payers. Most of these problems stem from inefficient management and administration of personnel and resources. Also, aggravating the problem are the pervasive corrupt practices of many individuals who handle the tax revenue.

The expanded Increased Revenues for Development project would work to increase revenues through more efficient tax collection in the customs, income and property tax areas and put effective controls on cash management.

Specifically the project would work towards:

- (a) Improved compliance thorough identification of non-filers.
- (b) Expanded audit coverage of income tax returns.

- (c) Effective cash flow controls for cashiers and tax collectors.
- (d) Accelerated preparation of delinquency lists and bills through computerization.
- (e) Completion of the cadastral survey establishing appraisal values for real property tax.
- (f) Creation of in-service training program for technical supervisors in customs, property and income tax.
- (g) Cost-effective collection of all types of delinquent taxes through a centralized collection function.
- (h) Adoption and implementation of effective management practices.
- (i) Standardize systems for appraisal and classification of goods entering Liberia.
- (j) Upgrade the customs security systems in ports throughout Liberia.
- (k) Establish systems in Customs for dealing with fraud or smuggling of goods.
- (l) Upgrade the customs division so it can meet the legal requirements of the provisions within the Customs Code for Liberia.

Addressing concerns of Reagan administration:

This project has as its goal the development and implementation of economic policies that will make the GOL self-sufficient in revenues and better able to balance its budget. It will focus on strengthening the capabilities of the key GOL financial institutions, by creating a cadre of trained, motivated revenue and collection staff; and creating an environment, and providing the techniques for carrying out efficiently the job of collecting taxes.

Beneficiaries:

Direct beneficiaries would be those GOL employees working directly with the AID-Financed advisors and those that receive training either overseas or in-country. Indirect beneficiaries would be all Liberians who pay taxes and those who receive services from the GOL especially in the form of development projects.

Host Country and Other Donors:

IMF  
UNDP  
Ministry of Finance  
Ministry of Planning and Economic Affairs  
National Bank  
Bureau of the Budget

Major issues for Design Stage

To judge the commitment on the part of the GOL to actually carry out the recommendations of the advisors.

Major Outputs:

Income, property and customs tax systems in place, and trained personnel.

<u>AID Financed Inputs:</u>	<u>FY 83</u>	<u>FY 84</u>
Technical Assistance		
Long term advisors	1,500	800
Short term advisors	100	50
Training	200	90
Commodities	170	50
Other Costs	30	10
	<u>2,000</u>	<u>1,000</u>

Design Plan:

Review with GOL	June-July 1982
Project Paper submitted to AID/W	August-September 1982
Amendment approved	October 1982
Staff recruited	October 1982
Staff on-board in Liberia (Customs)	November
Tax Advisors already on-board	

FY(83) Program:

In FY 83 the project would focus on (a), (b), (c), (d) in the income tax area and on (i) and (j) in the customs areas (see Background Section).

FY(84) Program:

In FY 84 the project will focus on (e), (f), (g) in the income

tax area and on (k) and (l) in the customs area (see Background Section).

None of the funds obligated in FY 83 and FY 84 for this activity will be applied directly for energy, the environment, the private sector or PVO activities.

Proposed Project Description FY 84

Project Number: 669-0188

Title: Agriculture Research and Extension Phase II

Proposed Obligation: Agriculture, Rural Development  
and Nutrition

Life of Project Cost: \$21,400,000

FY 83 - 0 -

FY 84 1,500,000

Project Duration:

Start: FY 84

End: FY 93

Purpose: The ultimate objective of this long range project is institution building in the area of agricultural research and extension.

Background: The Ministry of Agriculture (MOA) in its declared policy objectives has called for intensified research extension activity aimed at increasing crop and livestock production. This requires the existence of a viable, productive agricultural research institution which can provide appropriate technology for cash and food crop and livestock production for the small subsistence farm family. Recognizing this need, the MOA in June 1979, requested technical assistance from USAID to develop this system. Consequently a Land Grant University was chosen (Louisiana State University) to design and implement the project. This current project 669-0135, although delayed one year in implementation because of the April 12, 1980 coup, is underway and trying to make up for this delay. The project is providing six senior advisors and short term consultants in institution building.

The achievement of the goals will have barely begun in Phase I. Phase II will enlarge and carry to fruition these goals. In addition it is expected that this project will interrelate with the planned Agricultural Extension Project (669-0174) to provide those essential linkages between research-extension-farmers and farmers-extension-

research which does not now exist. The Rural Development Institute and the Bong County Agricultural Development Project, both adjacent to the Central Agricultural Research Institute (CARI), work very closely with and look to CARI for their technologies as do other county development groups and parastatals.

Policy concerns of the Reagan Administration in accordance with Proposed Project: This project will provide the transfer of appropriate technology in the areas of agricultural research and extension and continue the development of CARI as an institution. The project is carried out by a U.S. Land Grant University, Louisiana State University.

Beneficiaries: Liberia has approximately 175,000 farm families of which 150,000 are subsistence farmers. These subsistence farmers have been targeted by MOA to receive priority assistance in all applicable phases of agricultural development.

Major Issues to be Addressed During Project Development:

1. Whether GOL can provide qualified staff to be trained in administering the Liberian Agricultural Research System.
2. Whether GOL will provide necessary land, facilities, equipment and support to continue the research and extension efforts after USAID inputs cease.

Host Country and other Donors: The Government of Liberia will continue to provide local cost funding. FAO and UNDP will provide technicians on an ad hoc basis for various activities in which they have an interest.

FY 84 Program: The funds received in FY 84 will be used to begin construction of housing and other facilities and to purchase vehicles. These are necessitated by the enlargement of the technical assistance and four additional professionals.

Major Outputs: Two primary outputs are to be expected:

1. The development of CARI as an institution with an organization, management, function, and capability adequate to perform its assigned mission.
2. The development of the capability of the technical departments to perform their assigned missions. They must have a staff technically competent and they must have at their disposal necessary land, facilities, equipment, and support.

AID Financed Inputs:

Technical Assistance	FY 83	FY 84
Long term	-0-	\$800,000
Short term	-0-	75,000
Training	-0-	260,000
Commodities	-0-	225,000
Other Costs	-0-	140,000
Total	\$ -0-	\$1,500,000
	=====	=====

Design Plan:

1. The project will be designed as a collaborative Title XII assistance project in the latter part of FY 83.
2. Project approval will be the last quarter of FY 83.
3. The present project will move into Phase II in early FY 84.

None of the funds obligated in FY 84 for this activity will be directly applied for energy, environment, the private sector or PVO activities.

Proposed Project Description FY 1984

Project Number: 669-0187

Title: Agriculture Credit Bank Phase II

Proposed Obligation: Agriculture, Rural Development  
and Nutrition

Life of Project Cost:	\$3,500,000
FY 83	-0-
FY 84	500,000

Project Duration:

Start: FY 84

End: FY 89

Purpose: To institutionalize rural credit and savings channels for farmers and the rural agricultural economy at reasonable interest rates, and establish more branch banking facilities.

Background: The proposed project is an extension of the agriculture Credit Bank Project (Phase I) which provided technical assistance, long term, short term, and on-the-job training for the Agricultural Cooperative and Development Bank (ACDB) offices in Monrovia, Montserrado County; with branches in Gbarnga, Bong County, and Voinjama, Lofa County. Major outputs provided under the project are a five year bank development plan, credit policy and procedures manual, bank operations manual, chart of accounts manual, and an audit procedures manual. Of the 40 professional staff employed by the bank, intensive one to one on-the-job training was provided to 18 financial analysts, credit analysts and credit committee personnel; and a bank operations officers. Four long term participants received Master's Degrees in Agricultural Finance or Agricultural Economics. Five people received short term non-academic training in agricultural credit for development.

Phase II would provide an expansion of technical assistance to coincide with the planned opening of ACDB branch offices in Nimba, Grand Gedeh, Maryland, Cape Mount, Sinoe, and Grand Bassa Counties. ACDB will at that time have decentralized its operations with bank offices in all nine counties of Liberia.

A continuation of long term, short term, and on-the-job training is essential under phase II to help the ACDB meet staffing requirements for these new locations. It's envisioned that six individuals would need to receive long term graduate study, and 12 receive short term training. In addition to the technical assistance and training components would be included to provide seed capital to ACDB if this is not forthcoming from the World Bank. With the opening of the six new branches, a much larger loan portfolio will be required to cover operating overhead.

Policy Concerns of the Reagan Administration in Accordance with Proposed Project: This project focuses on institution building and will promote rural entrepreneurship and assist more small farmers to participate in the market economy, by making available necessary credit for improvement and expansion of production.

Beneficiaries: Of the estimated 152,000 agricultural households in Liberia, the bank projects capacity to service approximately 20-25% by the end of the project. Emphasis is placed on small farmer loans, but agricultural parastatal projects and agricultural cooperatives and rural agribusiness small entrepreneurs will continue to be serviced under phase II.

Major Issues to be Addressed During Project Development (Design State)

1. Will the Government be able to meet its subsidy commitments to ACDB?
2. How to recruit advisors for up-country posting?
3. Can staff for the expansion be recruited within Liberia?

Host Country and Other Donors: GOL will provide office facilities, logistic support, local personnel salaries, and international travel expense for participants.

FY 84 Program: Advisors posted in three locations that are expected to open by 1984. Long term training of six participants to begin. Initial tranche of the seed capital loan disbursed. Purchase of all project commodities.

Major Outputs: Institutionalization of a systematic and formal internal training program to meet managerial needs of an expanding branch network.

Completion of implementation of procedural changes, work processes and development of an effective internal management information system.

Branch operations functional and decentralization of internal training at the branch level.

Utilization of the seed capital loan for a largely increased loan portfolio.

Individuals from long term, short term, and on-the-job training placed and functioning at the branch operations. Credit decisions, and loan servicing being performed at branch facilities.

AID Financed Inputs:

Technical Assistance	FY 83	FY 84
3 Long term U.S. Advisors	-	\$300,000
4 Short term U.S. Advisors	-	-
Long term training for six participants	-	50,000
Short term training for six participants	-	-
First Tranche of seed capital loan	-	-
Commodities		100,000
Other Costs		50,000
Total	-	<u>\$500,000</u>

Design Plan:

First quarter FY 83 PID Design

Second quarter FY 83 PID Approved

Third quarter FY 83 Project Paper Design

Fourth quarter FY 83 Project Paper Approved

None of the funds obligated in FY 84 for this activity will be directly applied to energy, environment, the private sector, or PVO activities.

Proposed Project Description FY 84

Project Number: 669-0174

Title: Agriculture Extension

Proposed Obligation: Agriculture, Rural Development  
and Nutrition

Life of Project Cost: \$18,700,000 (Grant)

FY 83 - 0 -

FY 84 1,800,000

Project Duration:

Start: FY 84

End: FY 90

Purpose: Through the creation of an effective extension institution, the project will provide Liberia's subsistence farmers with technical information and demonstration agriculture practices.

Background: Liberia's farm families remain at or near the subsistence level of production, the productivity of the nation's resources remain low and Liberia is still lagging in the production of most important food commodities, most notably food proteins. Over 90 percent of Liberia's farmers are small scale subsistence units. The land is rolling to hilly. Almost all farming is located on upland soils with rice and other food crops interplanted on the major portion of crop land cultivated.

The traditional farming of upland soil uses the bush fallow system that rotates on a 7 to 10 year rotation system. Farm sizes average about 2.5 acres and is usually dictated by the size of the family since labor is the major constraint and the system does not lend itself to the use of draft power. Marketing channels range from the sophistication of the Liberia Produce Marketing Association to the primitive farm wife who "makes market." Inputs are virtually non-existent and the knowledge of credit is just recently being introduced in very limited areas.

Policy Concerns of the Reagan Administration in Accordance with proposed project: This project concerns itself with institution building in the area of agriculture extension. The introduction of new and improved technology in this area is expected to increase food production in Liberia. The project will make use of a Title XII University.

Beneficiaries: The Government of Liberia has targeted the subsistence farmers as the primary target of the GOL's new agricultural development policy and strategy. The farm family in Liberia typically consists of 7 or 8 members with close contacts to an extended family, but with minimal economic or cultural contact outside of their immediate family. Typically, family members have no more than six years of education in schools. Cash income is not adequate to meet basic needs and they have neither the knowledge nor resources to improve this situation.

Major Issues to be Addressed During Project Development:

1. The willingness of rural farmers to adapt new farming techniques.
2. The ability of GOL to fund the extension service once AID funding is withdrawn.

Host Country and other donors: The host country will provide local personnel, office facilities, logistic support, and international travel costs for participants.

FY 84 Program: A Title XII University will be selected and the Project Paper will be prepared and approved in early FY 84. The team will arrive in stages through the first three quarters of the fiscal year. Most major commodities will be ordered the first quarter. It is planned that the extension personnel will be in the field prior to signing the grant agreement. This should be a condition precedent of the agreement. The first participants will be selected and leave for training the last quarter of FY 84.

Major Outputs:

1. A decentralized and coordinated national agricultural extension system fully functional.
2. Effective linkages and two way channel of communication between the Agricultural Research Institute and the Extension programs will be established.

3. A system developed in such a manner that the MOA will be able to meet recurrent costs.
4. A training capacity through utilization of the services of the RDI and other institutions sufficient to make the program self-sustaining in manpower.

<u>AID financed Inputs:</u>	FY 84
(6) Technical Assistance	
Long term	\$1,290,000
Short term	
Training	75,000
Commodities	350,000
Other costs	<u>85,000</u>
Total	<u>\$1,800,000</u>

Design Plan:

1. A title XII University will be selected in FY 83
2. Project Paper will be prepared and approved early FY 84.

None of the funds obligated in FY 84 for this activity will be directly applied for energy, environment, the private sector or PVO activities.

Proposed Project Description FY 84

Project Number: 669-0191

Title: Rural Development Fund

Proposed Obligation: ESF

Life of Project Cost:	\$5,500,000
FY 83	-
FY 84	3,000,000

Project Duration:

Start: FY 84

End: FY 85

Purpose: To encourage development of Liberia's indigenous private sector through the generation of local financing for rural self-help projects and small scale entrepreneurial development.

Background: Due to a number of factors including capital flight after the April 12, 1980 military coup; lack of investor confidence, the current stagnation of Liberia's economy, and severe shortage of funds for investment loans, small business development and self-help community development activities have virtually come to a standstill in rural Liberia. The current liquidity crisis in the country makes it impossible for entrepreneurs, without existing businesses or personal financial resources to acquire adequate financing for the many investment opportunities. Examples of the endless possibilities for small-scale industries include vegetable and fruit farming, charcoal production, metal working, animal husbandry, fish farming, ceramics, hand forging, cottage weaving, poultry farming, silk screen printing, canning and furniture building.

Major Outputs:

A much more viable small scale rural industry catering to the needs of the rural poor.

Small loans to rural entrepreneurs and local communities will total 11,000 by the end of the project.

Community improvement projects such as simple water systems, school renovation and market place construction are basic needs of rural dwellers but are not realizeable because of the freeze on investment loans by major banks. There, however, exists the National Investment Commission (NIC) and the Small Enterprises Association (SEA), which are closely associated Government parastatals. Currently, they provide loan funds to small scale enterprises (capentry shops, block-making factories, retail trade), but they are sorely under capitalized due to shortage of GOL funds, and therefore concentrate most of their efforts in the urban areas.

We would envision loan funds from this project to be so administered that procedures for qualifying and recurring loans would be simplified from existing procedures and made available to rural entrepreneurs and communities.

Policy Concerns of the Reagan Administration in Accordance with Proposed Project: This project aims at supporting and developing Liberia's indigenous private sector in an attempt at stimulating more broadly based rural development; and encouraging small rural entrepreneurs to invest their resources ~~more~~ productively to meet the basic needs of the rural poor.

Beneficiaries: Assuming an average loan size of \$500, 11,000 loans would be made available to rural entrepreneurs and communities under this two year project.

Major Issues to be Addressed During Project Development (design stage):

1. Loan application requirements for recipients.
2. Restructing of the present NIC loan disbursement mechanism
3. Review of applications, disbursement, monitoring, and payback of small up-country loans.

Host Country and Other Donors:

Loan funds will be disbursed through NIC and SEA. This project will complement other programs begun by 1983.

FY 84 Program:

Institutionalizing of rural loan mechanism within NIC and SEA. Disbursement of \$3 million in loans.

AID Financed Inputs:

	FY 84
Loan to NIC and SEA	\$3,000,000

Design Plan:

1. 1st quarter FY 83 PID Design
2. 1st quarter FY 83 PID Approval
3. 2nd quarter FY 83 Project Paper Design
4. 3rd quarter FY 83 Project Paper Approval

The full amount to be obligated in 1984 will be used for support of the private sector. Some proportion of funds made available for financing of local activities will be directed to energy and related activities.

Proposed Project Description FY 84

Project Number : 669-0130

Title : Improved Efficiency of Learning Phase II

Proposed Obligation: Education and Human Resources Funds

Life of Project Cost	\$7,000,000
FY 84	1,000,000

Project Duration:

Start: FY 84  
End : FY 89

Purpose:

To develop production, distribution and training systems which will make operational the capacity to introduce programmed instructional materials to increase the effectiveness of elementary teachers.

Background:

Data on education in Liberia indicates that less than 50% of the elementary school age children attend school and that seventy percent of primary school teachers are underqualified. Traditional methods of training and upgrading teachers are far too expensive to meet the ever increasing demands for qualified instructors.

Improved Efficiency of Learning Project Phase I was designed as an experiment in the development and testing of programmed materials utilizing the existing Liberian curriculum. Over five hundred modules for grades 1-6 are being developed. In 1983 there will be a controlled study of schools using traditional method. This study will test the learning efficiencies and cost effectiveness of each system. After three years of implementation more than 100 modules have been designed, tested in the laboratory school, revised and introduced into five experimental public schools. Formative evaluation of the materials is being done at this stage. The Liberian Government has given full support to this project as a means of responding to the problem of lack of educational materials in primary schools. Having seen the effectiveness of these materials in the classroom, and the enthusiasm of the teachers and students toward them, GOL officials want to begin production and distribution of those materials already developed as soon as possible. While little formal data exists as yet from the experiment, informal data from the first three years of the project suggests that if used as a complete system I.E.L. will be much more effective than the conventional system. Fiscal information, also indicates that per pupil costs of the I.E.L. system are significantly less than those of the conventional system. Given the cost and relatively short time needed to upgrade and train underqualified teachers the appropriateness of the I.E.L. approach is further confirmed. The eventual expansion is planned to reach 1,000 primary schools and over 120,000 students.

Policy Concerns of the Reagan Administration:

The Improved Efficiency of Learning Project Phase II will institutionalize in

Liberia -- a school system capable of developing appropriate education materials and using them to effectively educate children at a cost that is within the country's ability to absorb. It thus addresses the Reagan Administration policy concern for institution building in developing countries.

Beneficiaries:

While the immediate beneficiaries will remain the teachers, administrators and students in the project, the improved educational techniques introduced will ultimately benefit the entire community. The project, when expanded, will affect 120,000 children and 4,000 teachers. Also, the project has been determined to be a replicable model for other developing countries, and therefore has the potential to affect large numbers of the rural poor beyond the borders of Liberia.

Major Issues:

The major issue to be addressed is: Will the GOL, by 1989, have the economic ability to support the I.E.L. program's continuance, and its dissemination to all elementary schools?

FY 84 Program:

Program will include: Procurement of T.A. services; setting up printing system; training five (5) planning office staff; organization of distribution systems; distribution of materials for 1984 school year; all teacher training workshops in selected parts of Liberia.

Major Outputs:

Teachers trained in module use  
School principals and supervisors trained in I.E.L. management  
Systems for planning, production, replacement, distribution and control of modules in place  
Education planners, statisticians and materials-control staff trained  
Manager trained for distribution system  
120,000 primary students using modules in classes  
538 modules printed in five (5) major academic areas for grades 1-6

AID Financed Inputs:

FY 84

Long term	650
Short term	45
Participants	60
Commodities	125
Other Costs	120
Total	1,000

Design Plan:

PID	June 1, 1983
PID approval	October 15, 1983
PP design	November 5 - February 15, 1984

Proposed Project Description FY 84

Project Number : 669-0180

Title : Education Sector Analysis and Manpower Needs Survey

Proposed Obligation : Education and Human Resources Funds

Life of Project Cost	\$1,500,000
FY 84	500,000

Project Duration:

Start: FY 84  
End : FY 85

Purpose:

To institutionalize within the Liberian Ministry of Education (MOE) the capability to effectively assess and provide policy direction for meeting the demand for professional, skilled, semi-skilled and supervisory manpower in Liberia over the short and long term.

Background:

The most significant constraint to educational planning and manpower development in Liberia is the lack of usable, accurate information on manpower needs, existing educational services and the relationship between the two. The systems for gathering and updating such information are decidedly inadequate. As a result, educational programs are not effectively prioritized and what little manpower planning is done often results in training programs that train people in areas for which there is little or no demand. This problem makes it particularly difficult for the GOL to offer training assistance that is relevant to private sector needs. It also prevents institutionalization of an ability within the GOL to either understand or work effectively with the private sector. This project will address the above problems by institutionalizing data-gathering and analysis capabilities. Technical assistance will redirect GOL policy formulation for the sector so that private sector manpower requirements are emphasized.

Specifically, the project will train Liberians in the theory of sector analysis and manpower needs survey. It will also develop the skills needed to design instruments for data collection, tabulate data, perform statistical analyses, use survey techniques, and plan sector analysis and manpower needs surveys. The MOE and Ministry of Planning will cooperatively carry out the Education Sector Analysis and the Manpower Needs Survey.

Policy Concerns of the Reagan Administration:

This project addresses the private sector development concern of the Reagan Administration. Through assisting the MOE to better determine private sector manpower requirements and formulate policies to encourage and assist the educational and manpower development institutions enhance their ability to meet these requirements it contributes to long-term development of the private sector.

Beneficiaries:

The immediate beneficiaries will be the 180 people chosen for training and through them the Ministry of Education and the Ministry of Planning and Economic Policy, secondary beneficiaries will be those involved in education, its institutions and their administrative, instructional and student populations and the Liberian private sector.

Major Issues for Design Stage:

1. The availability of host country counterpart funds both during the tenure of the project and after it.
2. Whether the GOL can provide appropriately trained counterparts to work with and train under the T.A. advisory staff.
3. Administrative location and organizational lines of authority of project operation.

Host Country and Other Donors:

The project will be implemented by the Ministry of Education. The World Bank in its Loan No. IV will provide training in the MOE Planning Department relevant to this project. The UNDP and ILO will work closely with the Ministry of Planning's Manpower Division, the Mission and the GOL in the design and implementation of the manpower survey.

FY 84 Program:

Training of four (4) Educational Planners, in-country training of data collectors and statisticians; design of survey instruments and initiation of surveys; establishment of analysis team in-country; procurement of commodities; and begin Manpower Needs Survey.

Major Outputs:

Analytical Documents	16
Data collected	
Trained personnel	180
Planning unit with skills to do sector analysis	

New Education and Manpower policies based on Analysis and Manpower Needs Survey

AID Financed Inputs:

FY 84

Technical Assistance	
Long term	\$285,000
Short term	25,000
Training	76,000
Commodities	75,000
Other Costs	39,000
Total	<u>\$500,000</u>

Design Plan:

PID	April 1983
PID approval	June 1983
PP design	August 1983
PP approval	September 1983

Proposed Project Description FY 1984

Program Grant: 669-K-xxx and 669-K-yyy

Project No.: 669-0179 (FY 83), 669-0192 (FY 84)

Title: Budget and Balance of Payments Support Grant to Government of Liberia

Proposed Obligation:

FY 1983	\$32,000,000 (grant)
FY 1984	\$35,000,000 (grant)

Purpose

To help the Government of Liberia maintain economic and social stability by providing budgetary resources in support of ongoing public sector economic development activities, while at the same time providing scarce foreign exchange for balance of payments use.

Background

Liberia uses the U.S. dollar as its medium of exchange. Except for minting of coins of small denomination, government cannot print money in order to finance budget deficits. The use of the dollar has a number of advantages. At the same time, however, because the money supply can technically not be expanded at the will of government, the system imposes strict monetary discipline. While this circumstance has a positive influence in deterring uncontrolled printing of money, it also means that in the long run Liberia cannot sustain budget deficits through expanding the money supply. The GOL deficit lies at the core of the fiscal crisis and the manner in which it is currently financed exacerbates an already difficult situation.

Liberia's economic difficulties, which became apparent in 1979, were aggravated by the 1980 military take-over as well as by its deteriorating terms of trade over which the country has little control. The continuing crisis has many elements including: a stagnating domestic economy; the existence of a public sector foreign exchange crisis; a near fiscal collapse; large and persistent budget deficits; absence of liquidity at the National Bank; a lack of confidence by the business sector in the current government's ability to put its fiscal house in order; considerable rigidity imposed on monetary/fiscal operations by the use of the U.S. dollar; and considerable uncertainty about the immediate future.

The United States is acknowledged in the official and business circles to be Liberia's most influential partner because of its public and private investment and because of trade and cultural patterns. As such, a signal of continued U.S. support for Liberia has psychological as well as real impact in assuring these communities of continued stability within the country. The psychological impact of U.S. assistance should not overshadow the real need for this assistance. The GOL is bankrupt. It cannot be expected to finance its budgetary needs until the latter part of the decade. Much depends on the restoration of economic wellbeing of Liberia's main export markets. If the country is to maintain its existing development capabilities, it will need continued ESF support for the next few years.

To provide the desired psychological impact and needed financial support, the Mission proposes to make available to Liberia \$67 million in budget support during FY 1983 and FY 1984 out of ESF funds. By means of this level of support we will continue to provide Liberia with a reliable source of relief from some of the fiscal pressures that are affecting its ability to undertake more than emergency planning. This budget support is part of the Mission's strategy of providing medium-term budget support to ensure continued stability and the creation of an atmosphere where domestic economic growth can once again occur, providing the basis for longer-term real development.

The Mission implements its assistance strategy on parallel but interrelated lines. This is necessary because of the immediate need to assist Liberia to overcome its financial problems (ESF and PL 480) while continuing longer term development efforts, (DA). The successful implementation of both levels of this strategy is vital to Liberia's development process.

Beneficiaries:

The people of Liberia who will continue to have access to basic and essential government services and key commodities, while enabling them to maintain the momentum of its development program. Approximately 2 million persons, eighty percent of whom are urban and rural poor.

Host Country and Other Donors:

The United States, the World Bank, the Federal Republic of Germany and the European Economic Community (EEC) continue to be the primary sources of outside financing for Liberia's development activities, while the International Monetary Fund and the Government of Liberia are implementing the third year of an economic and financial stabilization program. All traditional development assistance donors have reaffirmed their continuing commitment to assist the government and people of Liberia re-establish stability and confidence and to contribute measurably to the country's development efforts. China and South Korea have recently joined the ranks of Liberia's new sources of external assistance.

Major Outputs:

Continued stability and increased confidence.

AID Financed Inputs:

\$62,000,000 in foreign exchange, while Liberia undertakes to provide a similar amount in locally-held dollars, to be applied to ongoing development activities.

TABLE V - FY 1984 PROPOSED PROGRAM RANKING

RANK	PROGRAM ACTIVITY DESCRIPTION	UNCOMING/ REV	LOAN/ GRANT	APPROP. ACCT.	PROGRAM FUNDING (\$000)		Country/Office
					INCR	CUM	
1.	New and Continuing Projects						USAID/Liberia
2.	669-0189 Program Grant VI	N	G	ESF	35,000	35,000	
3.	PL 480 Title I (Rice)	O	G	SDA	(10,000)	35,000	
4.	669-0184 Economic Management & Trng.	O	G	SDA	350	35,350	
5.	669-0190 Incr. Rev. for Dev. II	N	G	ARDN	1,000	36,350	
6.	669-0188 Ag. Research & Ext. II	O	G	ARDN	1,500	37,850	
7.	669-0185 Rural Dev. Trng. II	O	G	ARDN	800	38,650	
8.	669-0134 Rural Info. Systems	O	G	ARDN	617	39,267	
9.	669-0186 Ag. Analysis & Plng. II	O	G	ARDN	500	39,767	
10.	669-0134 Rural Info. Systems	O	L	ARDN	-	39,767	
11.	669-0187 Ag. Credit Bank II	N	G	ARDN	500	40,267	
12.	669-0174 Ag. Extension	N	G	ARDN	1,800	42,067	
13.	669-0165 Primary Health Care	O	G	POP	300	42,367	
14.	669-0165 Primary Health Care	O	G	HE	1,500	43,867	
15.	669-0165 Primary Health Care	O	L	HE	1,000	44,867	
16.	669-0130 Imp. Eff. Lrng. I	O	G	EHR	700	45,567	
17.	669-0166 Imp. Eff. Lrng. II.	N	G	EHR	1,000	46,567	
18.	669-0180 EHR Sector Plng.	N	G	EHR	500	47,067	
19.	669-0168 LOIC	O	G	EHR	-	47,067	
20.	669-0162 Livestock Production	N	G	ARDN	500	47,567	
21.	669-0164 Land Tenure	N	G	ARDN	500	48,067	
22.	669-0191 Rural Dev. Fund	N	L	ESF	(3,000)*	48,067	
23.	669-0163 Nimba Co. Rural Tech. (L/C project, excluding PL-480 funded: No. of projects - 0; \$ value -\$0	O	G	ARDN	933	49,000	

\* See note on Table IV

TABLE V NARRATIVE

The FY 84 CDSS states that the focus of the Three-Year Plan of Action for Liberia outlined in the document is economic stabilization and increasing the momentum of development. Given the current economic/financial crisis Liberia is experiencing, priority must be given to providing immediate budgetary support/balance of payments assistance tried to GOL economic, administrative and managerial policy reform. Nevertheless, it is considered just as important for Liberia to implement carefully chosen projects and design new ones to sustain long-term development and thereby avoid mortgaging the future in terms of economic growth and employment creation forsaken. To achieve these broad goals USAID/Liberia will address a number of constraints which new impede progress toward their achievement. These include: (1) declining government revenues and rising budgetary/balance of payments deficits (2) inadequate public sector planning and managerial capability, especially financial (3) fragmented, often counter-productive economic/financial administrative policies (4) a shortage of adequately trained and motivated public sector personnel (5) low level of institutional development (6) low productivity in agriculture (7) lack of capacity to develop and spread new appropriate technology (8) inadequate health services and rapid population growth (9) rising energy cost and (10) a stagnant private sector. All of the projects proposed within the Approved Assistance Planning Level (AAPL) presented in this FY 84 ABS document are supportive of the FY 84 Liberia CDSS.

In preparing the ABS it has been assumed that U.S. assistance will be adequate to support the two tiered strategy outlined in the CDSS, i.e., to address the short-term financial crisis while simultaneously continuing ongoing projects and developing new ones to keep up the pace of long-term development. It is also assumed that the Cancun Agricultural Initiative Task Force will complete its work as currently planned and make recommendations for involving the U.S. and indigenous private sectors in the revitalization of Liberian agriculture.

Increased funding levels were proposed for Liberia in the FY 84 CDSS as follows:

(\$000)

	<u>FY 83</u>	<u>FY 84</u>	<u>FY 85</u>
DA	20,000	25,000	30,000
ESF	35,000	45,000*	45,000*
PL 480	<u>15,000</u>	<u>15,000</u>	<u>10,000</u>
TOTAL	70,000	85,000	85,000

\* \$35 million for stabilization, \$10 million for development projects.

These proposed levels would enable maximal implementation of the strategy outlined in terms of acceleration of ongoing projects, timing of new initiatives, and leverage to influence GOL policy reform. In compliance with the AAPL levels, this ABS has been prepared at the following levels:

(\$000)

	<u>FY 83</u>	<u>FY 84</u>	<u>FY 85</u>	<u>FY 86</u>	<u>FY 87</u>
DA	12,000	14,000	16,000	20,000	26,000
ESF	32,000	35,000	35,000	25,000	10,000
PL 480	<u>11,000</u>	<u>8,000</u>	<u>5,000</u>	<u>*</u>	<u>*</u>
TOTAL	55,000	57,000	56,000	*	*

\* Levels not available at time of ABS submission.

Consistent with the CDSS, the highest priority in the USAID/Liberia program over this planning period is given to assisting the GOL regain economic stability and fiscal equilibrium. Therefore, the Economic Support Fund (ESF) Program Grant is ranked number one, the PL 480 Title I program number two, and the Financial and Economic Management Services and Increased Revenues for Development projects numbers three and four respectively. This group of projects implements the USAID/Liberia short to medium term strategy for addressing the GOL financial crisis. The ESF grant will help Liberia overcome two problems caused by its ongoing financial crisis. The first is the GOL's inability to provide for foreign exchange to ensure an adequate level of resources to meet essential external obligations including: oil payments; rice imports and foreign debt servicing. In addition, local currency generated from this program grant will finance GOL's budget support of ongoing development activities in agriculture, health, and education. The PL 480 Title I program will help Liberia keep sufficient rice on the market to avoid shortages and the likely political

instability that may ensue. Without PL 480 Title I assistance Liberia would be forced to choose between using scarce foreign exchange to purchase rice at commercial rates or providing continued funding for some of its ongoing development projects. The funds generated by the sale of rice under this program also will be used to provide much of the counterpart contributions needed to maintain agricultural development projects currently underway and enable the GOL to fund some new initiatives to increase agricultural output. The Financial and Economic Management Services and Increased Revenue for Development (Phase II) projects support USAID short to medium term strategy providing technical assistance and training to the GOL institutions concerned with financial economic management including, but not limited to, the Ministries of Planning, Finance, the Bureau of the Budget, the National Bank, and the Customs Service. Advisors provided under these projects will help the financial managers of these key Liberian financial institutions to increase revenues required for development, and to better control recurrent and other expenditures so that economic stability is achieved, investor confidence restored and funds for development purposes are assured.

Priorities 5,6,7,8,9,10 and 11 are the Agricultural Research and Extension, Rural Development Training, Rural Information Systems (grant portion), Agricultural Analysis and Planning, Rural Information System (loan portion), Agricultural Credit Phase II and Agricultural Extension projects respectively. The first five of these are ongoing activities while Agricultural Credit Phase II and Agricultural Extension are new starts. This group of projects

represents the major thrust of the Mission's long-term strategy which focuses on development activities in the agriculture sector which have a direct effect on increasing production and bringing additional farmers into the money economy. Accordingly, the successful Agricultural Research and Extension project will be expanded through initiation of a second phase which by emphasizing applied adaptive research, will continue efforts aimed at developing improved varieties of crops and livestock along with more appropriate production technologies for use by subsistence farmers. Next in priority, the Rural Development Training project focuses on the need for trained agricultural manpower through training mid-level extension agents in agricultural management and rural development techniques.

The Rural Information Systems project (grant portion) ranks seventh. This activity, by bringing relevant and much needed development oriented information to the rural poor, enhances USAID's overall effort to directly improve production through ensuring that rural Liberians have access to improved techniques and current rural development information. The grant portion of the project finances the technical assistance component. Agricultural Analysis and Planning is next in priority and represents another project in the USAID/Liberia agriculture/rural development portfolio which will be continued through initiation of a second phase. The project will build on progress made under phase I by continuing assistance to the Ministry of Agriculture to improve

the Ministry's planning, coordination, and policy formulation capability. The loan portion of the Rural Information Systems project is ninth priority and will continue funding to complete rural broadcasting stations being constructed under the projects. This component is a somewhat lesser priority than the technical assistance component since completion of construction of one or two stations could be deferred if necessary while technical assistance is essential for even limited broadcast coverage.

The Agricultural Credit Project is next priority and supports the USAID emphasis on increased production of small farmers by making available credit on affordable terms for the purchase of necessary farm inputs and for development of small holdings. Agricultural Extension is eleventh priority and supports the overall Mission agricultural strategy through the creation and institutionalization of an extension service capable of transmitting and demonstrating improved agricultural practices to a majority of Liberia's subsistence farmers. The development of an extension service is essential if the packages of technology developed under the Agricultural Research Project are to reach the small farmers. This project is being brought on stream as the packages of technology to be extended reach completion.

The Primary Health Care project grant, population, and loan components are 12, 13th and 14 priorities. This ranking follows from the strategy presented in the CDSS which links increased rural production and improved health and education of rural families.

Thus, following on direct interventions in the agricultural sector to: develop packages of technology; provide trained rural development personnel; disseminate rural development information through radio broadcasting; and provide credit and an effective extension service, improving the health and education of the rural populace is next in priority. Since a healthier and better educated rural population is more productive, the Primary Health Care Project which provides basic primary health care services including family planning to significantly increased numbers of rural Liberians and the fifteenth and sixteenth priorities, the Improved Efficiency of Learning projects Phase I and Phase II respectively, which aim at improving the quality of instruction in rural primary schools through programmed instructions techniques, are supportive of the Mission's major emphasis in the rural sector. The next priority is the Education/Human Resources Sector Analysis and Manpower Needs Survey. This project, by making thorough assessment of the Liberian education/human resources sector and providing recommendations for appropriate interventions to improve the level of rural, development-oriented education and training will provide further support to the Mission rural development strategy. The Opportunities Industrialization Center International (OICI) Vocational Training Project is ranked 18th priority because it has proven to be effective in addressing the serious problems of high unemployment among youth in Monrovia. Though not directly supportive of the USAID's primary long-term developmental emphasis, the project does make a contribution to the short-term to medium-term strategy objective of assisting the GOL regain economic stability

by reducing unemployment. By creating a cadre of trained manpower, it also supports one of our secondary developmental emphases -- increasing the number of skilled personnel available to the Liberian economy. The 19th through 22nd priorities include the: Livestock Production, Land Tenure, Rural Development Fund, and Nimba County Rural Technology projects respectively. The first three agricultural projects are ranked relatively lower in priority than other projects because it is Mission's judgement that while these are fully supportive of our agricultural strategy emphasis, their contribution is relatively less critical or their effectiveness is maximized if they are introduced after other efforts have laid the necessary foundation. The ongoing Nimba County Rural Technology project is ranked last in priority because of recent evidence of poor performance.

#### Policy Change and Private Sector Development

USAID/Liberia fully supports the current Administration emphasis on private sector involvement in the development process. As described in some detail in the CDSS, USAID/Liberia has been and continues to be actively involved in promoting development in the Liberian private sector and in involving the private sector in the development process. USAID funded a PVO-managed project in FY 1980 to develop intermediate appropriate technology and to stimulate the growth of small business enterprises in the lower

Nimba County area and provide technical and financial assistance to deserving small firms. Subsequently, USAID intensified its involvement in the development of the Liberian private sector. PD&S funds in FY 82 have been reserved to conduct a private sector needs assessment to better identify priorities and likely intervention points. In addition, the Mission has expressed to AFR/RA its interest in participating in its proposed private sector assistance project by means of Mission add-ons to the centrally funded core.

We have been successful in getting the Private Enterprises Bureau to include Liberia as one of the countries selected to receive a Private Sector Presidential Task Force visit pursuant to the Cancun Initiative. We expect this Presidential Task Force assessment of the Liberian agricultural sector to produce comprehensive recommendations regarding appropriate participation of the indigenous and U.S. private sectors in improving performance in the sector. Also, we have proposed several policy and administrative actions to be taken immediately by the GOL and U.S. government to improve the climate for private sector development. These proposals are fully outlined on pgs. 56-58 of the FY 84 CDSS document.

Our ESF and PL 480 assistance to Liberia is being heavily conditioned on concrete performance by the GOL to restore economic and fiscal stability and thus improve the climate for investment and business expansion. In addition to the formal conditions imposed on our

budgetary assistance to the GOL, we have used the leverage provided by this assistance to informally influence government policy in the direction of supporting private sector development. For example, our persistent urging of the Government to change its rice pricing and rice import licensing policy resulted in a policy change which dropped the Government subsidy on rice and increased the farmgate and consumer prices. The new policy also eliminated the virtual monopoly of government parastatal corporations and provided for open participation in the importation of rice directly stimulating business activity in this sector. Additionally, USAID/Liberia plans to use the Financial and Economic Management Project and the expanded Increased Revenues for Development Project, to influence further Government policy to lend greater support to the private sector.

Planned future activities to address problems of private sector development in Liberia include the Rural Development Fund and Private Sector Initiative projects. The Rural Development Fund Project is planned for FY 84 authorization and will encourage development of Liberia's indigenous private sector through the generation of local financing for rural self-help projects and small scale entrepreneurial development. Finally, USAID/Liberia plans to begin implementation of the Private Sector Initiative Project in FY 85. The project will undertake a comprehensive analysis of the Liberian private sector and make recommendations for U.S. and GOL assistance to improve performance in the sector.

This planned activity is being deferred until 1985 so that it might usefully incorporate the findings and draw on the experience of other initiatives outlined in this section. We expect this undertaking will enable us to better determine the most appropriate intervention points to encourage and assist private sector development and influence Government policy in this direction.

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE VIII

	FY 1982			FY 1983			
	TOTAL	TRUST FUNDS	AID/W FUNDED	TOTAL	TRUST FUNDS	AID/W FUNDED	UNITS
U.S. DIRECT HIRE	1,592.1	-0-	1,592.1	1,409.3	-0-	1,409.3	17
P.N. DIRECT HIRE	409.7	-0-	409.7	508.6	-0-	508.6	33
CONTRACT PERSONNEL	-0-	-0-	-0-	-0-	-0-	-0-	XXXXX
HOUSING EXPENSES	559.2	-0-	559.2	551.6	-0-	551.6	22
OFFICE OPERATIONS	1,871.1	-0-	1,871.1	1,776.3	-0-	1,776.3	XXXXX
TOTAL	4,432.1	-0-	4,432.1	4,245.8	-0-	4,245.8	XXXXX
RECONCILIATION	1,592.1	-0-	1,592.1	1,409.3	-0-	1,409.3	XXXXX
MISSION ALLOWANCE	2,840.0	-0-	2,840.0	2,836.5	-0-	2,836.5	XXXXX

Estimated local costs for FY'83 \$1,924,700. Please note that Liberia uses the U.S. currency as its local currency.

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE VIII

	FY 1984 MINIMUM				FY 1984 CURRENT			
	TOTAL	TRUST FUNDS	AID/W FUNDED	UNITS	TOTAL	TRUST FUNDS	AID/W FUNDED	UNITS
U.S. DIRECT HIRE					1,413.6		1,413.6	16
F.N. DIRECT HIRE					509.4		509.4	31
CONTRACT PERSONNEL				XXXXX	-0-		-0-	XXXXX
HOUSING EXPENSES					593.4		593.4	24
OFFICE OPERATIONS				XXXXX	1,940.0		1,940.0	XXXXX
TOTAL				XXXXX	4,456.4		4,456.4	XXXXX
RECONCILIATION				XXXXX	1,413.6		1,413.6	XXXXX
MISSION ALLOWANCE				XXXXX	3,042.8		3,042.8	XXXXX

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE VIII

FY 1984 PROPOSED				
	TOTAL	TRUST FUNDS	AID/W FUNDED	UNITS
U.S. DIRECT HIRE	1,413.6	-0-	1,413.6	16
P.N. DIRECT HIRE	509.4	-0-	509.4	31
CONTRACT PERSONNEL	-0-	-0-	-0-	XXXXX
HOUSING EXPENSES	593.4	-0-	593.4	24
OFFICE OPERATIONS	1,940.0	-0-	1,940.0	XXXXX
TOTAL	4,456.4	-0-	4,456.4	XXXXX
RECONCILIATION	1,413.6	XXXXX	XXXXX	XXXXX
MISSION ALLOWANCE	3,042.8	XXXXX	XXXXX	XXXXX

PL-480 Title I

Ongoing Title I Rice Program

The U.S. Government provided \$15 million for PL 480, Title I rice in FY 81. Actual utilization of the rice ran through the first quarter of FY 82. Funds generated under this Agreement were used to fund the following Agricultural Development Projects:

<u>FY 1981 Agreement Dtd. 1/8/81</u>	<u>\$(000)</u>
1. Nimba County Rural Development	1,000
2. Centralization of Agricultural Sector	1,000
3. Liberian Rubber Development	1,000
4. Buto and Dube Oil Palm	1,000
5. Liberian Coffee and Cocoa	1,000
<u>First Amendment to FY 1981 Agreement dtd. 7/3/81</u>	
1. Lofa County Rural Development	2,500
2. Livestock Project	100
3. Agricultural Research	1,500
4. Agricultural Extension (Recurrent Budget)	890
5. Agricultural Training Institute (RDI)	010
<u>Second Amendment to FY 1981 Agreement dtd. 8-28-81</u>	
1. Liberian Rubber Development	1,200
2. Buto Oil Palm	1,500
3. Liberian Coffee and Cocoa	1,000
4. Seed Multiplication	333
5. Bong County Rural Development	967

Production

Domestic production of rice remains stagnant at about 250,000 MT paddy, and may actually be slowly declining due to increased rural-to-urban migration. This amounts to about 124,000 MT of milled rice from domestic sources. In CY 1981 about 93,000 MT of rice was imported. This compares with about 85,000 MT in CY 1980 and 64,000 MT of imports in CY 1979.

Nationally, rice consumption is on the increase, primarily as a result of three factors: a high annual population growth rate of 3.3 percent, a growing demand for the more convenient to-prepare rice, and increasing rural to urban migration.

A contributing factor to the urban growth rate was the coup in April 1980 which brought people to Monrovia to reap the "rewards of the revolution." The annual rice consumption increase is estimated at 10 percent due to the factors outlined above.

### Rice Policy

In 1981 the Government of Liberia (GOL) raised rice to a minimum of \$24.00 per 100 lb bag and the maximum price was set at cost plus reasonable mark-up. Effectively, the price is \$24.00 per bag.

Also, in 1981 the GOL raised the farm-gate price of paddy rice by 50% to 18 cents per pound. In effect this makes "country rice" approximately the same price as imported rice.

Since the implementation of these rice policies, there has been no rice subsidy in Liberia.

### Analysis of Effectiveness of PL 480 Program

Points raised in FY 84 ABS PL 480 Guidance paragraphs A and B have been addressed in the following\* :

Monrovia 09035  
Monrovia 08366  
Monrovia 01176

In addition the following comments are relevant:

The program has met its main objectives of

- (a) providing funds (through proceeds of rice sales) to carry-out priority agriculture development programs
- (b) encouraging the GOL to raise the farm-gate price of paddy rice and raise the retail minimum price of rice so it will not have to be subsidized, and

- (c) maintaining adequate stocks of rice in Liberia to eliminate chronic shortages of the staple food.

### Conclusion

Considering the precarious political and financial situation in Liberia, the Mission believes it is in the best interest of the USG to provide \$15 million of PL 480 rice in FY 83, \$15 million in FY 84 and reduce the amount to \$10 million in FY 85.

The rice provided under Title I with concessional sales and a lenient grace period will help the GOL through this difficult financial period and also generate funds to support priority agriculture development activities.

Proceeds from the sale of PL 480 rice under this program will likely be used to support efforts in energy, environment, private sector development, and of PVOs currently operative in Liberia. The amounts for each cannot be predicted at this time since the GOL is in the process of setting priorities to submit for USAID concurrence.

FY 1984 ANNUAL BUDGET SUBMISSION

TABLE XI

P.L. 480 TITLE I/III REQUIREMENTS  
(Dollars in Millions, Tonnage in Thousands)

COMMODITIES	FY 1982			Estimated FY 1983			Projected FY 1984		
	Agreement \$ MT	Shipments \$ MT	Carry into FY 1983 \$ MT	Agreement \$ MT	Shipments \$ MT	Carry into FY 1984 \$ MT	Agreement \$ MT	Shipments \$ MT	Carry into FY 1985 \$ MT
Title I Rice	\$15 43.3	\$15 43.3	\$3.4 10	\$15 43.3	\$3.4 10	\$10 3.4	10 28.8	10 28.8	- -
Total									
Of which Title III									
Total									

COMMENT:

USAID/LIBERIA NON-BILATERAL FUNDED ACTIVITIES

Project Title/Number	Start Date	Terminal Date	AID Responsible Office	Anticipated Life of Project Cost (\$'000's)	Mission's Priority Rating		
					High	Medium	Low
1. West Africa Rice Development Association (WARDA) 698-0429	6/29/81	9/30/84	AFR/RA	12,000	X		
2. Zero Tillage Agriculture	12/24/80	6/30/80	AFR/RA	253	X		
3. Expanded Program for Immunization 698-0410.26	7/2/80	12/31/82	AFR/RA	498	X		
4. African Manpower Development 698-0384.2	Continuing Project. Funds made available on a fiscal year basis		AFR/RA	125 (FY 82)	X		
5. Improved Rural Technology 698-0407.7 (mini-hydro electric activity)	9/15/80	9/30/82	AFR/RA	70		X	
6. Energy Policy and Planning 936-5703	9/18/81	5/30/83	AFR/RA	200		X	
7. Strengthening Health Delivery Systems (SHDS) 698-0398	9/27/77	12/30/82	AFR/RA RFDSD/WA	12,800		X	
8. Profile of Liberian Women 698-0388.11	3/31/79	6/30/82	AFR/RA	203		X	