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PD-ACC-912

AGENCY FOR
INTERNATIONAL
DEVELOPMENT

DEVELOPMENT ASSISTANCE PROGRAM

FY 1975

LIBERIA

BEST AVAILABLE

DEPARTMENT
OF
STATE

NOVEMBER 1975

UNCLASSIFIED

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DEVELOPMENT OVERVIEW

I. SUMMARY NARRATIVE STATEMENT

A. Development Overview

1. Background -- Economic

Founded by the American Colonization Society in 1821, Liberia has been an independent republic since 1847. However, it is only since the 1920's, when American rubber interests (Firestone) began to invest in Liberia to circumvent the British latex monopoly, that Liberia began to emerge as a factor of any importance in international economic affairs. In the early 1940's Liberia gained additional importance as a supplier of critically scarce natural rubber and as a safe African base in the allied war effort. In fact, it is the combination of rubber, the ports, roads and airports constructed during World War II; and the "Open Door" economic policy begun in the late 1940s under former President Tubman, which jarred Liberia out of its long-standing era of economic stagnation.

For the previous 100 or more years, Liberia suffered the benefits of non-colonialism, while many of its neighbors were forced to develop capital and social infrastructure and the rudiments of an institutionalized civil service at the hands of their colonial masters. Thus, as Liberia began to find its way into the twentieth century, it found itself seriously handicapped in its ability to compete with its newly independent African colleagues.

Building on the good rubber prices generated by the pent-up demand for consumer products existing at the end of World War II, the stimulus to investment of the Tubman Administration's economic policy and the discovery of large iron ore deposits, Liberia's

economy began to grow at an unprecedented rate -- particularly in the export generation sector. In the 1950s additional foreign firms invested in rubber plantations and three iron ore mines were opened. In almost all instances, however, these investments were carried out through government concessions, which were particularly advantageous to the investors. As a result, governmental policies resulted in an exacerbation of Liberia's historically dualized economy, i.e., the "haves" got more and the "have-nots" were relegated to an even further removed role in the economy.

2. Background - Social

From its time of founding, Liberia has had the freedom to determine its own social and political order. The result has been the domination of Liberia by a strong and entrenched group composed of Americans of African origin who chose to return and their descendants. Although this group has never amounted to more than five percent of the total population, it has always controlled the economy.

The original social order followed the pattern of the slavery system the settlers had experienced in the Western Hemisphere. Tirbal people were used on plantations in the early years, but this practice was later supplanted by the purchasing of products from tribal people who brought them out of the bush. This latter turn of events resulted in the interior becoming an important source of commodities, including rice and other staples, and in an interest by the elite in the economic development of the interior and its people. At the turn of the century significant numbers of tribal peoples began to receive education and become assimilated into the non-traditional economy.

In the 1920s Liberia's so-called "slavery system" became a prime target of foreign reformers, although Liberia was not the only West African culprit. Nevertheless, her international weakness and lack of a colonial protector caused her to bear the brunt of the reformist zeal. In 1930 the League of Nations forced the resignation of the President and Vice President of Liberia over the "slave trading" problem. This increased the pressure to do more for the tribal people, and during this period a number of them were brought into the Government.

Subsequent to World War II, the elite began to lose some of its Americo-Liberian homogeneity. In addition to family connection, education and financial success became a means of entry into the "elite" and allowed many tribal people to rise to prominent positions within a generation. Regardless of this change, an understanding of the existence and strength of the "elite" is a prerequisite to understanding Liberia's seeming inability to effectuate change. Measures for modernization require tayloring to the self-interest of the "elite" if they are to have a chance to succeed.

Similarly, this situation is reflected in the political system. Although modeled after the U.S. tripartite system, the "elite" have always been in control, the incumbent "True Whig" party has been in power for more than a century, and the true seat of power has been the chief executive. Presidential elections are held every four years. Although this process is typically full of "irregularities", the contestants have always been among members of the "elite".

Although tribal people were present in the Government as early as 1851, it was not until 1944 that all impediments to universal

adult suffrage were removed. Traditionally, as tribal suffrage has spread Liberians have tended to elect officials who have run on the rhetorical reform platform of doing more for the indigenous population.

However, it was not until the era of President William V. S. Tubman, who was in office from 1944 until his death in 1971, that the resources were available to make significant inroads on Liberia's developmental problems. While significant economic and social development occurred under the leadership of President Tubman and his successor, President Tolbert, the country still remains far behind world standards. Progress can only be measured against the conditions of thirty years earlier.

3. Background Data - Physical and Human

Liberia is a relatively small country of approximately 43,000 square miles (just slightly larger than Ohio) with a population, in February, 1974, of 1.48 million. The population is growing at the rapid rate of approximately 3% per year. The crude birth and death rates are 45/1,000 and 15/1,000 respectively. The infant mortality rate is high at 160/1,000 with poor nutrition, measles, gastro-intestinal complications, and occasional cholera epidemics being the main contributors. Considering internal migration, urban areas are growing at the rate of 7% per annum and rural areas at about 1% per annum. These migration effects are fairly strong, given the sparse population of the country.

Except at planting and harvest time, the male work force is generally absent from the rural areas. They are working in the cities or at the concessions, maintaining their farms for the primary purpose of making enough money to pay taxes and fees

and to support elderly relatives. As a result, farmers find it difficult to hire laborers. Also, Liberia's population is relatively young, with the crude dependency ratio being 88 per 100 potential workers. This ratio is also indicative that the present labor shortage may turn to a large surplus, particularly in the urban areas, within the next decade.

Large parts of the country are completely unpopulated, particularly Lofa, Grand Gedeh and Sinoe Counties. Most of the population is on a band running from Monrovia through Nimba County to the Guinea border, and in Northern Lofa County and Maryland County. Although the population density of 34.4 per square mile is relatively low, large parts of the country are poorly suited for sustaining population increases. Much of the country is covered with inhospitale rain forest, with the rainfall ranging from 80" per year in the interior to 140" along the coast. The rain, which comes in a sharply demarcated period between June and November, causes severe leaching of the soil and, thus, prevents the support of intensive agriculture and large numbers of people.

It is estimated that Liberia's labor force is roughly on the order of 600,000, of which 185,000 are in the urban sector. Although no reliable unemployment data exists, it would appear that open unemployment is largely a phenomenon of the urban centers and is no higher than 10% overall. However, the rate is significantly higher among the younger workers and in Monrovia than the average for the country.

As Liberian statistics classify urban areas as all towns with a population of over 2,000, virtually all permanent employment, including the concessions, takes place in urban areas. Of the

estimated 135,000 permanent jobs, agriculture (rubber, fishing and timber) accounts for 37% and mining accounts for another 10%. The other major permanent job employers are construction 11%, commerce 10%, and government 15%.

Skilled labor is, perhaps, the most scarce commodity in Liberia, as well as the key constraint to economic development. For this reason, industries have had to institute their own training programs. The concessions have been successful in carrying out these programs, but in the public service the experience has been significantly less satisfactory.

There is no "hard" data on Liberia's income distribution, but it is estimated that 75% of the population is rural and has a per capita income of about $70. The remainder (375,000) live in urban areas with an average per capita income of approximately $1,400. This results in a national average of approximately $400 per capita.

Within the urban group, however, approximately 27,000 are employed in concessions at a wage averaging $400 per annum. At a rate of 4 persons per wage earner, their per capita income is $100. However, concession workers receive other emoluments which significantly expand their real income.

Skilled urban labor wages average $800 per annum or about $200 per capita, while the figures for unskilled labor are $600 and $150 respectively. Roughly, there are 29,000 of the former and 23,000 of the latter. Of the unskilled group, about half have steady jobs and the remainder earn in the neighborhood of $300 per year. As a residual, the elite and expatriate group number about 60,000 (15,000 workers), but command about 60% of national income. They have a per capita income of approximately $3,280 per annum. Liberia's

inequity in income distribution is, probably, the worst in black Africa and one of the worst in the world.

4. Economic Data

For the past 20 years Liberia has experienced an unprecedented rate of economic expansion. An average GNP increase of 7% stands in sharp contrast to the almost complete stagnation of the previous 80 years. Liberia's GDP at current market prices in 1973 was estimated at over $520 million and resulted in a per capita GDP of nearly $350. This was an increase of 4% over 1972 and 9% over 1971. Nevertheless, growth is failing to keep pace with inflation.

Between 1950 and 1973 government revenues have grown more than twice as fast as GDP and are now around $100 million and expected to rise. This growth has been paid for by exports; mainly iron ore, rubber, logs and diamonds. However, if, as anticipated, inflation should continue to outstrip export growth in the short run, revenue growth in real terms will decline.

Mining dominates the economy, accounting for more than 35% of GDP. Liberia's four iron exporting companies exported over 25 million tons in 1973. Second in importance is agriculture (approximately 20% of GDP), of which rubber and logs were the major export commodities. Far distant third and fourth are trade and government, each providing around 10% of GDP. Because of the heavy domination of foreign interests, GNP has grown faster than GDP and factor payments now amount to nearly 20% of GDP.

In general, the Liberian economy is characteristic of a poor country with a superimposed foreign exploitive sector. Most of the sources of growth are external and, although there is an increasing tendency to seek independence from these sources,

without them the economy would be hard pressed to grow faster than population.

As Liberia has no currency of its own and uses the U.S. dollar, balance of payments analyses are tenuous at best. Similarly, the trade balance, as affected by foreign aid and investment, controls the country's money supply.

For the past few years exports have been high and Liberia has enjoyed relative prosperity. However, its exports are highly sensitive to world raw material prices and the present world economic recession and the high cost of petroleum products could result in a rapid economic decline requiring international intervention. Such a situation has occurred on two occasions, in 1963 and 1969, as a result of excessive borrowing at high interest rates and debt service becoming heavier than imports and public sector revenues could bear. Since 1969 Liberia has been relatively cautious about incurring new debt and the debt service to government revenue ratio has dipped under 25%. However, a sharp drop in export prices (and, hence, government revenues), the continuing world-wide inflation of imports, and a recent tendency by the government to incur new debt for non-income producing projects makes government solvency a continuing concern.

5. Developmental Priorities

Liberia's development over the past 30 years has been closely tied to activities of Presidents Tubman and Tolbert. Shortly after being elected, President Tubman instituted his famous "Open Door Policy" toward foreign private investment. It resulted in a flood of new capital into such areas as iron mining, natural rubber

plantations, lumbering, light industry, and wholesale and retail sales and services.

In addition, during the Tubman Administration Liberia received more than $270 million in public foreign assistance from the U.S., primarily, but increasingly from the UN and other bilateral donors. In addition, approximately $100 million was borrowed from private sources for additional Liberian-perceived and implemented development projects. Tubman wanted a modern Liberia, so a majority of the funds went for elaborate public buildings, city streets, electric power, municipal sewer and water systems, a paved road to Tubman's farm and an ambitious development program for his home town of Harper.

Monrovia became an oasis of modernity in a sea of primitive poverty, but little was contributed directly to the generation of economic development. On the surface, the success of dynamic export sector presented a facade of booming prosperity, but underneath the sharp division of social and economic factors remained relatively untouched. This surfaced, first in 1963 and again in 1969, when Liberia's critical debt servicing problems required re-scheduling with the help of the International Monetary Fund.

Following the 1969 debt rescheduling the government embarked on an austerity program and gave additional attention to development. In early 1970 a program was initiated to formulate an annual development budget and development fund, and the first such projection was contained in the National Budget for 1971. Although a development plan had been drawn up at an earlier date with the help of the Harvard Advisory Team to the Ministry of Planning and Economic Affairs, it had never been implemented and the government

still had no clearly stated development goals. Thus, the 1971 development budget was merely a negotiated shopping list of projects and essentially continues to be today.

Following President Tolbert's assumption of the Presidency, a renewed and stronger attempt was made to bring about economic development. With an uncharacteristic openness, President Tolbert went direct to the people to seek their "Total Involvement for Higher Heights". Similarly, he set an example by selling the Presidential yacht and promised the people a move from "mats to mattresses". He also instituted a system of holding the annual National Day celebration in a different county each year, instead of Monrovia, in order to spread out the associated developmental benefits.

In April of 1972 President Tolbert reactivated the dormant National Planning Council and gave it the task of establishing national economic development priorities. The result was the setting of four priorities beginning with "Integrated Rural Development through Balanced Regional Planning", which gave emphasis to agriculture, education, health and transportation and communications facilities in the rural areas. The second priority was for orderly slum clearance, followed in turn by improvement of public administration and increased creation of employment opportunity.

In all likelihood, and given the tremendous amount of effort involved in treating these priorities, the four priorities cited above should remain firm for the longer run. Certainly, integrated rural development, i.e., bringing the rural areas (tribal areas) of Liberia into the mainstream of Liberian life, is a highly

desirable, if exceptionally ambitious, endeavor. In one form or another this effort has been going on somewhat fitfully for more than 100 years, but with little achievement. However, it is a goal which must be achieved in order to maintain political stability, deter urban migration and improve the growth of domestic product. Revolutionary in nature and faced with a long heritage of traditional opposition, nevertheless, it is an essential keystone of long term economic development in Liberia.

The migration of unskilled rural peoples to the urban areas in search of work and improved chances of upward social mobility has resulted in the creation of large morale-depressing slums and vast pockets of social discontent. Although relatively quiescent at present, a major slowdown of economic activity could cause a major reaction in these slum areas. For this reason the government has embarked on a program of low cost housing construction. However, this effort has been given off-hand attention at best. It also would appear that the major thrust of the existing effort is more politically motivated than developmental, and aimed more at junior civil servants than the most economically deprived.

As noted earlier, skilled manpower is inordinately scarce. It is, probably, the most serious constraint to economic development -- particularly as it applies to the public sector bureaucracy. In too many cases expatriates are involved in responsible operational roles in the government without counterparts being available to learn their functions. As a result, it is generally acknowledged that Liberia is nearing its absorptive capacity for institution building technical assistance. In this milieu, it is of utmost importance that the government expand and improve its educational

and training facilities in order to provide the increased numbers of competent civil servants required to institute and implement economic development programs.

Finally, and directly related to the priority of slum clearance, is the objective of creating increased employment opportunity. Liberia's "Open Door Policy" has resulted in significant foreign investment and, thus, the creation of jobs. However, too often qualified Liberians are unavailable to fill these jobs. Therefore, job creation is as much, or more, a function of increased education and skill training as it is of increased industrial expansion. This is recognized by the Government and expanded efforts in human resource development are underway. However, in comparison with the magnitude of the problem they seem somewhat less than ideal.

While there is little argument over the validity or importance of the priorities selected, there is grave concern over the government's commitment and ability to give them the resources and attention they require. Given the limited financial and human resources available, Liberia is not the place to anticipate an overnight economic miracle. Nevertheless, it would appear that the development impetus exists and that, all other things being equal, it will continue to grow and expand for the foreseeable future. As this process progresses, Liberia will become an increasingly efficient utilizer of resources and be able to absorb increased developmental economic assistance.

6. <u>Ongoing and Planned Government Development Programs</u>

Since the end of World War II Liberia has been the recipient of more than $390 million in public foreign assistance. More than $250 million of this has come from the United States, with the

remainder having come from international organizations and other bilateral donors. On a per capita basis this has been one of the highest foreign assistance levels received by a less developed country. The availability of such large sums may have mitigated internal pressures for the reallocation of domestic resources from consumptive and "prestige" projects. Similarly, the ability of the economy to absorb such large quantities is notable.

Ongoing U.S. projects include loans for the expansion of Roberts International Airport, the construction of two rural access roads, the financing of highway maintenance equipment, and the expansion of Liberia's telecommunications network. Technical assistance grants are being provided for agricultural development planning, improvement of the Civil Service Commission, establishment and operation of the Liberian Institute of Public Administration, a pilot rural health project in Lofa County, assistance to the National Medical Center, and a small PL-480 Title II program. In total, these projects are projected to cost the U.S. more than $40 million by the time they are completed -- about $16 million in grants and $24 million in loans.

Projections of possible new U.S./GOL projects over the next few years include integrated rural development in Bong County, assistance in the development of agricultural cooperatives, construction of additional rural access roads, expanded rural health programs, a nutrition program, the provision of housing investment guarantys, generalized training for workers in integrated rural development, curriculum development for rural schools, rural school system administration training, non-formal education, and feasibility studies for agricultural projects. The emphasis of these programs

is deliberately set to coincide with the government's development priorities, as cited above.

The International Bank for Reconstruction and Development (IBRD) has underway or is considering projects in Liberia for rural education and teacher training, rubber development, forestry development, financing for the Liberian Bank for Development and Investment, power transmission, port development and assistance to the Ministry of Planning and Economic Affairs. These projects would have a total value of approximately $70 million, of which roughly 60% might be IBRD-financed foreign exchange costs. In addition, the IBRD is considering a $40 million road package.

The UNDP Program Proposal for the period 1975 to 1977 comprises 24 projects. Only eight of these are significant, with the remainder involving very limited time periods or single advisors. The eight major projects are Land Registration and Cadastral Survey, Civil Aviation Training, Strengthening Agricultural/Forestry Research, Education and Training at the University of Liberia, Strengthening Agricultural Research and Field Services in Support of Regional Development, Rural Teacher Training Institute, Community Schools Program, Natural Resources Development and Advisory Services to the Liberian Development Corporation and the Liberian Bank for Development and Investment. Total UNDP financing for the period of the plan is estimated at $6.5 million.

Other donor assistance has been received, mainly, from the Federal Republic of Germany. Other donors, but of only token amounts, have been the United Kingdom, the Republic of China,

France, Israel, Italy, the Vatican, Sweden, Switzerland and the Soviet Union. The combined contributions of these other donors, including both loans and grants, has been approximately $65 million since 1959.

In addition to the public assistance mentioned above, many countries have supplied credits to the GOL and private enterprises to finance the importation of machinery, equipment, supplies and services. Notable among these credits have been $100 million from Germany to the LAMCO-Joint Venture iron ore concession, $7.2 million from the U.K., and $12 million from the Italians for street construction in Monrovia.

7. <u>The GOL's Development Budget</u>

The GOL's Development Budget is a relatively new feature of the National Budget. First introduced in 1971, $8.8 million was designated for development projects and $9 million was expended. In the years 1972 and 1973, $8.8 and $10.6 were budgeted and the expenditures were on target.

For 1974, $13.5 million, or 14.1 percent of project revenues, have been designated for the development budget. The following table compares the development budgets for 1971 through 1974.

THE LIBERIAN GOVERNMENT BUDGET
REVENUES AND EXPENDITURES, 1971-1974
(millions of U.S. dollars)

	1971		1972		1973		1974
	Plan	Actual	Plan	Actual	Plan	Actual	Plan
GOL Revenues	71.200	75.385	71.700	80.875	83.000	91.093	96.000
GOL Expenditures							
Operational	42.034	44.363	41.704	46.916	49.914	54.455	55.377
Developmental	8.686	8.965	8.752	8.798	10.579	10.568	13.476
Debt Servicing	20.479	17.059	22.602	22.286	22.507	22.918	26.113
TOTAL	71.200	70.387	73.058	78.000	83.000	87.941	94.966
Budget Surplus	----	4.998	(1.358)	2.875	---	3.152	1.034

SOURCES: The Budget of the Government of Liberia, issues for 1971, 1972, 1973 and 1974; Ministry of Finance, Annual Report - 1973 and Annual Report - 1972.

Unfortunately, there is still considerable controversy between the government and the donor community concerning what constitutes a legitimate development expenditure. The comparative table cited above is based on official government budget presentations. However, the Ministry of Planning and Economic Affairs (MPEA), charged with responsibility for planning the development process and coordinating external donor assistance, uses a more narrow definition, which includes only capital and capital-like expenditures. The difference is substantial; the MPEA reported development expenditures as only $6 million in 1971 and $5.8 million in 1972.

In the period from 1968 to 1972 the Liberian contribution to foreign-assisted development projects was approximately 11 percent, i.e., $10.6 million in support of $32.1 million in foreign loans and $53.9 million in foreign grants. In addition, the GOL spent more than

$10 million on development projects of its own; wood utilization laboratory ($180,000), agricultural land clearing ($664,000), school construction and educational development projects ($1,800,000), hospital and clinic development ($500,000), public buildings ($3,700,000), road building ($2,800,000) and the port of Harper ($750,000).

The most relevant consideration for the future is the extent to which the GOL's development budget reflects emphasis on the four developmental priorities, cited earlier, which the government has set for itself. An examination of the 1974 development budget shows that of the $3.8 million budgeted for the Ministry of Public Works only $249,000 will go for rural roads, with the remainder going for equipment and parts ($1.2 million) and for direct expenditures in Monrovia ($2.3 million).

Similarly, of the $2.9 assigned to the Ministry of Agriculture $1.6 million will subsidize the Government's wholly-owned land-clearing corporation, AGRIMECO. The remainder will go for rice development projects, with the largest share ($526,000) going to the Foya project.

The remainder will be spent for such things as army and security service barracks ($410,000), foreign donor support ($1.6 million), planning and programming ($600,000), urban housing ($600,000), airfields ($323,000), and getting Zwedru ready for the Independence Day celebration ($600,000).

Little evidence is indicated of a real reallocation of resources twoard the GOL's own development priorities. However, the donors have responded to these priorities and their programs reflect them. Too, foreign assistance funds are getting scarce, competition for them is increasing, and the donors are aware that foreign assistance cannot achieve its goals without the full commitment and cooperation of the

host government. Therefore, it is incumbent upon the COL to provide counterpart personnel and assure that equipment, personnel and material are properly used. In essence, the government must truly want, support, and sacrifice for development if it wants to continue to receive economic development assistance at current levels.

SECTORAL DISCUSSION

AGRICULTURE

A. Historical

Historically, the Government's policies toward agricultural development were predominately aimed at efforts to attract foreign investment into plantation enterprises, i.e., rubber and more recently logging. This "open door" policy toward foreign investment in plantation-type agriculture is responsible for the only moderate "success story" of the sector. Conversely, traditional agriculture has made only insignificant advances in the past, due to a variety of constraints which will be discussed later. Traditional agriculture is still largely outside the monetized economy and is pursued by approximately 75% of the total population. Approximately 121,000 farms or 97 percent of all holdings located mainly in areas with little or no infrastructure, comprise the traditional sector. The average income of the traditional farmer is estimated to be about $70 per capita in contrast to a national per capita level of about $400 in 1972.

The real growth of traditional agriculture, composed of value added in export crops and marketed plus subsistence food production, grew at a modest average annual rate of 2.4 percent between 1964 and 1972. While the value of total agricultural production, both monetary and subsistence, grew from $61 million to $80 million between 1965 and 1972 (1971 prices), its proportion of total GNP, at market prices (less factor payment abroad), dropped from 26 to 20 percent.

B. Government Policies - Past, Present and Future

The lack of significant growth in the agricultural sector (excepting rubber) reflects primarily on past government policies in agriculture. That little attention was given to agriculture is clearly reflected in

budget allocation and public investment programs directed to the sector in the past. This dearth of support to public investment programs in agriculture essentially continues today, though some modest increases in budgetary allocations have been made over the last four years with this sector's share of the national budget having risen from 1.9 percent in 1970 to 4.6 percent in 1974. This increase suggests a positive change in the government's attitude and priorities respective to the agriculture sector.

The policies the government has adopted to achieve the sector's development, however, leaves serious doubts as to the probable effects of current programs to make an economic impact upon the great majority of traditional smallholders who, it should be remembered, comprise 75% of Liberia's population. The Government's attempt to achieve an efficient agricultural sector, and thus ameliorate the rural income problem, are essentially centered on two large-scale projects in Lofa and Cape Mount Counties. These projects entail fully mechanized land clearing operations, road building and establishment of farm cooperatives where individual farms are organized into collectively-owned farm system. The large project approach to development is indicative of the Government's policy to obtain quick results in agriculture, particularly in respect to rice production. There is strong evidence, however, that such development is of high cost and its effect thus far on increasing rural income miniscule.

The high cost associated with the Foya project's development can be demonstrated if one extrapolates similar types of investment to include all of Liberia's 121,000 traditional farm units. If one takes the nominal 10 acre plot of the Foya project, developed at a cost estimated to range from $170 to $400 per acre of $1,700-$4,000 per farm unit it would require from $2 million to $4.8 million annually to apply to

one percent of the farm units per year.

Projects such as Foya which concentrate large resources on a small segment of agriculture, where increases in production appear more likely achievable, may be sound strategy if the government's objective were solely to increase marketable output as rapidly as possible. This is not the case in Liberia, however, where the Government's stated primary objective is integrated rural development toward the end of improving the welfare of the mass of farmers in the traditional sector. The strategy employed by the Ministry of Agriculture through its high cost, large scale project schemes does little to mitigate the problems of income disparity between rural and urban populations. At present, those small farmers who are not in the special project development areas receive scant consideration from the Government since the latter must devote its limited agricultural resources to its show-place projects.

Despite shortcomings in present government programs in the sector, particularly their limited effect on income disparity of the rural population, it is unlikely that the Government will veer from its planned policy of focusing its resources on large mechanized land clearing projects, encompassing mechanized land clearing, public plantation schemes with satellite (outreach) farms. In its desire for rapid development of the sector the Government feels that the semi-mechanized, agri-corporation (plantation) approach is the only vehicle which travels fast enough to reach the destination of self-sufficiency first, the cost of the fuel and the number of farmers it can carry notwithstanding.

C. Economic Factors Affecting Sector

1. Sector Characteristics

The predominant characteristic of traditional farm production is low productivity of land and labor. Farm sizes in the traditional sector

are small (about 01 to 10 acres) and are wholly labor intensive using family labor. Crop production is based on rice, cassava and other food crops for subsistence, with sales of surpluses and sugar cane, coffee, cocoa and palm kernels exclusively produced for market. Livestock production is only of minor importance in traditional farming. Adverse climatic conditions, particularly for cattle, animal diseases and the absence of a tradition in livestock production among Liberian tribesmen relegate livestock to a minor role in the sector.

The main input in traditional agriculture, apart from land, is the farm families' own labor. Farm implements used are rudimentary, fertilizer is rarely applied and disease and pest controls are practically unknown.

Annual labor inputs utilized for crop production by an average farm household, based on an FAO study of two counties, Bong and Upper Lofa, were 394 days and 462 days respectively. This compares with an annual potential number of available labor days per farm household of 840 and 1200 days respectively. The utilization of potential labor was, therefore, only 47 percent in Bong and 38 percent in Lofa. This relative high degree of under-employment can be assumed to obtain throughout traditional agriculture in Liberia.

Total income and cash income per farm holding for two districts, one in Bong (1972)and one in Lofa (1971) County reflect the following figures.

	Bong County (1972)		Upper Lofa County (1971)	
	Total Income	Cash Income	Total Income	Cash Income
Farm Income				
Crops	435	120	415	110
Livestock	5	-	5	-
Oil Palm Produce	40	10	68	8
Off-Farm Income				
Part-time jobs	75	75	40	40
Traditional Jobs	25	25	12	12
Total Income per Holding	580	230	540	120
Average members per Household	7.2		10	
Per Capita Income	80		54	

Source: FAO Farm Survey

It should be noted that 40 percent of cash income earned per farm holding in Bong County and 30% in Lofa County was from off-farm activities.

2. Pricing and Marketing Mechanism

The GOL first introduced a fixed farm price for rice in 1972, with the marketing and purchasing function entrusted to the Liberian Produce and Marketing Corporation (LPMC), a marketing board dealing with coffee, cocoa, and palm kernels in addition to rice. LPMC is owned by the Government of Liberia and the East Asiatic Trading Company, with each having a 50% participation in the $500,000 subscribed capital. The East Asiatic Company, a Danish Corporation, supplies management and exports the commodities on behalf of the Government.

The relatively short period since the introduction of the guaranteed rice producer price makes it difficult to assess its impact upon production. It would appear, however, that the rice pricing system is far from ideal, since the guaranteed producer price does not constitute a

farm gate price, and can only be obtained by delivery at LPMC's buying center. Although LPMC is gradually establishing a network of buying agents, many farmers are still forced to market their rice with merchants at prices substantially below the official rate.

While there is no direct government intervention in the case of producer prices for the export commodities, coffee, cocoa and palm kernels, prices for these items are fixed by LPMC in consultation with the Ministry of Agriculture and are related to world prices.

In respect to export crops, an IBRD analysis of the pricing system revealed a large margin between the export earnings on these commodities and the produce payments made to growers. This difference between producer prices and export prices result in high profits to LPMC, far in excess of the figure stipulated in the Agreement which have granted that Government corporation the exclusive marketing rights for export commodities. Though the Government has recently insisted on an increased use of LPMC profits for agricultural investment and services, past excessive profits, if paid directly to farmers in the form of higher farm gate prices, could well have served as an incentive for greater production.

TRANSPORT

Large parts of Liberia's traditional farming areas are isolated from marketing areas which tend to inhibit potential increased production of farm families. With the lack of feeder roads and consequently no access to markets the traditional farmer tends to produce only enough to meet his needs plus excess which he might be able to carry by head load to the nearest market. The lack of an extensive transport system, including no beasts of burden, remains a major impediment to agricultural development in Liberia.

D. Institutions, Budgeting and Technical Considerations of the Sector

1. MOA

The Ministry of Agriculture is by far the most important ministry respective to development of the sector but its organization and staffing are inadequate to meet its planning and implementation needs.

The shortage of qualified technical and administrative staff in all divisions of the ministry, both in staff and field positions, seriously restricts its planning and operational capability. Because of this deficiency in staffing, the ministry is forced to rely on a large number of expatriate advisors to perform operational as opposed to advisory tasks.

2. Other Institutions

The only other Governmental instituions involved in the sector are the Ministry for Action Development and Progress (MADP) and the Ministry of Local Government, Rural Development and Urban Reconstruction (MLGRDUR). The roles of these ministries in the sector are presently very limited, with the former involved in building feeder roads and small projects in rice and tree crops; the latter ministry is involved to a small degree in self-help type farm-to-market roads and community market construction. The impact of these ministries in the sector has to date been minimal due to the scope of projects undertaken, resources allotted thereto, and the ministries' limited administrative capacity in project implementation.

E. Budgetary Considerations Affecting Sector

Agriculture's share of the national budget recurring and developmental, rose from 1.9%, ($1,249,111) in 1970, to 4.6% ($4,373,905) in 1974. While the increase in budgetary support over the last few years is encouraging, a case can be made that the current amount is insufficient

in making more than a negligible impact upon all the present constraints, e.g., lack of input supply, credit, extension services, existing in the sector. Others have agreed, with persuasive reasoning, that the increase in budget allocations should be one of gradualism in view of the Ministry's absorptive capacity to plan and implement projects.

An analysis of the agricultural budget for 1974 reveals considerable variance between individual ministry programs/projects within the allocated budget. An example is the allocation of $1.6 million in the development budget for AGRIMECO support and equity funding (for mechanized land clearing) as opposed to the approximately $320,000 allocated for extension services. A review of the MOA's budget also reveals that the great majority of allocated funds are earmarked for personnel costs vis-a-vis, as an example, input supply and logistics support. It should be mentioned that this exceedingly high level of budgetary costs ascribed to personnel costs is not peculiar to the agriculture budget but is endemic to the overall budget.

Even acknowledging the need for gradualism in increasing budgetary allocations to the sector, increased budgetary support to programs which would impact upon traditional farmers is necessary. Such programs include extension services, farm credit, cooperative development and input supply. One could with reason question the Government's commitment to its top priority of integrated rural development, the nexus of which is agriculture, in view of the budget allocated to the sector.

F. Technological, Financial and Educational Considerations

1. Research

With the exception of rubber, agricultural research has been in the main neglected. What positive research has been done has been conducted

by concession companies, i.e., Firestone, Liberian Agriculture Company (LAC). The LAC, although a rubber company, has engaged in applied agricultural research in livestock and rice. Its basic contribution was the development of LAC-23, a high yielding upland rice variety.

The MOA's main research station at Suakoko, established by AID during the 1950s, has done little adoptive research over the years, being plagued with inadequate budgetary support and lack of qualified staff and equipment. The bulk of research conducted at Suakoko over the last four years has been on rice, this being supported under a UNDP/FAO project. No research has been carried out on cocoa, oil palm and other tree crops. Additionally, very limited agriculture research has been carried out at the University of Liberia, again assisted by the UNDP/FAO. The lack of an effective research capability has in the past and may well continue in the future to hamper Liberia's potential for agricultural development.

2. Input Supply

Little or no fertilizer or pesticides are used on traditional farms, nearly all imports of these commodities are used by rubber concessions and some locally owned large plantations. The lack of a supply system for fertilizers and chemicals, coupled with the lack of farm credit facilities, an inadequate extension service, and uneducated tradtional farmers, all impose a constraint to application of these inputs by traditional farmers.

At present improved cocoa, coffee and oil palm seedlings are imported and distributed by LPMC. The seeds distributed by LPMC, however, reach only a small fraction of traditional farm families in Liberia. Similarly, the lack of seeds of improved rice varieties, such as LAC-23, impose a constraint on productivity improvements in rice production.

3. Agricultural Education

Agricultural education has made little impact to date on the sector's development. Its lack of influence can be ascribed to several factors: the annual output of trainees at the middle level (vocational or secondary school) averaged only 12 per year in recent years and at college level 4.5 per year; secondly, agriculture on the "employment prestige scale" rates very low and lastly there is a reluctance, for various reasons, among the better education in agricultural pursuits to work in rural areas.

4. Extension Services

The extension services available to traditional farmers is extremely limited, consisting of about 300 Liberians and a small group of expatriates. For the majority of farmers extension services consist mainly of a few rice demonstration plots overseen by Taiwanese rice technicians. As one donor agency has noted, this approach may be adequate for modern, motivated farmers but seems inappropriate for illiterate traditional farmers. Additionally, logistical support for the limited extension staff has generally been poor, further reducing their already limited capabilities.

The effectiveness of the extension service is further hampered by the sparsely populated areas. With low density of the extension network there is a tendency to serve only more progressive farmers rather than assisting the more backward farmers who need the most help.

5. Agricultural Credit

Agricultural credit is all but non-existent in Liberia except for that available through two cooperatives and from the unorganized financial market, i.e., money lenders and traders; the latter charging usurious interest rates. The development of the traditional sector

into a modern production sector will continue to be hindered unless a responsive credit system is created to finance the purchase of seeds, fertilizer, pesticides and tools. The lack of credit is one of numerous constraints which have retarded agricultural development in Liberia.

6. Land Tenure

Land tenure laws in Liberia provide for two systems: individual land ownership for the modern agricultural sector and communal land tenure for the traditional sector. Communal practices respective to land ownership vary among different tribes though all share the concept of collective rather than private ownership. The system for land acquisition is complicated and tends to favor entrepreneurs possessing the financial resources and ability to tackle the labyrinth-like processes associated with land titling. Overall, the land tenure system can be said to be less than successful in fostering land ownership among traditional farmers.

G. Donor Program - Agriculture

1. UNDP

The UNDP presently has three projects supporting the agricultural sector, with a fourth scheduled to commence in January 1975. These projects include "Strengthening Agricultural and Forestry Research, Education and Training: College of Agriculture and Forestry: University of Liberia"; this project has as its objective completion of a staff development program of the college begun under an earlier project; a strengthening of training curriculum at the college and initiation of applied research programs in selected priority areas.

A second project "Strengthening of Agricultural Research and Field Services in Support of Regional Development" has as its objectives,

inter alia, (a) initiation or continuation of applied research and testing programs toward developing sets of practices to be applied to the development of agricultural production in the priority areas (Bong-Lofa Counties) of rice, tree crops, etc., (b) develop in collaboration with county extension staff and other agencies and cooperative structure to meet the credit marketing and supply needs of the farming communities in the areas designated.

A third project titled "Agricultural Rural Development", with the Ministry for Action Development and Progress, has as its main objective the establishment in three counties (Lofa, Bong and Nimba) precise agricultural and related development objectives and priorities in the context of integrated rural development.

A fourth UNDP/FAO project scheduled to commence in January 1975 is titled "Assistance to the Liberian Agriculture Credit Institution" and has as its objectives (a) assistance in the supply of credit to small farmers and facilitating the organization of such farmers into cooperatives, (b) establishment of a viable agricultural credit bank and strengthening of its management capability, (c) development of an integrated structure of credit and cooperatives at the county level.

2. IBRD

World Bank assistance to the sector include funding, under a 1972 IDA education loan for the construction, equipage and additional staffing for a new College of Agriculture and Forestry, at the University of Liberia, which is being relocated to a new area. This assistance complements UNDP assistance to the College, mentioned above. The loan value provided was for $1.6 million.

A second IDA loan of $1.2 million includes funding for: (a) pilot rubber scheme and study of future prospects for the Liberian owned

rubber industry; (b) a rural development pre-investment study of Lofa and Bong counties; and (c) a management study of the Ministry of Agriculture and a possible reorganization thereof.

A loan of $6 million in support of an agriculture/rural development project identified in a Lofa County pre-investment study is contemplated in mid-1975. A loan for approximately the same amount is being considered for 1976 based on a project(s) identified in the pre-investment study presently being conducted in Bong County.

There is a possibility of further World Bank assistance, including (a) a rice and tree crops development project of approximately $3 million for the period 1977-1979 to assist in determining the most efficient means of increasing output of swamp and upland rice and also assorted tree crops; and (b) a forestry development project in the neighborhood of $6 million, for the period 1978-81, to help exploit Liberia's abundant resources of core-veneer and other woods.

3. Other Donors

The Federal Republic of Germany provides technical assistance in the field of forestry development and reafforestation. The Peace Corps provides volunteers in cooperative and credit development; tree crop improvement; rice production and slated warehouse management; agricultural engineering services and forest preservation and reafforestation.

The Republic of China provides approximately 59 advisors for the training of Liberian farmers in improved methods of rice cultivation and a veterinary group to advise on livestock health. CARE in conjunction with the FRG assists in the Government's reafforestation program.

H. Proposed U. S. Assistance Within the Agriculture Sector

1. Objectives

As is obvious from the sector discussions and sector assessments,

there are numerous constraints to the development of agriculture in Liberia. The assistance we propose over the next four years will have the objective of reducing several of these constrains in degree if not kind.

The proposals put forth fully reocgnize the magnitude of the problems inhibiting the progress of agricultural development in Liberia and a variance in basic philosophy between AID and the Ministry of Agriculture on the methodology for achieving the progress which both the GOL and AID want. There is a mutuality of objectives and priorities, however, the means to reach these ends and perhaps the speed to be employed, raise issues which influence USAID's proposals for the sector.

Integrated rural development, encompassing agriculture, health, education and transport is the first priority of the GOL; the agriculture sector represents the nucleus of rural development. USAID has and will continue to assist the GOL in this priority sector, but only in projects and programs which are in consonance with AID's policy of income equity and which have a direct effect upon the lower 75% of Liberia's population who comprise its rural sector.

It is extremely difficult at this point to identify with any degree of definiteness all the activities which USAID might be willing to support as part of its assistance strategy in support of Liberia's integrated rural development program over the next four years. Liberia has no national development plan which USAID might use as a basis to develop its own long-term assistance strategy. The Ministry of Planning and Economic Affairs is presently in the process of developing a National Five-Year Plan (1977-1981), which is expected to be completed and issued in mid-to-late 1975. When this plan is

issued we hope that it will contain the GOL's specific plans, projects and strategies relating to Liberia's national development.

Based on our review and assessment of that plan, USAID may well revise this DAP to present new strategy proposals for our assistance in agriculture, as well as other sectors which support the Government's priority policy of integrated rural development.

2. Approaches to Sector Development

As explained elsewhere in this paper, the Ministry of Agriculture's strategy for agricultural development is based essentially on semi-mechanized projects encompassing limited extension, credit and farm input components. The strategy entails developing specific project areas and employs the agro-corporation or plantation concept in project operations and management.

The number of traditional farmers such projects reach is minimal, and the cost input per farm unit involved is exceedingly high and appears impractical on a national basis; this based on cost factors vis-a-vis estimated budgetary resources which may be available to the sector. In essence, such demonstration-type endeavors benefit only an insignificant fraction of total farm families while they absorb an inordinate share of limited MOA budgetary allocations. This imbalance in available resource allocations results in neglect of other services, extension services, and farm inputs to the detriment of the great majority of farmers outside the project area.

Obviously, such an agricultural development policy, considering high land development costs, slow adoption of modern technology and frequently poor project preparation and implementation, appears excessive and non-sustainable on a long term national basis given the number of total farm families and anticipated resources available to develop the

sector. The concentration of large resources on a small segment of agriculture is justifiable if the sole aim of such endeavors is to increase marketable outputs as quickly as possible, but it does not square with the GOL's and AID's policy of improving the welfare of the mass of farmers in the traditional sector.

It is not likely that the approach taken by the Ministry of Agriculture will change during the next few years, barring a change in the administration of the Ministry. The Ministry's view is that the traditional approach to agriculture development, e.g. providing extension services, farm inputs, etc. are too time consuming and slow in producing results; particularly when considering the ambitious goals, e.g., rice self-sufficiency by the end of the decade, the Government has established for itself. The Ministry holds that the rapid road to development lies in large scale mechanized land clearing operations in specific designated project areas followed by the installation of an agro-corporation to manage the total operation.

The Ministry argues that such an approach does impact on traditional farmers through their participation in the project. The agro-corporation concept has a nucleus unit in the project area which essentially concentrates on production considerations, but gradually, as the area is developed, provides services and farm inputs to farmers employees of the corporation who own land contiguous to the project area. This view sees a "trickle down" effect of the benefits generated through the production processes of the nucleus corporation impacting upon traditional farmers. While this view may have merit, the number of farmers such corporate-type projects reach is extremely limited and the benefits essentially secondary and indirect.

I. Strategy for AID Assistance

1. Selective Support for MOA's Agro-Corporation Projects

Given the basic conflict in principle/policies as to the approach to be employed in the sector's development, and assuming no drastic change in the MOA's policies over the next few years, USAID's strategy will be to support those components through loans or technical assistance of the Ministry's agro-corporation projects which hold the most promise for benefitting participating small farmers. USAID should and will consider, as an example, assistance to the satellite farm component of the nucleus corporation. USAID will strive to identify areas in which we might augment or expand the services provided by the corporation to its satellite farmers; these services may include extension aid, cooperative organizations or operations. USAID will look at the positive element of the Ministry's agro-corporation projects as they are further developed and implemented to determine how we might influence the MOA in accentuating their positive aspects. At present, assistance to the satellite farm components of the agro-corporation projects present the best potential for our participation, notwithstanding the relatively limited number of farmers who benefit from such program.

USAID's willingness to consider and encourage the positive elements of MOA projects, even if we disagree in principle/policy with the overall concept, should serve to provide USAID an entree through which it might propound and propose its views on agricultural development strategies, thus influencing ministry thinking in this respect.

2. Support for Integrated Rural Development Projects

USAID, as part of its strategy to support the Government's priority of integrated rural development, proposes to provide a loan of $5 million

in FY 77 to support a rural development project which is expected to be identified in an IBRD-financed study presently being conducted in Bong County. This study, scheduled to be completed in March 1975, is expected to develop a project encompassing several agricultural elements, e.g., credit, extension services, farm-to-market road construction, which USAID may support through a loan. The project is expected to be of such magnitude that its financing will require support from both AID and the World Bank.

The project to be identified in the Study is expected to be similar to one USAID will support with loan funding in FY 75, which is tentatively titled: Lofa County Integrated Rural Development. This FY 75 loan, also based on an IBRD-financed feasibility study, is expected, inter alia, to provide credit to finance farm inputs, e.g., fertilizers, pesticides, etc., to traditional farmers who are in the project area. USAID's contribution to the project is expected to be in the range of $2 to $3 million, with the World Bank providing financing, approximately $6 million, for other components, (e.g. education, support of the project's management unit), of this integrated multi-sectoral project.

3. Rural Access Roads

USAID proposes to support in FY 76 the construction of two rural access roads designed to open up isolated traditional farming areas. Efforts on the part of the Government to move ahead in agriculture have been hampered by Liberia's inadequate road network. With the present lack of rural access feeder roads, the marketing of farm produce is not only high cost but tends to exert a depressive effect on farm productivity; i.e., the farmer's incentive to produce more is reduced as production is restricted to head loads he can carry to a market.

One of the roads, approximately 150 miles in length will traverse Lofa County and provide market accessibility to farm families who comprise about 95 percent of that county's population. The second road, approximately 50 miles long, will traverse a potentially rich tree crop farming area in Grand Bassa County. USAID proposes to loan finance up to $8 million for construction of these roads and the GOL is expected to contribute approximately $3 million for this undertaking. This type of rural road construction has linkages with sectors outside agriculture and will further the GOL's integrated approach to rural development. As an example, the road to traverse Lofa County will be complementary to the health development of the county in that many health posts being established under the USAID-assisted Outreach Program will be served by the road.

USAID is also proposing to provide supplemental road funding in FY 1976 to support the GOL's effort to improve its road maintenance capability. A loan for this purpose was originally provided in FY 72, but the cost of the required maintenance equipment USAID agreed to finance has risen considerably necessitating supplemental financing. The great majority of rural trunk roads are with laterite surfaces and frequently inadequately maintained due to lack of equipment, thus making them near impossible to traverse during the rainy season. USAID is proposing to supplement previous loan funding by $3 million dollars to meet the increased cost of equipment, which is vital to proper road maintenance to insure year round farmer accessibility to markets.

4. Support to Other Government Entities in Agricultural Development

USAID's strategy over the next four years will include an expansion of contacts with other ministries of Government having a role to play in agricultural development. Foremost among these potential

"change agencies" is the Ministry for Action Development and Progress (MADP), which was established by the President in 1971 and was elevated to ministry status in early 1974.

This Ministry, whose projects have been financed from a special Presidential fund, has been involved in several rural community development projects. The most noteworthy of MADP's projects was a so-called "Mats to Mattress" program carried out in the Panta Chiefdom, Bong County. This program included construction of a feeder road, school, water supply and market place and limited agricultural production program in rice and tree crops. It additionally has been involved in feeder road community market construction in other areas in Liberia. It is presently developing plans and projects for several modest integrated rural development projects which conceivably might be worthy of AID assistance.

The MADP's staffing is rather limited and consequently its capacity to plan and implement programs is restricted. Similarly, the budgetary allocations provided to support its projects are generally modest, constricting the scope of its activities. Minister Cooper of MADP is, however, extremely knowledgeable in both the theoretical and practical aspects of rural development, as are several members of his staff, and this ministry has the potential for assuming a more prominent role in Liberia's rural and agricultural development. USAID's strategy envisions more active collaboration with this Ministry over the next few years in an attempt to identify rural and agricultural development projects which AID might support.

A second entity which has potential for contributing more actively to rural/agricultural development is the Ministry of Local Government, Rural Development and Urban Reconstruction (MLGRDUR). This Ministry

operates through county superintendents, chieftons and villages. USAID's more recent assistance to this Ministry has been confined to financing numerous but small (average cost: $5,000) self-help projects in farm-to-market roads and market construction. As with most GOL ministries the MLGRDUR has limited project planning and implementation capabilities.

If the role of the County Superintendents in rural development project planning and implementation is increased, through the proposed County Development Councils (CDCs) presently being talked about by the GOL in context of development of a long-range rural development plan, more intensive USAID association with this Ministry could result; this remains a policy option over the next three-to-four year period.

5. Planning and Economic Analysis

Development of agriculture is severely inhibited by the Ministry of Agriculture's limited absorptive capacity for project design/preparation. While this deficiency is not restricted to the Development Planing Division, but is pervasive throughout the ministry, the strengthening of its planning, project design capability is a logical first step to developing a long-term and well-reasoned GOL agricultural development strategy. Technical deficiencies in project preparation and appraisal have tended to vitiate past undertakings in the agricultural field.

USAID is presently assisting the ministry in improving its planing capability to make it adequate to meet the minimal needs of the sector. Though our current project in the planning field was beset with the problem of lack of counterparts, a fairly common malady of external assistance programs in Liberia, this deficiency is slowly being overcome and the future holds promise; the progress made has been gradual but steady. Additionally, under an on-going IDA loan project, the ministry's functions and organization are being reviewed and likely

will result in changes in structure and provide recommendations as to staffing and training needs. USAID's strategy will include not only continued assistance in planning, but in other functional areas within the ministry which might be identified in the study as being both feasible and necessary to strengthen its overall capability.

6. Feasibility Studies

USAID strategy envisions providing assistance to the GOL through the financing of rural development/agricultural feasibility studies over the next three years to identify viable projects in the sector which we might support. Subsectors which might merit studies include irrigation and storage (regional), and integrated rural development studies, such as that recently concluded under IDA financing in Lofa County and currently underway in Bong County. USAID will consider supporting, through loan assistance, activities determined to be feasible by these studies which directly contribute to redressing the income disparity existing between rural and urban population. AID financing of feasibility studies in the agricultural sector will serve to compensate for the limited planning and project preparation capability within the MOA's Planning Division, which precludes the latter from conducting such studies.

7. Cooperative Development

A program which holds great potential for impact upon rural farmers is the slowly emerging cooperative system. Despite the fact that most of the few existing cooperatives are in their rudimentary stage, the popular acceptance by participant farmers seems genuine. Furthermore, the cooperative idea seems to enjoy the interest and support of the Ministry of Agriculture.

The cooperatives when fully developed assume purchasing agent functions thus displacing the LPMC in this role; this results in farmers' receiving full or near-full producer prices for their production. The general acceptance of the cooperative system by traditional farmers has been attributed to the higher prices they receive for their crops through cooperative marketing. (The production dis-incentive inherent to the LPMC marketing system is discussed elsewhere in this paper.)

USAID's strategy envisages providing technical assistance in cooperative development, e.g. organization planning, operations, etc. Support to cooperatives would serve to mitigate the pricing, and consequently production constraint, of the sector resulting from the presently existing marketing structure.

8. Agricultural Credit

The lack of a credit mechanism to allow farmers to purchase farm inputs is recognized as a constraint to the transformation of traditional agriculture to a modern production sector. USAID proposes to support the development of a viable, supervised credit system through the provisions of loan assistance to meet start-up capitalization needs. While the institutional mechanism for supervising agricultural credit has not yet been identified, (e.g., an agricultural bank, an existing institution), it is evident that the Ministry of Agriculture will support the establishment of credit systems over the next two to three years. Since no reliable credit estimates of the need of the traditional sector exists, USAID cannot predict the magnitude of its possible financial input to an agriculture credit fund. We plan to participate with the Government and possibly other external donors in initiating studies to determine the magnitude of credit requirements.

9. General Strategy Considerations

One of the main, if not the major constraint to increased income for traditional farmers and agricultural productivity is the existing marketing system and pricing policy. As the World Bank has incisively commented: "The existing marketing system and pricing policy have unduly discriminated against agriculture. Margins between producer and export prices have for some products been frequently or continously excessive due to high profit margins, handling and processing costs of LPMC. As a result, the income earning opportunity in agriculture is low and farmers are deprived of adequate price incentives."

USAID's initiative respective to meeting the existing pricing and marketing constraint represented by MOA's support of LPMC's pricing mechanism should be based on the suasive approach, with the objective of influencing ministry policy on the subject. The continuation of our assistance to the ministry's planning division, discussed above, provides an opportunity for continuing dialogue concerning such policies and thus may contribute to new thoughts/initiatives which may alter the existing system.

USAID should and will provide constructive criticism of existing pricing and marketing policies and encourage ministry initiatives in areas, e.g., cooperatives, which have the effect of supplanting LPMC's purchasing and marketing role. USAID's strategy for support of the emerging cooperative system is discussed in 7 above. USAID will also support alternate pricing and marketing schemes which are feasible and have the effect of reducing the differences between export and producer (farm gate) prices.

HEALTH

SECTORAL DISCUSSIONS

1. Historical Trends

Health conditions in Liberia are extremely poor; the major health problems are related to infectious and communicable diseases, parasitic diseases and malnutrition. The most serious diseases are malaria and diarrhea. While malarial control programs have reduced the incidence of malaria around Monrovia, those in the rural areas have had but limited success. As there are almost no sanitary water supplies, diarrhea and other water borne diseases are common. Both the lack of water supply and sanitary sewerage systems are major health hazards.

Liberia's limited health services have been concentrated in urban areas despite the fact that approximately 75% of the population live in rural areas. The extremely limited health care available to the rural population, which is further aggravated by a lack of road access to the few facilities available, is reflected in considerably high crude death and infant mortality rates in rural areas. In 1971, the crude death rate was 23 per 1,000 in rural areas compared to 15 per 1,000 in urban areas. The infant mortality rate the same year was 171 per 1,000 in rural areas compared to 126 per 1,000 in urban areas.1/

GOL budgetary support to the health sector has risen from approximately $3.8 million in 1971 to approximately $6.5 million in 1974. Health's percentage of the total national budget rose during the same period from 5.5% to 6.9%. Ministry of Health and Social Welfare budgetary allocation reflect a definite bias toward curative services; in 1974, as an example, 85.2% (approximately $4.6 million) of the total budget was directed toward

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1/ IBRD Basic Economic Report, Liberia.

curative services. Approximately 79% ($3.6 million), was for the operation of the John F. Kennedy National Medical Center, i.e., JFK Hospital, TNIMA, Maternity Hospital, T. B. Hospital and the Catherine Mills Rehabilitation Hospital. The JFK Medical Center, although a GOL health facility, operates under the direction of special board chaired by the Minister of Health. The JFK National Medical Center's efforts focus essentially on providing curative services in the Monrovia area, though it serves a small number of rural residents who find ways to reach Monrovia seeking the medical help so lacking in the "bush". Additionally, the TNIMA trains paramedical workers and nurses for the National Health Program, both rural and urban.

Concession and mission facilities supplement government medical facilities, particularly outside Monrovia. Of the total of 33 hospitals in Liberia, 9 are operated by concessions, 9 by missions and one by a private institution. These non-government institutions account for approximately 50% of the hospital beds in the country's health system.

2. Past and Present Government Policies and Priorities and an Outlook for the Future.

Past government policies in the health sector can best be described as ad hoc, being deteremined more by what financial resources were or might be available rather than through systematic planning. Health decisions were similarly made with no regard to priorities. A Ten-Year National Health Plan for the period 1967-76 was prepared with USAID and WHO assistance but the plan has never been implemented. The only past priority which might be deduced from a historical perspective is the relative strengthening of urban health services, based on the concentration of health facilities in the Monrovia area.

The Government's past position respective to family planning similarly produced a void which makes it impossible to identify specific policies in

respect to the program. The only specific reference to what may be considered as government policy respective to family planning was a Presidential statement made on May 1, 1973, on the subject of the "new Liberia", which included the following:

> "The wholesome functioning society envisages an integrated development plan of qualitative improvement in the standard of living for all our people. This involves not only the development of physical amenities such as roads and buildings, but also improved techniques of food production, health education toward the achievement of improved nutrition, protected water supplies, sanitary waste disposal, systematic immunization, maternal and child health and family planning.
>
> Somewhere along the line, the impression may have been left that our health policy precluded the concept of family planning. This is an illogical assumption. It would be self-defeating to advocate the raising of living standards, while denying the need for qualitative growth. Responsible parenthood is just as important as responsible fiscal policy. We owe it to ourselves and to posterity, to take advantage of modern technology wherever it is available."

What might be considered a start for developing national health policies and priorities was an address by President Tolbert to the Liberian people in October 1972 in which he spoke of the plight of the poor respective to health services and the lack of such services in general for the rural population. This Presidential statement on health needs, plus a government decision in 1974 to develop a Five-Year National Development Plan (1977-1981) led to re-examination and updating of the previously developed health plan.

The overall objective of the health plan, which will be incorporated, if approved by the Ministry of Planning and Economic Affairs and the President into the Five-Year National Development Plan, is "to improve the physical, mental and social well-being of the population to enable them to contribute adequately to the national development effort." Specific subgoals of the plan are described in the Sector Assessment, pages 141-146. Future priorities and programs in the health sector will focus on (a) strengthening the Ministry of Health's organization and capabilities,

(b) improvement of the staffing and staff capabilities in the GOL's health service programs, (c) improvement of the physical condition of health facilities, (d) development and implementation of integrated rural health delivery programs, (e) provision of improved logistical support respective to drugs, supplies and equipment, (f) development of a pilot demonstration rural health project.

These priority programs, if approved, will represent a "first" in government planning in the health sector. Whether the government has the resources to implement these programs will be discussed later.

3. Economic Consideration Affecting Sector Development

The predominent economic factor which is responsible for Liberia's poor showing in the health field is the lack of financial resources made available for development of the sector. In a society in which the current overall annual per capita income is about $400. and approximately 75% of the population have a per capita income of $70 per year, it is readily understandable that what health services are available have to be almost wholly financed by the government.

The government's desire to improve the health services to its citizenry has been largely inhibited by its failure to allocate sufficient resources, to meet the sector's demands. The relatively meager financial resources Liberia has had available to devote to the health sector have, of necessity, been focused on curative services as the government could not afford the "luxury", considering total requirements, to devote more than a minimal amount to preventive health services.

The high incidence of infectious diseases endemic to the country, coupled with inadequate personal and public finances which can be directed to combatting them, has resulted in Liberia's poor health record. A more detailed discussion of the economic and fiscal constraint of the sector is contained in the assessment.

4. Strengths and Shortcomings of Sector Institutions

a. Ministry of Health and Social Affairs

The Ministry of Health and Social Welfare shares the same human resource problem as the majority of public sector entities in Liberia. The familiar LDC problems of inadequately trained staff, lack of sufficient salaries to attract capable personnel and lack of staffing for programs, pervades the majority of divisions in the Ministry. The problem has a familiar fiscal genesis, i.e., lack of sufficient funding to attract and/or train a capable staff. The lack of financial resources is also evident when one looks at government health facilities, clinics and posts, which are invariably in deplorable condition, lacking adequate facilities and supplies as well as staff.

b. Concessions and Missions

As discussed in section 1, above, concession and mission health facilities provide a significant amount of health services available to the population, particularly in rural areas. The quality and capability of medical staff in concession hospitals and clinics is generally superior to that found in government service. This results from the higher salaries concessions pay to attract personnel. Likewise the equipment in concession facilities and the logistical support provided is more adequate to needs.

Staff members found in most mission health facilities are also generally of a higher quality than those in the employ of the Ministry. Unlike the concessions, however, the primary motivation of staff is based on humanitarian rather than financial considerations. The quality of equipment and availability of supplies varies among mission facilities, but again is generally superior to those found in the Governmental system.

5. Budgetary and Manpower Considerations

The allocation of budgetary resources to the sector and its effect on its development is discussed in section 1 and 3 above, and in pages 124-127 of the assessment, and needs no further elaboration. It is sufficient only to note that budgets devoted to the sector were wholly inadequate to its needs in the past, and could likely be in the future given Liberia's probable future debt servicing burden and the outlook of its balance of payments.

The sector's manpower requirements are far in excess of its availability. The shorage of medical personnel, at all levels, is one of the more serious shortcomings in the health care system. There are only 148 physicians in Liberia, only 38 of whom are Liberians and approximately 1,500 para-medical personnel, e.g. nurses, laboratory technicians, health assistants, etc. A specific listing on the health manpower of Liberia is contained in the assessment, pages 114-119.

6. Other Donor Programs

Other external donors in the health sector include the UNDP with a one year project begun in July 1974 to assist the Government in preparation of a well-drilling program in remote areas. Additionally, the UNDP has on its reserve list a second project titled: "National Community Water Supply Program" (total UNDP contribution $572,000) which has as its objective, inter alia, preparation of a sector reconnaissance of the water supply and sewerage systems in various areas.

The Federal Republic of Germany is providing a DM 13 million loan for construction of water supply systems in three rural towns, Voinjama, Lofa County, Gbarnga, Bong County and Sanniquellie, Nimba County. The IBRD is additionally, considering providing a $6 million IDA loan for the construction of additional water systems for the towns of Buchanan, Robertsport and Tschien.

The Peace Corps recently started a basic Health Education/Family Planning Program in Bong, Nimba and Grand Gedeh counties. The PC program will have 22 professionally trained health workers, in various disciplines working on this program. The WHO provides a doctor and five health technicians in support of GOL national health programs.

7. Strategies for USAID within the Health Sector

A. Support to Development of Rural Health Delivery Systems

During the next five years USAID strategy will be to assist the government in projects designed to provide and improve the health services for Liberia's rural population. This assistance in building up rural health services is expected to be analogous to that which USAID will commence in FY 1975 under the Lofa County Rural Health Project. This four-year project is a pilot program designed to test the feasibility of an integrated health services program. This project, if proven feasible, will serve as a development vehicle for similar low cost integrated rural health programs in Liberia's remaining eight rural countries. USAID's strategy will be to join the government in similar health programs as they are developed and implemented in other rural counties.

USAID's assistance will support one of the Ministry's priority goals: development and implementation of integrated rural health delivery programs. This goal is expected to be incorporated in the national Five-Year Development plan presently being formulated and envisages the establishment of a county health development center in each of Liberia's nine rural counties, headed by a medical director. This planned decentralization of authority and personnel is expected to result in a more efficient use of limited health resources, particularly manpower, through better supervision, improved logistic support and better in-service training capabilities.

USAID's assistance to the sector will address the priority development problem of inadequate health services which contribute to Liberia's low labor productivity rate. The development of a rural health delivery system is a prequisite to increased productivity of the agricultural sector, Liberia's primary economic sector. Our assistance to rural health development will also serve to redress an imbalance in available health services between urban and rural populations, an imbalance caused more by finite resources rather than by design, but nonetheless a past inequity.

B. Strengthening the Planning Capability of the MHSW

USAID will consider as one of its strategy options providing assistance to improve the extremely limited planning capability of the MHSW, thus affecting its function as a manager of limited resources. The Ministry's planning and development bureau is under staffed, and the capability of those within it to develop meaningful plans and collect and analyze health data necessary for sound planning is marginal. The strengthening of the Ministry's planning capability is a requirement if optimum use is to be made of the relatively scarce resources expected to be available to the sector over the next few years.

The strengthening of the infrastructure of the Ministry is one of the goals/priorities of the Ministry's long term plan. USAID agrees that this is a priority goal if an ability to maximize limited sector resource inputs is to be realized.

USAID's strategy envisions participant training and advisory assistance. This planning assistance is a strategy option; its fruition into a project will be dependent on MHSW's demonstrated intent to beef-up its planning and development capability through increased staffing, and USAID's assessment of its ability, i.e., absorptive capacity, to utilize such assistance effectively.

C. Nutrition

A second strategy option USAID will propose over the next five years is assistance in the area of nutrition education. Malnutrition represents yet another constraint to Liberia's development by reducing labor productivity and diminishing the educational potential of its people. Much of it is based on "maternal illiteracy". A nutritional education program which would focus on better dietary habits based on available foods would serve to lessen the Liberian population's current nutritional deficiencies.

The GOL's appreciation of the importance of nutrition to the country's development has yet to be fully realized. There is evidence, however, of an increased awareness of Liberia's nutrition problem, as manifested in a nutrition education element of the Lofa County Rural Health project and the forming of a National Nutrition Council to address this serious problem. If this interest in the nutrition field continues and increases, USAID's strategy option will be to consider favorably a regional or national nutrition education program, beginning with a survey of the population to determine the extent and degree of malnutrition.

D. Family Planning/MCH

The Ministry has already recognized the need and value of a more intensive effort in its maternal/child health program as a means to reduce Liberia's infant mortality and morbidity rates. It also recognizes the logic and value of having a family planning component of such a program. If the Ministry's desire to do more in MCH/FP is translated into a request for assistance in furthering such a program, USAID is prepared to respond promptly and favorably. Ideally, a possible project would encompass MCH/FP and nutrition. USAID strategy will be to encourage any Ministry initiatives which may be manifested in MCH/FP and nutrition over the next few years. That such initiatives will develop is considered likely in view of the Ministry's strong

support of the Lofa County Rural Outreach program, a health delivery system project which has significant FP and nutrition components.

E. P. L. 480, Title II, in Support of MCH and Nutrition Programs

USAID is presently providing Title II commodities to feed approximately 10,000 mothers and children under the MCH program. It is expected that this food assistance will continue and will likely be expanded if a nutrition education or a combined nutrition/MCH/FP program (see C and D above) is initiated in FY 77 or FY 78. A USAID strategy option will be to propose an expansion of Title II support to MCH if such programs in nutrition/FP do eventuate. Food support of a nutrition program would serve to mitigate one of Liberia's major human constraints to development, namely the malnutrition which inhibits the full mental development of its people.

F. Selective Assistance to the JFK National Medical Center

Over the last eleven years since FY 65 the USAID has provided both capital and technical assistance to the JFK National Medical Center. The technical assistance, designed to develop the operational capability of the JFK Hospital, is presently scheduled to terminate in FY 1977. As a strategy option, USAID proposes to continue assistance on a selective basis to the Center, predicated on JFK NMC activities which directly impact on the emerging rural health delivery system program. USAID will examine closely the various activities with which the NMC will become involved over the next two years to determine how and to what degree they relate to rural health programs. If the supporting role of the NMC is found to be significant to an activity directly contributing to the development of the rural health system, USAID will consider the provision of assistance thereto. This proposed selective assistance to the NMC is another of USAID's strategy options in the health sector.

8. Future Economic Factors Affecting Strategy Proposals

USAID's strategy proposals assume an adequacy of GOL resources to meet the requirements imposed by development of rural health delivery systems. This supposition is expected to be put to test during the next few years given the projected balance of payments deficit anticipated during this period. A detailed discussion of the possible effects of resource shortfalls as they may affect MHSW objectives/priorities is contained in pages 141-142 of the assessment. Whether the GOL achieves its announced objectives in the health sector will be primarily determined by its ability to make optimum use of both financial and human resources which may be available to it in the immediate years ahead, and its willingness to exercise fiscal austerity in other programs having a lower priority on its development scale.

HUMAN RESOURCE DEVELOPMENT DISCUSSIONS

1. Education

a. Historical Perspective

An education program in the usual sense of the word did not begin in Liberia until the early 1950's; it was only at this late date in Liberia's history that the government gave serious thought to the sector. Prior to this time with the scant resources available to the government what little was done in education was confined to providing schools in inhabited coastal cities. With the growth of national income and government revenue in the 1950's, occassioned by the discovery of iron ore, the establishment of a modern education system became an objective of the government.

In the past two decades school enrollment has increased approximately eight times to 172,638.[1/] This growth was more in quantity than in quality. Even with this rapid growth in enrollment, only about 50 percent of primary school children and approximately 12 per cent of secondary school age children are afforded the chance to go to school.

The philosophy and methodology of Liberian education has been imported from the United States and Europe. The introduction of an educational philosophy and methodology appropriate to more advanced countries than to an LDC like Liberia has left imbalances and inefficiencies in the existing system. The curriculum is designed to prepare students for higher education which in general is the exception rather than the rule in Liberia. Secondly, the financial resources necessary to sustain an American or European type educational system have not been available in Liberia.

1/ 148,738 in elementary schools and 24,000 in secondary schools.

b. Past and Present Policies/Priorities in the Education Field and Outlook for the Future

Liberia does not have a National Development Plan and consequently it is difficult to define both past and present policies/priorities, not only for education, but for any sector. One is forced to resort to deduction and general policy pronouncements to identify governmental intentions in the sector. The policy pronouncements which are made tend to be general rather than specific. The National Planning Council, as an example, made the following remarks, among others, in May 1972:

"... systematic development of programs for increasing knowledge and skills of Liberians through quality education and human resources development..."

This pronouncement regarding education can be related to national education policies set forth in the 1972 "Guidelines for the Development of Slyllabi, Teachers Guide and other Instructional Materials." The general objectives are:

(1) to make education available to as many people as possible, irrespective of age, birth and social status; and

(2) to make education more relevent... and education that will qualify Liberians to gradually assume more responsible positions in the economy...

Subsidiary priorities are as follows:

(a) improvement in the quality of elementary education

(b) expansion of secondary education, with emphasis on regional equalization of educational opportunities and increasing the supply of science and mathematic teachers.

(c) provision of both qualitative improvement and expansion of technical vocational and craft trainings; and

(d) encouragement of planning, research and innovation as well as strengthening the administration of education.

As the UNDP has pointed out 1/ there are potential points of conflict between the two sets of objectives and priorities. These are (1) the response to the demand for extended opportunity for education, versus improvement in its quality, recognizing the resource limitations and (2) the needs of a growing urban area/Monrovia, versus rural education.

Education policies and priorities for the future are presently unknown and will have to await the completion of an education long-range development plan presently being developed by the MOE. One might surmise what these policies and priorities may be based on a conference held by Ministry of Education in September 1974 on the subject of education policy and planning. Suggestions for policy were made during the course of the conference and these recommendations may well be incorporated into the long-term development plan: curriculum changes away from the general academic to practical education; curtailment of uncontrolled increases in school enrollment at all levels; and increasing both the quantity of vocational education available and its quality. For details on these and other recommendations made at the conference, see pages 181-183 of the assessment.

d. Economic and Fiscal Factors Affecting Sector's Development

A review of the budgetary allocation for education shows a rise from $7.7 million in 1970 to $11.3 million in 1974. The percentage of the total National Budget devoted to education during this same period,

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1/ UNDP Country Background Paper, Liberia, June 1973

however, shows relative constancy: from 11.8% in 1970 to 12% in 1974, with the intervening period reflecting an average of 12.3%. Due to the increase in enrollment during the period, the expenditure per student remained approximately constant with the absolute dollar increase in the budget being more than offset by increases in enrollment.

A comparison of the budgetary allocations within the sector reveals some apparent imbalance among the various levels of education. The largest portion of the educational budget was understandably devoted to elementary education which had 88% of all school enrollments, however, the University of Liberia, which had only 1.2% of all enrollments, received 21.6% of the education budget.

Economic factors external to the education sector will in the future determine the degree of development or stagnation. The anticipated balance of payments deficits over the next several years raises the question as to the willingness of the GOL to reorder priorities and allocations to increase the education budget, not only to offset the effect of inflation but to support the pre-requisites for an improved educational system such as increased teacher salaries, facility improvement, textbooks, etc.

d. Manpower

One of the more serious problems of Liberia's educational system is the dearth of qualified Liberian teachers. Of the total teachers in 1972 only 29% had a complete high school education and not more than 9.3% had a bachelor's degree or above. Of the latter (mostly non-Liberians), only 3% majored in education.[1/] The causes of the teacher shortage can be found in two related factors: (1) poor teaching

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1/ Draft IBRD Basic Economic Report

conditions and salaries and (2) the small number of graduates from teacher training institutions.

Elementary teacher training is offered at the Kakata Rural Teacher Training Institute and the Zorzor Rural Teacher Training Institute. Secondary teacher training is provided by the University of Liberia and Cuttington College, a private church-supported college. The two teacher training institutes have produced over the past few years an average of about 115 elementary teachers, while the University and college have produced an average of about 14 secondary teachers a year.

An appreciation of the manpower constraints of the sector can be gleaned from the following table which compares the number of teachers available in 1970 and 1973 as opposed to enrollments.

	1970 Enrollments 1/	1973	% Increase
Pre-elementary and Elementary	120,245	148,730	24%
Secondary	15,494	23,900	55%
	Teachers 1/		
Pre-elementary and Elementary	3,384	3,718	9.8%
Secondary	918	1,195	30%

Approximately 25% of all secondary teachers are expatriates, e.g., Peace Corps and other volunteers.

Other Donor Programs:

Other donor assistance to education is outlined in the sector assessment, see pages 183-187.

1/ Economic Survey of Liberia, 1973, MPEA

2. Public Administration

a. Historical Perspective

The shortage of competent personnel is a major constraint to Liberia's social and economic development. While the paucity of trained manpower affects both the public and private sector, the effect is particularly pernicious in the public sector as government is responsible for formulating plans and implementing programs and projects in all sectors designed to move the nation along the road to development. While the government has made considerable progress over the past two decades in improving its fiscal management, the strides made in improving the efficiency of its public administration and civil service have been negligible. The progress that has been made is of recent origin and began with the advent of the present administration in 1971. A public administration institute was established in 1972 and is receiving technical assistance from AID. Some improvement in work attitudes and responsibilities among civil servants has been made, mainly through the personal exhortation of the President. Much remains to be done to change or reform the system, however, if the government is to have the capability and capacity to plan and implement programs which are vital to Liberia's development. The key problem of the public sector, at least in the past, has been a lack of capacity and capability to carry out development programs rather than a lack of funds to do so.

There is an acute shortage of competent civil servants at all levels, from clerical personnel through department directors. There is only limited capacity to prepare, organize and disseminate information. The capacity to identify, evaluate, prepare and administer projects is minimal and much of what is done in project design and implementation is entrusted to the skills of expatriate advisors.

While there is a serious dearth of competent personnel there is no shortage in the total number of people employed in the public sector. Total public sector employment numbers approximately 20,000 and constitutes about 15% of the total permanent work force. Overstaffing permeates practically all government ministries and agencies. This overstaffing is a heritage of the past government employment practices which were based on patronage rather than merit.

The inadequacy of the civil service system should be lessened as a result of the enactiment in July 1973 of a Public Employment Law which also amended executive law to create a Civil Service Agency to enforce it. This law will hopefully contribute to correcting deficiencies in the civil service system. These deficiencies included lack of a uniform salary scale, no system for selection and promotion based on merit and a lack of security of tenure. The new law calls for the Civil Service Agency to develop and establish uniform salary scales based on a job classification system, a merit hiring, promotion, and tenure system.

USAID, under a project which began in late FY 74, is providing technical assistance to the Civil Service Agency to aid the Agency in establishing classification standards, installing a merit promotion system, etc.

b. Institutional Weaknesses

In addition to inherent deficiencies in the civil service system, the public sector of Liberia suffers from administrative inadequacies in its operations. Ministries and agencies are frequently fragmented into numerous departmental units with no defined responsibilities. Record keeping and information flow within and among agencies is very poor. There is little delegation of authority in government ministries with all decisions usually made at the minister or assistant minister level;

This reluctance to delegate authority, while understandable given the shortage of qualified personnel in middle level management, imposes an undue burden on ministers who are forced to handle what amount to clerical tasks.

c. Private Sector

The paucity of trained Liberians is not restricted to the public sector, private enterprise shares the same inadequacies. A recent survey of the 96 largest firms in the country revealed that while only 7.3% of their employees were expatriate, they held the decision-making positions in these companies. The usual pattern is for Liberian employees to fill lower and semi-skilled jobs, e.g. clerks, drivers, etc., while expatriates performed key functions as foremen, managers and administrators. Dependency on expatriate manpower is a burden on the Liberian economy since a substantial portion of their salaries is repatriated to their native country. But there is at present no alternative to the heavy reliance on expatriate manpower given the lack of trained Liberians available to assume their function.

d. Other Donors in Public Sector Assistance.

While other external donors such as the UNDP provide various types of advisory assistance to several sectoral ministries in specific project related areas, e.g., a financial analyst provided to the Ministry of Finance to assist the Concession Investment Commission, an industry advisor to assist the MPEA in industry development, etc, external assistance directed to the improvement of public administration, per se, is not being provided to the GOL. USAID is at present the only donor providing assistance directed solely to improving the public administration system.

3. Strategies for USAID in Human Resources Development, Education and Public Administration

a. Education - Planning and Needs

USAID cannot at this point propose a definitive strategy for assistance to the education sector, this will have to wait the publication of the long-range education plan scheduled for publication in 1975. USAID can, however, propose a strategy for assistance based on the supposition that the Plan will include programs to reform the present educational system to make it more relevant to the country's needs.

USAID is optimistic that the long-term plan will include programs designed to alter the past philosophy and practices of Liberian education. This optimism is based on the recommendations put forth by a conference referred to in Section 1.a.2. of this discussion. Among the more pertinent suggestions made which USAID endorses are: (1) a new curriculum for schools at all levels. The Conference participants suggested that the curriculum should not only incorporate more courses in agriculture, vocational education, practical arts and skills at various levels but should also include agriculture, rural and vocational insights and understandings as a vital focus in all courses of study. (2) Upgrading the quality and increasing the quantity of outputs from technical training facilities.

USAID feels that a curriculum change in rural areas oriented toward agriculture is a necessity to make education relevant to meet the practical needs of the majority of students whose future likelihood is dependent on learning basic agrarian skills. Similarly, USAID is of the opinion that an expansion of vocational education programs is needed if Liberia's heavy reliance on expatriates in the skill crafts is to be lessened. Vocational training schools, such as the Booker Washington

Institute, have not in the past, enjoyed much success and their inputs to Liberia's skills pool has been negligible. A new focus on vocational training is needed, backed by sufficient GOL resource inputs to make this concept of education viable in Liberia.

4. Assistance Strategy Rationale and Options

a. Non-Formal Rural Education

USAID strategy will be to assist the GOL in augmenting their own efforts in instituting or expanding non-formal type education programs. These could include, among others, general adult education, rural education curriculum reform, and general literacy training for the rural population. In effect, USAID is prepared to consider providing assistance in any program which makes education relevent to the needs of rural life. As stated earlier, what plans the GOL may have in this respect is still an unknown, however, if programs directed toward such ends materialize in the government's long-term education plan, USAID will be prepared to assist in their furtherance.

Assistance in such non-formal education is consistent with AID emphasis on social and economic equity as it applies to the rural poor. It is also consistent with USAID's sector concentration and the GOL's priority objective of integrated rural development, which includes education as well as agriculture, health and transport. Assistance in non-formal education to rural farmers will have a subsidiary effect upon agricultural production in that the farmer will, because of the type of education received, tend to be more aware of new agricultural techniques, learn the value of farm inputs, e.g. fertilizers and pesticides, and aid him in understanding, as an example, the cooperative system.

b. Rural School Administration

If the GOL's long-range education plan includes programs to strengthen rural school administration, USAID will be receptive to providing assistance toward this end. Rural education has been particularly neglected in Liberia, which is reflected in a high overall dropout rate of more than 50%. The cause of this large dropout rate, in addition to irrelevant courses and poor teaching, has been a deficiency of school administration at the county and district levels. Many of the principals and supervisors of rural schools trained by AID and other external donors in the early 1960's have either moved to ministry positions in Monrovia, or have left the system leaving a serious void in rural local school administration. If GOL programs are developed and incentives provided which hold promise of both attracting and retaining competent rural school administrators, a USAID strategy option will be to consider advisory and training assistance to implement such programs.

5. Public Administration

a. Present Assistance and Future Program

USAID presently provides technical support in addressing two major deficiencies of the Liberian public sector, an inadequate civil service system and poor administrative capacity and organization. The former is addressed through assisting the Civil Service Agency in establishing a merit civil service system based on, inter alia, position classification standards, testing criteria, tenure regulation; the latter through assistance to the Liberian Institute of Public Administration which focuses on training of mid-level officials, and offering consultancy services to Government agencies on such subjects as organizational structuring, manpower requirements, etc.

b. Training to Develop Planning and Implementation Capabilities for Integrated Rural Development

Over the next five years, USAID strategy proposes to provide additional assistance in the training of government middle level personnel in various disciplines identified as critical to the development planning and implementation. This participant training project will be intended to develop planning and project implementation skills of middle management personnel in agencies, e.g., Ministry of Local Government, Rural Development and Urban Reconstruction, Ministry of Action for Development and Progress, actively involved in Liberia's integrated rural development program but who are not provided training under USAID's other specific projects or those of other donors. Due to the specialized nature of the training, LIPA is not expected to have the staff or capability to provide this type of training.

Several ministries, such as those mentioned above, can make significant contributions to the furtherance of Liberia's rural development, however, they presently lack the human resource capability to maximize their input thereto. A capability in project planning and implementation must be developed in ministries if Liberia is ever to leave the LDC category of nations.

SHELTER SECTOR DISCUSSION

As the Shelter Sector Assessment, see pages 193-204 adequately considers such factors as historical trends of sector, government policies, institutional and budgetary considerations, etc., no further discussion is necessary. Our strategy for the sector will include reauthorization of the $5 million HIG, based on GOL fulfillment of certain conditions precedence which the UNDP has imposed prior to providing continuing technical assistance for the National Housing Authority (NHA). If these UNDP CPs are met USAID proposes the reauthorization of a $5 million HIG in FY 1976.

Assuming the FY 76 HIG program is successfully completed, and the NHA and the National Housing and Savings Bank (NHSB) gain the expertise to develop a national shelter program, USAID would propose a second $5 million H.I.G. program for FY 1978. The need for low income housing is well documented in the assessment and would serve in assisting the GOL in meeting one of its development priorities, i.e, "orderly slum clearance".

A. Rationale for Development Sectors of Concentrations Selected by USAID/Liberia

The GOL has indicated that its areas of priority are integrated rural development, slum clearance, improved public administration and the provision of additional employment opportunity. Consequently, USAID/L has made a conscious and determined effort to make its programs correspond to these priorities. At the same time, however, it has been necessary for USAID to take into consideration the varied and considerable programs of other donors who, also, are desirous of tying their programs to the same statement of priorities.

For the reasons stated above, USAID has worked closely with other donors to coordinate its initiatives and, in some cases, worked in direct conjunction with other donors. Examples of this latter type of program include housing -- with the UNDP, economic planning -- with the UNDP and IBRD, and road construction and maintenance under the GOL's five year program -- which involves a number of bilateral and international donors.

USAID/L has tried to concentrate most of its programs in areas where no other donors are active, at present and in which we believe the U.S. is particularly adept. Examples include civil service development and assistance to the Liberian Institute of Public Administration. Similarly, the Lofa County Rural Health Project fills a gap in the organization of Liberia's rural health infrastructure.

An area which USAID/L has consciously avoided under its present strategy is non-rural infrastructure, although the GOL has indicated a strong desire for such assistance. Similarly, we have been cautious in our projections of assistance in the education sector in order to avoid interference with IBRD and UNDP projects and over taxation of Liberian Educational resources

USAID/L has recognized the shortage of Liberian resources as one of the key constraints to Liberian development and has, therefore, attempted to develop programs to alleviate this problem in the long run, and work around it in the interim. Similarly, policy and normative recognition has been made of the need to improve the lot of the little man in Liberian society. These two factors, along with the recognized need to work in close coordination and cooperation with other donors are the keystone of USAID/L developmental policy.

B. How USAID/L's DAP Strategy Benefits the Development Interests of Women

USAID/L's DAP strategy is aimed, with little exception, at two areas of concentration, Integrated Rural Development (IRD) and Public Administration (PA), with the latter area of concentration being designed to give maximum support to the implementation of the former.

Both these areas of concentration are directly related to the priority development goals of the GOL and indicate a mutuality of GOL and USAID developmental interests.

In both these areas of A.I.D. concentration the active participation of women is encouraged and their status is protected and benefitted. Under the proposed new IRD initiatives programs are considered in education, health, agriculture and transportation.

USAID/L firmly believes that women can be a particularly strong "engine of change" if provided with the requisite skills to compete in the arena of the mind.

Of course, this is not meant to imply that women are not now actively engaged in this arena, but to emphasize that their participation is not commensurate with their real role in the social, political and economic fabric of Liberian society. If provided the opportunity,

women can be a force in bringing about positive developmental change. Within the education area, special emphasis will be given to the education of rural youth, particularly girls, in order that they may have a better opportunity to break the intellectual and skill shackles which, in the past, have relegated them to the backwash of Liberian society. Similarly, the expansion of educational opportunity will increase the need for teachers and administrators and provide job opportunities not previously existing.

In the health area, much the same situation exists as in education. There are jobs for which candidates are needed and for which women are particularly well qualified. In addition to traditional roles, e.g., nurses and dieticians, women are almost uniquely qualified to bring about attitudinal change in the areas of nutrition, mother and child care, public health education and family planning. Similarly, those benefiting most from such program will be women, as they and their young children are inordinately vulnerable to the health hazards of Liberia.

USAID's proposed programs in agriculture affect women in three ways -- one of which is relatively unique to women. First, increased production, which the projected USAID inputs should help achieve, will mean a higher standard of living for the traditional farmer, and to a large extent women provide the day-to-day labor for such enterprises. Second, increased production should result in a general improvement in the nutritional status of traditional farm families. This is particularly true of women and children whose nutritional requirements are traditionally subjugated to those of men. Finally, the produce generated will provide additional retail opportunities for the "market mammas", through whom most of the retail food trade outside of the elite and expatriate communities takes place.

In the rural transportation sector especial benefits for women all less acutely obvious, but it is a certainty that the opening of Liberia's interior will benefit all who reside there and will appreciably improve the prospects for development progress in the effected areas.

In the Public Administration area of concentration, USAID's initiatives will benefit women by providing training and skills necessary for upward career mobility. Training is the major contribution and past experience has indicated that Liberian women are quick to grasp its importance. Women are now working in a variety of senior professional and executive positions within the Government and private sector hierarchies and we believe the USAID's projected programs will further enhance these opportunities.

MAJOR MAGNITUDES OF ASSISTANCE LEVELS AND MANPOWER RESOURCE REQUIREMENTS (FY 1976 - FY 1979)

1. Estimated U. S. Assistance Levels, (FY 76-79)

There are numerous imponderables in USAID's assistance equation which forces us to make only general estimates as to what the magnitude of our inputs might be. For example, how much assistance can the GOL effectively absorb over the period (or pay for, considering the 25 per cent contribution requirement and the statistics which forecast a deteriorating balance-of-payment situation)? What will be the government's response to USAID initiatives in the agricultural sector which do not fully embrace the mechanized, corporate approach now espoused by the MOA? How many projects now being formulated for inclusion in the National Five-Year Development Plan (1977-1981) in the agricultural, health and education sectors will meet AID's sector policy criteria? Will the government's rhetoric on its priority policy of integrated rural development be backed by adequate planning, well designed projects and necessary budgetary allocations?

These are some of the factors which influenced our thoughts in formulating USAID's strategy proposals and which induced us to include options which might be exercised once they become knowns. Taking the optimistic view that the answers will be generally favorable, the major magnitudes of our assistance should be as follows:

Figures in (000)	FY 76	FY 77	FY 78	FY 79
LOANS	11,000 1/	10,000 4/	6,000 7/	10,000 10/
TA	2,950 2/	2,900 5/	3,200 8/	3,200 11/
HIG	5,000 3/		5,000 9/	
TITLE II	140	300 6/	400	400
TOTAL	19,090	13,100	14,600	13,600

1/ Rural Access Roads, Phase III plus amendment and additional funding for Road Maintenance Loan (020).

2/ Includes on-going project and $550,000 for possible new projects in nutrition and family planning and in human resources relating to participant training for rural development personnel.

3/ Anticipated re-authorization HIG.

4/ Includes $5 million in support of IRD project, Bong County, to be identified in IBRD feasibility study, plus potential second loan in support of national agricultural credit.

5/ Includes on-going projects plus potential new starts in planning and statistics development, MOA; feasibility studies funding; non-formal education, and planning assistance to Ministry of Health.

6/ Forecast increase in Title II/MCH programs on assumption nutrition/family planning project is instituted in FY 76.

7/ Loan in ag sector which may be identified in Five-Year Development Plan (1977-1981) and which would be supported by findings of feasibility study funded under FY 77 feasibility studies grant.

8/ Includes on-going projects, plus two potential new starts in advisory training support to Ministry of Action for Development and Progress, and Ministry of Local Government, Rural Development and Urban Reconstruction, integrated rural development projects and selective assistance to JFK program in support of rural health systems.

9/ Potential HIG to construct housing for low income groups in other cities in Liberia.

10/ Possible loans in Integrated Rural Development/Agriculture sector, e.g., satellite farms component of MOA's plantation projects; loan support to potential project sponsored by Ministry for Action for Development and Progress.

11/ On-going projects.

We project assistance levels over the next four FYs as being approximately $60 million. This would include about $37 million in DL, $10 million in HIG, $12 million in TA and about $1 million in Title II commodities.

2. Manpower Implications of Proposed Assistance Programs (FY 76-79)

The USAID is now in the process of augmenting its DH staff to meet the management needs of currently proposed forthcoming projects. We plan to add a health officer to the staff in early 1975 to manage the current projects in health and to help design projects in nutrition and family planning. A food and agriculture officer is being added to the staff to act as project manager for the on-going agriculture development project, the Lofa County IRD loan to be authorized in FY 75, and to help design future projects in the sector. An assistant program officer will be assigned to the multi-sector office in early 1975 to handle project documentation and to assist in the project design for new TA projects in those sectors which are the responsibility of that office. A loan officer is to be permanently assigned to the staff (on REDSO complement) to assist in managing USAID's extensive loan portfolio as is a second REDSO engineer.

We also plan to add an IDI to the program office staff from the 1975 class. Further, there is a possibility that USAID may request an additional general services officer as the personnel support requirements increase with the addition of new DH staff and the increase in the number of TA programs which we anticipate over the next four years. We would estimate the DH staff will rise from the present 16 to the range of 20 to 22 over the next four years.

USAID will look toward PASA and contract support to implement our proposed new TA projects. For the nutrition/FP project which may develop we estimate three to four persons will be required as advisors. For

possible TA project in planning/statistic assistance to the MOA, we anticipate three PASAs will be needed. If a project is identified in which we might make a contribution in improving rural education administration, or in some other area of non-formal rural education, up to four persons (contract or PASA) may be required. USAID will also consider adding a DH education officer to the staff if two or more education projects are identified and initiated over the next four years.

Possible assistance to the JFK/NMC in programs in which it contributes to the development of Liberia's rural health delivery system may require from four to five PASAs from the USPHS. Two possible projects, one to assist the MHSW in increasing its planning and project design capability and a second to aid other ministries, i.e., MADP and MLGRDUR, in rural development programs which they might develop and initiate may require up to six contract and/or PASA personnel.

Assuming all new projects which we propose to assist are implemented, the PASA contract personnel required for their implementation would number about 20. The total average personnel level over the next four years, DH and PASA contract, will be approximately 40 to 45 at the most.

THE EMPLOYMENT AND INCOME DISTRIBUTION POTENTIAL OF PROPOSED ASSISTANCE (FY 76-79)

The employment and income distribution potentials of programs/projects strongly influenced USAID's strategy proposals which are contained herein. The type of programs which comprise our assistance strategy are all expected, to varying degrees, to have an impact upon Liberia's present problems of underemployment and income disparity. All of USAID's programs and projects are rural oriented and directed toward improving the economic and social well-being of that 75 percent of Liberia's population who work its soil and who presently subsist on a per capita income level of $75 per year.

USAID's primary sector of concentration is rural development; rural development in a coordinated or integrated sense which encompasses both economic (agriculture, transport) and social (health and education) considerations. An examination of the objectives or several of the projects proposed over the next four years will serve to illustrate their potential income distribution and employment effect. The proposed FY 76 $8 million Rural Access Roads loan will have both an economic and social effect upon the rural population in the areas to be served by the roads. The economic effect will be manifested through the new incentives farmers will have to produce more than their own family's needs, knowing that they will have access to a market to sell the extra amount grown, thus increasing their income. The potential social benefits of the roads are in the increased accessibility to mobile medical units, health posts and schools which will be available to the population in the areas of the roads.

The proposed loan for Agriculture Credit in FY 77 will provide much of the financial resources to enable farmers to provide farm inputs,

e. g., fertilizer, pesticides, etc., which are vital to increasing agriculture production/farmer income. USAID's proposed project in Cooperative Development has both Title IX and income distribution effect. USAID's proposed project assistance in rural non-formal education, with stress on agriculturally oriented curricula, has definite productive employment/income distribution implications.

USAID's two proposed projects in planning statistics assistance to the MOA and MHSW have potential long-term effects on income distribution and employment. The capability to effectively plan and design projects which have as their objective development of rural health delivery systems or rural irrigation systems, as examples, is antecedent to implementation of such activities which will ultimately have an effect on income distribution and/or employment.

USAID's role in promoting greater parity of income and employment is recognized as limited, the main burden falls on the GOL. The government's priority policy of Integrated Rural Development is intended to achieve such ends, whether it will devote the necessary resources to do so only time will tell.

AGRICULTURE SECTOR

ASSESSMENT

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AGRICULTURE SECTOR ASSESSMENT, LIBERIA

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AGRICULTURE SECTOR ASSESSMENT, LIBERIA [1/]

The history of GOL activities on behalf of the nation's agricultural development reveals few outstanding successes. Between 1946 and 1973 there has been a clearly discernable trend wherein GOL/MOA priority on behalf of agricultural growth has increasingly taken a more independent if not directly contradictory line to that of the leading foreign donor, the United States.

Unfortunately, from the point of view of both Liberia and the United States, there has been no discernable advantage or increased success in this sector's activities undertaken neither at U.S. suggestion over close to 30 years nor, more recently under Liberian initiative with domestic funding through the GOL budget.

This paper seeks to trace accumulated experience to date, explain what seems to have been fundamental shortcomings accountable for the very modest progress made and finally to propose an overall strategy for future U.S. assistance and identify some program areas believed to be consistent with both Liberian and U.S. policy for agriculture development.

I. SUCCESS IN LIBERIAN AGRICULTURAL DEVELOPMENT

Liberia's "Open Door" policy is responsible for the only exceptions to negative or minimum progress in Liberia in agricultural development. Beginning around 1910 English capital opened what is now known as the Mt. Barclay rubber plantation. In 1926 Firestone began what was to result in a major new cash crop. Concession activity in rubber, aided by a modest

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1/ This paper makes generous use of statistical materials collected and compiled from GOL sources by IBRD and IMF teams. The opinions and interpretations expressed herein are those of the author.

contribution of the now inactive GOL Rubber Advisory Service (The Liberian Rubber Planters Association now offers assistance to Liberian Planters) has resulted in the major agricultural export and most important source of employment.

Production in 1973 was as follows: Foreign concessions 128.6 million lbs., Liberian farmers 59.0 million lbs., total 187.6 million pounds. Most important, is the achievement in stimulating Liberians to undertake rubber cultivation. In 1969-70 one estimate of their participation was as follows:

Liberian Farms

Total	Active	Acreage in Rubber
2,110	1,567	83,888

Ghoshal, A., "The Liberian Rubber Industry", Ph.D. Dissertation, University of Michigan, 1974

Not only did the concessions thrive, but 2,110 Liberian farmers have become involved. No comparable success has occurred in other crops. The explanation is relatively simple; a necessary conjuncture of market, research, and technical assistance originating and continuing until recently in concession hands for nearly 50 years. Peak expansions in Liberian planting matched peak prices and profitability. Unfortunately, this conjunction of necessary factors has never occurred for any other crop. Today the GOL/MOA policy seemingly ignores the causes and conditions that account for the nation's only major agricultural progress.

The point being made here is not the wisdom of foreign concessions but of the components of agricultural development. Lest we succumb to the false view that foreign methods and concessions always succeed three major efforts and failures stand out: the German financed banana plantation

behind Greenville which, after major investment, was abandoned and converted to rubber; the Swiss financed cocoa plantation out of Ganta which, being unprofitable, was converted to rubber, and the Liberian Agriculture Corporation's (Uniroyal) mechanized field crop efforts near Buchanan which also faltered though continuing on a minor scale today. This latter activity a sidelight to a successful rubber plantation.

Concession effort spread rubber to Liberian farmers but the case of I.R.H.O. (the French Oil Palm Research Organization) high yield oil palm under concession management [American (Getty Oil affiliate) at New Cess and Liberian (the Chas. Shermen plantation) in Cape Mount] have had no similar spill-over thus far to Liberians. Earlier GOL state farm efforts failed. Today Government supported efforts in the Kakata area have been an exception to the generally spotty record of MOA outreach programs. It has focused on the most able and usually upper echelons of Liberian farmers. While not truly generally directed at small or traditional farms or farmers a 10-year effort of the MOA, with a dedicated foreign technician, has brought some non-plantation high yield oil palm to the Kakata area.

Thus some concessions have recorded success, but government efforts at influencing agriculture have only very exceptionally been productive. The partial exceptions have not flourished, not being profitable operations. These were generally in minor crops wherein even the limited production achieved found no adequate market domestic or foreign, e.g. the case of citrus including pineapples, wherein thousands of Ivoirian pineapple scions were imported and haphazardly distributed.

II. AN EXPLANATION OF PAST FAILURE

The shaping of USAID strategy for the present and future should originate in agreement as to the causes of this almost universal frustra-

tion and/or failure both in the case of U.S. programs and projects and in the last decade of GOL programs largely growing out of MOA initiative.

We will now briefly consider the origin and evolution of both GOL policy affecting agriculture and GOL programs and projects in the agriculture sector. Our focus here is on crops other than rubber (an area already alluded to above): coffee, cocoa, oil palm products and food crops.

A. GOL Policy Affecting Agriculture

There is a contradiction between GOL efforts on behalf of agricultural development and the dominant overriding policy still in effect of maintaining low urban consumer prices while simultaneously depressing farm-gate prices for major cash crops as well as rice. The rice case is easiest to document. The same conflicting policies have depressed cash crops as well. The contrasts in some other West African countries which have been successful where Liberia has thus far failed have been noted by many observers. More on this later.

While seeking rice self-sufficiency over more than 20 years and investing great sums to this end, the GOL has not varied its policy of seeking every means possible[1/] of keeping prices low in urban areas. Measures to this end have been successful to the detriment of self-sufficiency objectives. The quasi-stagnation of export cash crops also originated in

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1/ These measures have included effective subsidy of rice imports, strenuous efforts at variously eliminating middlemen, largely Lebanese, trimming their alleged exorbitant profits. GOL efforts included the importation of Pakistani rice, which according to one source was sold at an average cost of $11.50 per 100 lbs., in 1973. Comparable measures have been imposed by County Superintendents in their own markets, forbidding rice exports to keep prices low in the country and cutting farmers off from higher prices in Monrovia. When price controls were applied to local market produce flows stopped or turned to other though more distant markets. The negative effect of national rice policy has never been as clear. Rice production exhortation and extension among small farmers fails.

low farm-gate prices, and now is the result of the operations of the Liberian Marketing Produce Corporation; a subject which we will also explore.

All schemes to encourage small farmers founder on this crucial conflict. The GOL either ignores the problem of incentive or turns to production programs that involve government farm operations either directly or through a government corporation.

We know of no example of foreign donors in Liberia making any impact on this policy conondrum despite their willingness to contribute considerable sums in the pursuit of production objectives. Donor objectives are frustrated by the same fundamental policy conflict that continues to constrain willingness to experiment and increased effort by traditional farmers. We do not ignore the continuing lack of effective research, input delivery systems for credit, fertilizers, etc., infrastructure improvement, but these essentials must be linked to the primary stimulus, increasing shares of the product of risk and increased efforts by farmers.

A similar conclusion is held with regard to export cash crops other than rubber. (Liberian rubber growing has expanded in direct response to high prices; both tapping and planting contract before low prices.)

There has been little response to policy and programs to stimulate small farmer production. Current and past government direct production schemes in rice are unprofitable even though Gbedin after 35 years and the current MOA/Lofa Project produce rice, in the latter case only for a single first crop. Unlike the farmer, the full cost of government production is never imputed against the rice produced. Unvaried in the history of GOL/MOA agricultural efforts such projects are initiated without adequate project design, continuing research or operating efficiency only to wither of these same shortcoming or continue at high cost not met by production achieved.

The GOL and foreign donors have yet to find an effective formula for success toward the end of achieving both production increases and concomitantly increasing the welfare of the majority of farmers. All parties share responsibility for lack of progress. Farther along in this paper is offered the basis for a positive strategy originating in trends which will be identified that give promise of better performance and improved interface between the GOL and the donors in the future.

B. The U. S. Experience, Frustration

Until the last decade GOL institutions and programs in agriculture were pretty generally originated through proposals under U.S. technical assistance. Our efforts began in the 1940's, when as an adjunct to the establishment of U. S. military bases in Liberia, a first economic-technical mission visited the country to seek to make proposals for assistance in health, transport, and agriculture. Recollect the development of Liberia at that time: less than 100 miles of road, less than 50 high school graduates per year, no college graduates, and the Firestone Plantation.

The total level of U. S. assistance to agriculture, loans, grants, and technical assistance over more than 30 years is not known. The impact, however, is a record of overall frustration and failure with but few exceptions. The U. S. understandably feels that the fault generally lies with Liberia. The problem is more complex. If advice fails, a case can be made that it didn't fit the problem. Heated controversy can be avoided on this issue by sharing the blame and seeking a better strategy and program now and for the future.

Current records at the Mission do not adequately reflect the history of our shared efforts on behalf of agricultural development. The following is abstracted from notes made from Mission records available in 1968.

The involvement of the U.S. in all these projects is not known. All results were generally the same. These notes made in 1968 reflect conclusions at that time:

A Review of the Origin and Achievements
of Public Sector Agricultural Projects

1. Bureau of Standards, Department of Agriculture
Established around 1954, with U.S. assistance for the purpose of upgrading the quality of exports crops. Virtually moribund in 1968.

2. National Production Council
Created in 1956 by the then Secretary of Finance, Charles Shermen. An effort to resolve past problems of implementation and operation. Involvement of U.S. technical assistance is not known. It had several projects:

   a. Coffee Mill in Voinjama
   A wet process mill requiring roads from villages to mill to carry red cherry to mill -- no roads of this type existed. Today (1968) a 100 acre plantation is being established at LPMC expense to provide red cherry for the mill. (Plantation and mill operated at a loss today.)

   b. Kakata Cannery, "to preserve surplus fruit"
   Some $80,000 in canning equipment at Kakata has never canned anything of consequence. The citrus surplus a result of haphazard distribution of seedlings by Extension Service.

   c. Kpain Resettlement Project
   Established farmers on 25 acre farms suggesting diversified farming. Project moribund -- failed "because of lack of administrative support, inadequate planning." Markets and adequate techniques for contemplated diversified farm produce all lacking. Distant from Monrovia.

   d. Oil Palm Project in New Cess
   Project was for 7,500 acre public plantation -- four-five years resulted in 300 acres planted. (Sold to concession Tidewater Oil).

   e. Rubber Advisory Service
   Has come to halt -- once had several Dutch advisors.

   f. Rural Low Cost Housing Projects
   Created to provide better housing in interior -- never really active -- five technicians once taught how to make soil cement bricks.

3. Agriculture Extension

In the late 1950's USOM maintained some four or five extension stations (Voinjama, Gbanga...) staffed with its own people (5 advisors) and hired Liberian agents. It was subsequently decided that the Department of Agriculture should begin to build an extension institution with U.S. help. The present service was established throughout the country. It now (1968) has extension agents (8) and aides (69) (high school but usually less) operating on a $106,000 budget, of which $96,000 is payroll. The service is largely inoperative. Reasons: lack of trained personnel, lack of logistic support, lack of adequate supervision and resources, and local supporting research.

4. Agricultural Research
Established with USOM support on a large scale in the late 1950's. At one time 8 (or more) American advisors operating on a grand scale. In 1967 budget is $116,812; payroll $92,600. Activity close to nil. U.S. withdrew support after some four years of operation, terminating a longer agreement.

5. Bureau of Forest Conservation
Established with USOM aid, once had seven advisors in the Bureau. In 1966 the last man was withdrawn, he had been working alone for two years. The Bureau is also spread throughout the country with some 115 employees including some 6-8 professional foresters. Most of this force is low paid (as low as $80 a year for forest guards) and poorly educated. Budget in 1967 is $104,000; payroll is $90,500. It is ineffective. The scale and approach of the Bureau was similar to that of the Extension Service.

6. RAD-GBANGA (Rural Area Development)
USAID project to develop Gbanga rural area. Included large resident USAID TEAM (8-10 advisors) -- now one advisor who will soon leave. Counterparts still in field with little or no activity in the program. In 1967, budget was $56,500 of which $33,680 was payroll. (Subsequently cut from budget entirely after inactivity for several years.)

7. Gbedin Rice Project
Resettlement scheme combining wet rice cultivation and upland dry farming. U.S. Pt. IV made a one year field experiment around 1957 using hand labor -- on 80 acres of natural swamp. Problems encountered led to a new approach based on mechanization, including tractors and rice combine. These were eventually tried without success. At present (1968) Gbedin is a Liberian effort (assisted by Taiwan technicians) seeking to carry out wet rice cultivation. The results have been modest. In 1968 from a maximum of some 125 resettled farmers envolved down to around 70±. High yields achieved (to 3 crops a year) under direct Chinese supervision. Slow expansion of irrigated area due to need for costly dam to get adequate water. Chinese government has had some 20 technicians at Gbedin for some five years. Rough estimates of cost to Liberia: over a million dollars (to 1968).

In most recent times:

8. Liberian Agricultural Corporation (LAC) Research Project
This project consisted of a U.S. contribution of some $1.3 millions for research on technical and economic feasibility of producing rice, animal feed crop and livestock in large-scale mechanized production. Its object was not production but research in techniquest. LAC research produced LAC-23 the seed variety that is spreading over upland rice culture.

The GOL, Ministry of Agriculture whose formal structure now contrasts sharply with its program still reflects in its structure one of the first major thrusts of U.S. Government assistance. The MOA now focuses almost all its manpower support it can mobilize and budget on its priority mechanized rice schemes. This follows the re-organization made by the former Secretary of Agriculture.

Efforts at institution building as well as more specific project efforts have generally failed. This is the heritage of the USAID today in its efforts to shape new and more effective policy and programs.

III. RECENT EVOLUTION OF GOL/MOA APPROACH TO AGRICULTURAL DEVELOPMENT, A DECADE OF DECLINE OF U. S. INFLUENCE 1/

The last decade or so has seen a radical shift in the approach of the GOL with regard to agricultural development. This trend has tended to result in increasingly strained relations between the USAID and the MOA respective to policy and priorities. It is important to distinguish between expressions of policy and priority for improving the lot of rural Liberians often repeated by the President, and the nature of activities proposed and initiated by the MOA under the former and the current Ministers of Agriculture. The evaluation in this section con-

1/ At the conclusion of this paper, new options now available are explored.

centrates on the MOA.

Through the term of the then Secretary of Agriculture Stephen A. Tolbert, despite the shared past problems and frustrations suggested by the record of achievements outlined above, the policy and programs of the MOA were generally influenced by the U.S. and not in open conflict with an approach generally focusing on small farmers through research and extension, i.e., the "traditional" approach to agricultural development.

This was possible due to President Tubman's recognition of national unification which called for bringing help to the interior and tribal farmers. The elite had no interest other than rubber cultivation and their needs were being met by concession outreach schemes with light GOL assistance. There were disagreements and reconciliations but U.S. influence generally prevailed.

Minister Tolbert's successor turned to machinery and the use of Chinese technicians as a means to increase rice production. He started using the Chinese technicians at Gbedin. Unfortunately, he had no real plans, nor feasibility studies and never had adequate resources from the GOL budget process. The Minister did get permission, however, to use all of the MOA budget to give priority to four Rice zones the Ministry decided to develop. In this regard, he detracted from the already limited support (fuel, supplies, and vehicles) from all other Ministry functions. He also re-allocated central office, extension staff, etc., to the rice zones. But his partial plans and loose management were too weak to work. The limited funds at his control were all drawn from the Budget in a period of peak stringency. Despite great effort, the Minister's rice zone program had no impact on rice imports or national rice production.

Under the present administration in the Ministry the approach of the previous Minister was generally followed, with one exception, the AGRIMECO land clearing and planting innovation. The present Minister accurately identified a problem which hindered his predecessor -- inadequate budgetary support. AGRIMECO solved this, being funded separately and sufficiently as a contract element within the Ministry's budget, but the problems of plans, feasibility research and extension still prevailed. The Ministry's approach was direct production by Government and only incidental recognition of the needs of local farmers. The Minister was also successful in obtaining more budgetary resources for the sector. Thus far, ministry efforts have resulted in opening some swamps with heavy equipment and in growing one quasi-successful first crop of rice on the upland, and to date made limited progress in planting perennials. The Ministry still faces great difficulty in irrigated or swamp cultivation. However, it is too early to reach a final judgment on the current AGRIMECO based efforts. Full data on costs, actual production achieved, on acres cleared, being planted in rice, upland and swamp, and perennials have not been released. The MOA may not have this information. Elsewhere in this report the basic weakness in technical information being used by the MOA are discussed.

In the Foya Project area today, 6,400 acres have been cleared by AGRIMECO in two years, only 4,000 out of 6,400 acres were planted in the second year. Only an estimated 1,000 acres out of the 3,000 available from first year clearing was used in planting second crop rice. And virtually no tree crops were planted on cleared land.

Ignoring indicators of serious problems ahead for the MOA/AGRIMECO approach, even assuming ultimate success, the approach is capital intensive and can only be expected to reach a limited number of farmers

due to high capital requirements. This is not a program that will reach a significant percentage of traditional farmers.

There are said to be 121,000 traditional farm units in Liberia, if we take the nominal 10 acre plot of the Lofa (Foya) Project. Developed at a cost estimated to range from $170-$400 per acre or $1,700-$4,000 per farm unit it would require from $2,000,000 to $4,800,000 annually to apply such a scheme to one percent of the farm units per year.

IV. THE CURRENT IMPASSE CONFRONTING U.S. EFFORTS ON BEHALF OF AGRICULTURE

For around a decade now GOL agricultural activity has emphasized direct government clearing and planting schemes. During this same period the Mission has supported small holder orientation, gradual improvement in traditional farming (consistent with U.S. policy) and sought to introduce more "rationality" in the Ministry approach by producing evidence of shortcomings and pointing out unresolved technical problems in the MOA first priority efforts. AID has had only limited success in influencing Ministry policies toward focusing on the traditional farmer in the project concepts.

The experience of a USDA PASA team currently assigned to the Ministry's Planning Division support the assumption that it will be difficult to influence Ministry thinking away from its large, mechanized project ventures to projects which are primarily traditional farmer oriented. Though members of the team have proposed concepts which would provide greater incentives and stimulation of individual farmers, the ideas have with rare exception been ignored. One, a proposal to tie farm gate prices to world market prices and set a 10% profit rate for LPMC was accepted but remains to be implemented. It is highly unlikely that a constructive rapport between the Ministry and the advisors could exist if the Team strictly adhered to a U.S. policy position respective to an

approach to agricultural development.

The exposition thus far has explained the origin of what may be viewed as an impasse that if unresolved may frustrate any future Mission effort in encouraging the GOL/MOA to consider an approach along lines consistent with U.S. policy. In the final section of this paper the proposition is made to elaborate a strategy designed to reduce confrontation and open more options consistent with U.S. objectives and capable of allowing Liberia to make marked progress in the future toward food crop self-sufficiency, export cash crop expansion among traditional farmers and increased output in agriculture to compensate for forecast slowdowns in other sectors.

V. EVIDENCE THAT GOOD POLICY AND RELATED PROGRAMS CAN ACHIEVE INCREASED OUTPUT AS WELL AS MOBILIZATION OF TRADITIONAL FARMERS

In this section the case of the Ivory Coast is briefly compared with Liberia. One is aware of the pitfalls of international comparisons but it is felt that the exercise is meaningful and will also set the stage for some of the strategy conclusions and program proposals. First, the Liberian experience:

Performance of Liberian Agricultural Sector

Commodity	1968/69	1969/70	1970/71	1971/72	1972/73	
Rubber (million lbs)	147	173	177	180	187	
Concessions	(106)	(120)	(134)	(138)	(129)	
Liberian farms	(41)	(53)	(52.8)	(48)	(59)	1/
Coffee (,000 long tons)	5.4	4.6	4.5	4.0	4.6	2/
Cocoa (,000 long tons)	1.7	2.0	2.4	2.6	2.3	2/
Palm Kernels (,000 long tons)	11.4	13.2	15.8	11.6	11.8	3/
Timber (million cubic feet)	5.2	-	-	-	8.8	4/

Source: IMF from GOL sources.

Notes: 1/ Principally Americo-Liberian owners
2/ Principally traditional farmers
3/ Principally harvesting of fruit from wild stands by traditional farmers although 10,000 plantation acres now coming into production also included
4/ Most similar to iron ore mining with main Liberian participation as labor

The table reflects some small growth in Liberian rubber output but generally constant stability in the three crops that are the major source of income of small traditional farmers. It would be difficult to blame the world market, for despite its fluctuations one sees contrasting production trends elsewhere. The Ivory Coast, is experiencing rising investment in the same crops that are largely inert in Liberia with rising output resulting from policy, projects, and investment begun over a decade ago. Its efforts extend successfullly to traditional farmers as well as to large-scale public corporate schemes.

The following table is taken from a briefing paper prepared by H. Elliott, a Research Associate of the Center for Research on Economic Development at the University of Michigan, for the U.S. Embassy in Abidjan. It covers key elements in Ivorian policy for agricultural development. What follows illustrates the constrasting dynamic character of Ivorian agriculture:

Ivory Coast, Performance and Prospect in Agriculture Sector

Commodity	1960	1965	1970	1975(est.)	1980(est)
Coffee (,000 tons)	137	213	240	260	305 1/
Cocoa (,000 tons)	85	115	175	230	370 1/
Oil Fruit (,000 tons)	58	74	236	841	1240 2/
Timber (million cubic meters)	1.1	2.6	3.5	3.5	3.5 3/

Notes: 1/ Mainly traditional farmers, improved old and new farms.
2/ By 1980 overwhelmingly high yield cultivated palm as constrated to collection of wild bunches. Mainly public plantations under IBRD and French financing. A main focus of government interest.
3/ Stabilization due to limited supply of commercial species.

The case of the Ivory Coast indicates that change and progress are possible. The key elements in their success are: price incentives, effective research and extension and enormous inputs of effective foreign

technical assistance and investment. Thus far Liberia, except in the case of rubber, has never achieved these conditions nor adequately integrated what of these elements have been mobilized.

The objectives Liberia pursues in its agriculture are not impossible as can be seen in the Ivorian example. However, Liberian policy and programs generally continue to be the obverse of what is required. How can this be reversed or modified by Mission activity in view of the modest past success and limited U.S. influence over policy and programs followed by the GOL in the last decade? Before turning to a proposal for a mid-term strategy, there is need to consider one other debilitating element, GOL policy and the operation of the Liberian Produce Marketing Board.

VI. THE LIBERIAN PRODUCE MARKETING CORPORATION, A MIXED BLESSING

The Liberian Produce Marketing Corporation is one of the most important institutions in the agricultural sector. Its policies and programs have the greatest and widest potential for rural mobilization. Most Liberian leadership, many foreign experts, and some foreign observers feel that this one viable, operational institution serving the agricultural sector is a positive force. Others argue there is strong evidence to the contrary.

The LPMC receives full support from the GOL; the Chairman of its Board of Directors is the Minister of Agriculture. The good works usually acknowledged to LPMC: efficiency, effective responsiveness to GOL requests, founder of tree crop nurseries taking the function from the MOA, patron of marketing cooperatives associated with MOA/AGRIMECO farm projects and most recently financier and implementer of feasibility studies for plantation schemes for the MOA.

All these activities are financed out of revenue derived from monopoly control of the purchase and sale of Liberian export produce (coffee, cocoa, and palm kernel), which crops are the major cash income of Liberia's poorest sub-sector, tradional agriculture. The profits of the LPMC over a fair return on its modest equity and the costs of its development services are a burden on the rural farmers who do not receive benefits nearly commensurate with what they contribute.

The most recent IBRD Agriculture Sector Appraisal ably questions the role of the LPMC and supporting GOL policy:

> The existing marketing system and pricing policy have unduly discriminated against agriculture. Margins between producer and export prices have for some products been frequently or continuously excessive due to high profit margins, handling and processing costs of LPMC and the rubber companies. As a result, the income-earning opportunity in agriculture is low, and farmers are deprived adequate price incentives.
>
> "Producer prices" for cocoa, coffee, and palm kernels are fixed by LPMC in accordance with its agreement with the government which states: 'The Corporation will buy produce as specified in the Act and pay prices to producers, fixed periodically on the basis of world market prices after deducting expenses for freight, insurance, handling, warehousing, shipping, and any other charge incurred (i.e., government inspection fee) and 10 percent of the f.o.b. value to cover overhead expenses and remunerations.' However, announced and recorded "Producer" prices are far from being farm-gate prices and are in fact theoretical prices or reference to fix the LPMC payments to the agents for crops delivered at LPMC's buying centers. There is practically no control (except recently for certain cooperatives), and the prices received by farmers bear no resemblance to the "producer" prices.

An experiment was recently observed where a weighed amount of palm kernel was wrapped in a cloth and carried by a tribal woman to a cooperative sub-agent, one of four, at the weekly Foya market, to see what the difference would be between LPMC "producer price" and actual farmer prices. At the prevailing official "producer price" the value of the kernels should have been $4.90. The agent in fact paid $3.00, or

39 percent less. Thus, in this case, using an IBRD supplied average percentage of difference between LPMC export prices and "producer prices" for palm kernels between 1966/67 and 1971/72, a gap is found of 184% rather than the official, already high 145%. The transaction described above took place within 1000 meters of the local LPMC buying agent, the Foya Intowfawa Coop. with four sub-agents buying. It seems likely that sales to an individual sub-agent far in the bush could yield the typically isolated farmer a far lower proportion of the official "producer price".

Let us return to the IBRD analysis:

> In comparison to other West African marketing boards, it appears that LPMC's margin between "producer" payments and export earnings has been excessive. As stated above, this margin is not only determined by profits, but also by agent commission, transport, warehousing, insurance, shipping, and LPMC's overhead and commission. The Mission was not able to obtain a detailed breakdown for LPMC's accounts for the entire period of its operation. Yet available information shows that between 1963-69 and 1971-72, high profits -- far in excess of the provision of the agreement -- were largely contributing to the wide margin between export earnings and "producer" payments. According to the agreement profits plus overhead expenses should not exceed 10 percent of the f.o.b. value of exports. As shown in Annex Table 9, profits plus overhead expenses were in the range of 13.6 to 16 percent of f.o.b. turnover during the period 1965-69 and brought more than US $1 million of profits above what was provided in the agreement. For 1971 and 1972 profits plus overhead expenses were 14 and 15 percent, respectively. Of course, LPMC's excess profits were approved by the government, and it has shared equality in these profits either through dividends, bonus shares and 50 percent ownership in the accrued reserves of LPMC.
>
> Between 1963-69 total profits amounted to over US $3 million. About one-third of it was retained for reserves and development functions with which LPMC was entrusted by the government. Nearly US $250,000 were paid as bonus shares and US $1.8 million as dividends and East Asiatic Company. Since 1971, the government has insisted on an increasing use of profits for agricultural investments and services, and large parts of reserves were used to subsidize prices for palm kernels

and cocoa. These actions were undertaken largely against the desire of the government's partner. 1/

No breakthrough significantly increasing output among traditional farmers can be expected under the price policies presently pursued by the GOL through the medium of the LPMC. The MOA turns aside this contantion and strongly argues that the income, reward, incentive taken from thousands of farmers by the established gap between export price and "producer price" is necessary to support programs to help these same farmers. It is difficult, however, to see a significant relation between costs and benefits to traditional farmers.

The IBRD also contends profits realized by the LPMC are higher than allowed in the agreement between the GOL and the East Asiatic Company. Profits and overhead running 14 to 15 percent of gross turnover rather than the prescribed 10 percent. This excess profit alone is estimated at $1 million between 1965-1969. One other analysis which was also examined suggested that LPMC "world market prices" averaged 2-3 cents per pound less for cocoa and coffee than actual world market quotations, this over the most recent three years.

In January, 1974, LPMC reports that it took over the entire MOA Tree Crops Program. In summary, they claim seedlings planted/issued:

Cocoa :	enough for 5,246	acres,
Coffee :	enough for 41	acres,
Oil Palm:	enough for 1,324	acres, (of which one-third is apparently attributed to the Cape Mount and Bassa private plantations)
Coconut :	enough for 571	acres
	Total 7,182	acres

1/ Source: IBRD, Basic Economic Report on Liberia, Vol. V, The Agriculture Sector, August, 1974, pps. 40-43.

A considerable effort if the following factors are not considered: very few farmers benefited vis-a-vis the total group of farmers who suffered reduction in income equal to the cost of this activity. An apparent indifference to a policy wherein help to the poorest members of society (rural traditional farmers who receive the least share of overall natural development benefits) is increasingly financed by reduction in rural income is difficult to rationale. This appears to be a self-defeating policy which is inimicable to rural development and in direct conflict with other MOA goals related to production and improving the welfare of the rural farmer. In the following concluding section, modest suggestions are made for increasing awareness of this development inhibitor and moves which might be made to eliminate it.

VII. SOME STRATEGY PROPOSALS AND INTERMEDIATE GOALS

A. General Strategy Elements -- In synthesis the USAID should:

1. Move to broaden contact, influence, and assistance beyond the historic Agricultural/Rural focus with the MOA. This would include the Ministry of Local Government, Rural Development, and Urban Reconstruction which operates down through County Superintendents, Chiefdoms, village and local self-help efforts.

The Action for Development and Progress Ministry should be a priority interest as a possible positive force for Agricultural Development. ADP was created by President Tolbert out of his Presidential Contingency Fund. The Ministry chose the Panta Chiefdom for its first project starting with a self-help and low profile infrastructure focus. The Minister has long worked with an American on his staff who is presently being sponsored by the FAO, and who is extremely knowledgeable about traditional agriculture. Both the Minister and his key staff members share confidence in the response of the traditional farmer to sound advice and his ability to

help himself. The ADP program is now limited by inadequate support, beyond staff, but it has a developed low profile agricultural program which merits consideration and possibly support. USAID strategy should consider greater dialogue with this Ministry. The overall strategy should be to demonstrate a more positive open position seeking increased influence through multiple contacts with agencies involved with aspects of agricultural development.

2. Employ suasive efforts to convince the Ministry of Agriculture to take a more traditional farmer oriented approach to agricultural development. Not only have disagreements over policy been generally ineffective over the past decade, but it may have contributed to the dogged and increasing pursuit of a "Liberian solution" consisting of poorly planned mechanization efforts on a larger and larger scale.

USAID should support those portions of Ministery programs which hold promise of directly increasing income of the traditional farmer and offer enthusiastic support in principle of the satellite farmer phase of the ministry's core farms/plantation approach; this approach should provide a basis for greater dialog.

3. Revise our approach to public core plantations with satellite farms. This is a favored concept of the MOA. Thus far they have not captured the full concept as witnessed by the loose implementation of the MOA/AGRIMECO projects. USAID should not oppose the approach on principle and should strive to view this approach constructively and should, if warranted by analysis, express some interest for the potential of the idea.

The USAID position in principle should be that appropriate and probably of necessity externally financed, public plantation schemes

with satellite farms (the IBRD approach to oil palm in Ivory Coast, Cameroons, Dahomey, etc.) do have a potential place in Liberian development. These would be a source of increased national product from agriculture (needed to compensate for the slowdown or stagnation in other sectors forecast for the future), and as a redistribution force in the case of participating satellite farmers.

The plantation approach concept may have merit given existing unresolved doubts on the availability of farm labor. Highly productive, less labor intensive schemes seem especially appropriate for oil palm, sugar may be added to the list.

Further, it can be argued that given appropriate financing for the core unit, U.S. policy guidelines could be met in giving assistance with the development of satellite units for small farmers.

4. Adopt a more positive longer-range view with regard to our support of planning and economic analysis capability focused on agriculture. USAID support of the current planning and economic team in the MOA should continue, at least five years more. A more successful staffing might be achieved but it is not reasonable to expect PASA personnel, given the necessity to maintain rapport, to directly and wholly serve our policy objectives while simultaneously being responsive and maintaining acceptance by a Minister.

USAID should take a longer and more philosophical view. The USAID-PASA team provides the only exposure to analytical and technical methods of decision making available for future service in shaping agricultural policy throughout the GOL. The MA, BA, and BS personnel that are being assembled in the MOA, if our assistance continues to expose them to competent and experienced professional talent are Liberia's long-run hope of progress and policy changes.

The current and future PASA mission to Agriculture should not be used as a lever for promoting U.S. objectives nor as a window on the Ministry. They will serve national objectives in a more effective way through acceptance by and daily work with Ministry counterparts. Office space at AID and other ties should be discouraged. Future recruitment should seek people who share this conviction.

5. Take a generally positive and hopeful approach to the current scene both at the highest levels and with the implementing arm of the GOL. An analysis has been offered of the generally poor relations resulting from interaction between MOA and U. S. agricultural development policy. It may be contended, however, that there are a number of emerging options, that if nurtured, give cause for some optimism. It is possible to say with enthusiasm that Liberia has never had so many alternative approaches to rural development before it at the same time. Further, Liberian leadership at the highest level has expressed interest in all of them. A healthy condition. USAID policy should be to encourage experimentation through fair trials of different approaches, this as a matter of principle, even those which are doubted.

6. The Upper Lofa Integrated Rural Development Program will need special attention. This is an application of our pure theory of small farmer focus and stimulus. If this project is successful, the small farmer approach toward agricultural development should achieve new credibility in the MOA.

The advantage of the Lofa County project development by an IBRD financed study, is that it focuses on individual farmers and rural life, starts with a full plan, a serious feasibility effort where full funding is available for an integrated program (no such conditions are available

for other options). While relatively costly and though it reaches relatively few farm families, it is an exceptional chance to test the approach and an unmatched injection of investment in a tribal/traditional area. If the Government's interest falters it should be possible to show the probability of benefits and prestige for Liberia as a result of this effort.

7. Subject program proposals and ongoing activity to a critical review including outside participants. The Mission cannot be expected to succeed under what appears to be a lack of continuity with accumulated experience. The modest point being made here is to back the Mission's shaping of future policy and programs with a greater depth of experience under Liberian conditions and regular review of ongoing experience with a similar perspective. USAID plans to partly address this deficiency with the assignment of a direct hire Food and Agriculture Officer.

8. Approach the LPMC question warily. Mission initiative in the area of farmer incentives or related questions concerning the equitable distribution of benefits from a generally unfair impositon on their productive effort, should be mild but persistent. The LPMC is of assistance to national leadership, does a workmanlike job, and produces resources on demand for special activities of interest to the GOL.

It is easier to contemplate securing higher shares to farmers if individual aspects of this burden are considered. Ideally,

a. The GOL should not earn profits on LPMC operations;

b. The Danes should be well paid for their services and earn a reasonable return on their modest equity investment.

c. LPMC development services, tree nurseries and related distribution, etc. should not be paid out of LPMC income but rather paid out of income coming from the more benefited urban populations, natural resource exploitation, etc.;

d. The U. S. program should not facilitate LPMC efforts that in effect constitute a somewhat regressive burden on the rural poor or use income thus generated by LPMC.

e. Export taxes on commodities should be eliminated and restored to farm prices.

It took other West African countries 30 years or more to start to eliminate the tax collecting character of their marketing boards and recognize such a function was inconsistent with rural development objectives. It is hoped the GOL will learn with greater experience.

B. Intermediate Goals

This is more a demonstration for the type of intermediate action called for in pursuit of the above strategy suggestions:

1. Mission staff should ultimately be enlarged to facilitate broader contact with GOL rural programs and immediate consideration should be given to a 90-day TDY candidate who would do the initial leg work envolved, describing to many GOL entities and giving preliminary evidence of our support in principle of all promising approaches to agricultural development and making preliminary evaluations of hopeful program areas. Any staff added, temporary or permanent, should ideally have Liberian experience and have been able to maintain effective positive relations with locals in past assignments.

2. The Mission should have a continuing internal seminar to review progress directed at widening contacts, opening program opportunities and evaluating progress. Thought should be given to inviting Liberians

and foreign speakers to inform the staff of their point of view, speciality, and/or progress of programs under their purview.

3. Consideration will be given to promoting visits of Liberians, accompanied if practical by U. S. members, to activities in West Africa where actual experience in different fields can be observed; the Ivory Coast and the Sierra Leone offer possibilities. Research on Liberian agriculture and rural life will be considered as a possible condition of AID participant training in economics and agriculture. U. S. scholars could also be attracted to this subject area.

C. Program Suggestions

The following are suggested as possible projects as part of USAID's strategy options over the next few years.

1. Cooperatives - While the U. S. has made efforts in this direction, little was accomplished for various reasons. A special circumstance is emerging in respect to cooperatives. The Mission will make a new appraisal of cooperatives in the light of these new events. The related developments leading to the conclusion include the following:

a. The GOL, including the MOA, maintains its general interest in cooperatives.

b. To date, this has been but another aspiration, desirable but as yet unobtainable.

c. The combination of uneasiness over expatriate domination of retail/wholesale trade and GOL influence over the LPMC has resulted in the creation of an expanding number of Liberian marketing cooperatives.

d. These are local institutions generally related to the MOA's major rice efforts. And through the function of "buying agent", given as a monopoly to these cooperatives in their

respective areas, the cooperatives have the following advantages never mobilized before on behalf of such instituions in Liberia:

i. Significant turnover and income from a relatively discrete and well-defined activity, produce buying from traditional farmers.

ii. Full guidance or even domination by the LPMC systems of allowances, price setting and credit.

There are some six such cooperatives already in existence. The MOA has given them further impetus by announcing that AGRIMECO cleared land would only go to Cooperative members. The largest marketing is located in Foya, there is another in the Kolahun District and in Voinjama. The Foya Cooperative has over 1,000 members, who have paid from $1 to $5 to join.

These LPMC Agent Marketing Cooperatives have not been without problems but there are several factors that warrant U.S. interest, and support. Factors relating to fundamental tenets of the newly evolving U.S. guidelines on assistance to agriculture:

a. There are grassroot small farmer oriented organizations of great potential. For the first time in Liberian history, small holders are being involved in and even organizing the protection of their own interests. These organizations, with GOL support, have already broken the back of Lebanese historic dominance of produce trade in their areas, an achievement not predictable five years ago.

b. They are profitable: the Foya Cooperative realized some $40,000 profit in a $350,000 plus turnover in produce as the LPMC exclusive agent.

c. They are capable of shifting the balance of decision making on rural problems, now almost imperceptibly but still notably, from

Monrovia to the rural areas.

d. Through the Paramount Chiefs, the cooperative members can bring pressure against undesirable national policy; that was never possible heretofore.

Encouragement of the growth and expansion of marketing cooperatives, as LPMC buying agents, is to foster a factor of social and economic change in the rural areas. USAID expression of interest and supporting assistance should be well received by the MOA. The current use of Peace Corps volunteers incurs certain risks, originating in inexperience, that could be minimized by a well-planned program in experienced hands. USAID will look positively toward providing possible assistance to cooperatives.

2. Rural Credit. There appears to be a growing swell of interest in this area. The issue of a special rural credit bank or an approach through the National Bank is still being discussed. The matter of loan capital, system, staff, training, et al, also lies ahead. A new opportunity now exists, i.e., credit unions as adjuncts to the marketing cooperatives, and as part of other rural efforts (those of the Ministry of Local Government, and AGA).

A credit union serves as a bank, needed and not available in rural Liberia. The loan capital derives from local savings and the collection of debts is a matter resolved among peers rather than of an outside bank or a Government unit.

Here the Peace Corps may be more practical if a workable simple procedure can be elaborated. Mobilizing rural savings for local investment is a very attractive idea. The MOA should be interested particularly for enhancement of its producer cooperatives complex.

HEALTH SECTOR

ASSESSMENT

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with

Editorial Changes by USAID/Liberia

HEALTH SECTOR ASSESSMENT

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HEALTH SECTOR ASSESSMENT

For the sake of convenience, this health sector assessment report will be divided into two major sections, namely: 1 Health Status, Problems and Resources; and 2 Economic and Fiscal Analysis, Problems and Issues in the Health Sector.

I. HEALTH STATUS, PROBLEMS AND RESOURCES.

A. Introduction. Briefly, Liberia has an estimated population of 1.5 million people living in this tropical and sub-tropical African Country. It has also been estimated that 70-80% of the population live in the rural areas of the country, however there is reported to be a significant in-migration yearly (approx. 10%) from rural to urban areas. This latter factor, combined with an estimated annual population growth rate of 3.5% poses additional and varied types of health problems for the country. These will be elaborated on later. Similar to other African countries, the major health problems are those related to infectious, communicable and parasitic diseases, and malnutrition. With few exceptions, most of the diseases in these major categories are preventive through feasible modern technological procedures. Another important consideration relates to the maldistribution and mal-utilization of scarce health resources. In spite of the majority of the population of the country living in rural areas (70-80%), the overwhelming majority of health resources are used for urban areas (20% of population). This factor, coupled with poor transport facilities and roads, makes what limited health resources that are available in the rural areas inaccessible to the majority of the people. Also, due to lack of logistic support and adequate supervisory services for the health

workers in the rural areas, many of the para-medical and/or allied health workers are inefficiently utilized. This overall problem of health services for rural areas is magnified by the difficulty in attracting and retaining competent and well trained health workers in the rural areas. On account of slightly different factors, such as low and non-competitive salaries, promotion opportunities, etc., there is an overall problem in retaining qualified health workers in the sector.

B. Health Status & Problems.

1. General. As stated previously, the major health problems in the country are related to infectious and communicable diseases, parasitic diseases and malnutrition. In addition, problems presented by population dynamics are manifested in two major areas, namely in maternal and child health, and the effects on economic development.

With few exceptions, most of these diseases or health problems can be either prevented or ameliorated by existing technological means. Many of the diseases caused by parasitic and/or infectious agents are related to the level of environmental sanitation and environmental health services. As a consequence of the latter, many of the former health problems can be eliminated or controlled through programs aimed at improving environmental sanitation and preventive health services. For efficiency of scale and from a strategy standpoint, most of the intervention programs can be conveniently packaged into integrated health care delivery systems.

2. Specific Health Problem Areas. The following are some of the specific health problems areas in Liberia:

a. Communicable Diseases: Poor environmental sanitation and climatic factors seriously aggravates the problems of communicable

diseases. The sub-tropical and tropical climate is favorable for the growth and multiplication of both communicable disease vectors and organism. Because of crowded living conditions, associated with poor environmental sanitation, the multiplication and transmission of disease producing organisms is markedly enhanced. Thus, water and food borne diseases, vector borne diseases, and other communicable diseases experience high prevalence rates throughout the country. The following are the most prominent communicable diseases in the country:

(i) Malaria. Malaria, along with gastro-intestinal diseases of all causes, is one of the two leading causes of mortality and morbidity for the country as a whole. Malaria has a rather high endemicity rate, as borne out by hospital and clinic records, plus national surveys. In some parts of the interior, malarial parasites were found in blood smears of 80% of the children. In a survey conducted in 1969, of 743 blood samples examined, 73.6% were positives for malaria. Malarial control programs have reduced the incidence of malaria around Monrovia, however in the remainder of the country, control programs have not been as effective. Thus, in spite of significant efforts at the control of malaria, this disease still remains as a major health problem in terms of morbidity and mortality.

(ii) Schistosomiasis. This disease condition, principally the form affecting the urinary tract (Schistosoma haematobium), occurs predominantly in the northern, central and western parts of the country. The vector for this disease is a snail (intermediate host) which inhabits swamp areas and static bodies of water, such as lakes. Infected patients who pass their excretia in such bodies of water leads to infection of snails. After a period of development in the snails, the schistosoma

parasite enters man (definite host) and causes the disease. Although the mortality rate from this disease is not great, the long drawn out and chronicity of the disease causes physical disability, inanition, and decreased productivity, particularly for those occupations requiring concentrated, high level physical or mental activity. The control of the snail host, along with the improper disposal of excretia of infected individuals, poses a difficult public health and economic problem for the country. The latter is both due to the economic effect of morbidity of the disease, and the constraints on development decisions (particularly certain agricultural schemes), on account of increased health risks to the population. This is particularly true for such decisions as for agricultural irrigation and increased rice production.

(iii) Onchocerciasis. This disease is commonly referred to as "River Blindness" due to the fact that it occurs mostly along rivers and often causes blindness. The disease is transmitted by the "black fly" whose larval developmental stages take place in rapidly moving streams of water. Onchocerciasis, in its cutaneous and nodular form is widespread throughout the country, however serious eye complications from the disease are rare. Control of the fly vector has been a major problem, and failure to do so has caused abandonment of some of the most fertile areas of the country. This disease also poses economic problems in that the development of hydroelectric and irrigation dams may cause spread of this disease if this potential is not given careful consideration. A recent survey of workers at the LAMCO operation in Nimba Country revealed that 71% of its outdoor workers and 34% of indoor workers had positive skin biopsies (46% average) for onchocerciasis.

Thus, this disease poses a problem for the mining industry, inasmuch as it must be located near a flowing stream for processing iron ore.

(iv) Cholera. Cholera has its highest incidence in Monrovia and along the seacoast of Liberia. There are relatively few scattered cases of cholera occuring in the interior of the country. Thus, along the coast and in Monrovia the disease is endemic with occasional flare-ups. Because of threats of the latter situation, in 1970-71, the GOL conducted a mass vaccination campaign against the disease. During this period approximately 700,000 vaccinations were administered along the border with Guinea, the seacoast and Monrovia. The year following this mass vaccination campaign, 1450 cases of cholera with 43 deaths due to cholera were reported in Monrovia. Since that time a Cholera Unit has been established and is now in operation at the J.F.K. Medical Center. The first full year of operation of this special unit reported an incidence of 50% of proven cholera cases among 1196 admissions to the Unit. Of 110 adults diagnosed positively for cholera, three patients died, resulting in a mortality rate of less than 3%. Of the 110 cases, 21 had associated diseases such as amebiasis, malaria, etc. The mortality rate is reported to be much higher in children. The Bureau of Preventive Diseases of the Ministry of Health has a well functioning Cholera Control Program, which is preventing serious out-breaks of the disease.

(v) Tuberculosis. This disease is an important cause of morbidity, particularly in Monrovia. A survey taken several years ago revealed that approximately 5% of the population of Monrovia, above the age of 10 years, was suffering from tuberculosis to the extent requiring supervision and treatment. The Incidence was much lower in rural and

interior areas. To counter this problem, there is a very active tuberculosis clinic and in-patient unit in operation at the J.F.K. Medical Center. There is also a very active T.B. Control Program administered by the Ministry of Public Health. The latter conducts a mass BCG vaccination program throughout the country.

(vi) Measles. Prior to the recently completed mass vaccination program for measles and smallpox, measles epidemics would occur annually during December and January among infants and children. Because the high incidence of malnutrition in these children, the mortality rate was excessive. Since the institution of the mass vaccination campaign, along with annual vaccination of new susceptibles, this situation is much improved. However, it must be kept in mind that this surveillance and vaccination of susceptible children must be continued if the disease is to be controlled.

(vii) Smallpox. This disease is reported to be endemic in Liberia, however since the completion of the Smallpox Eradication Program there have been no major outbreaks reported. Although the disease is presently being controlled because of the endemicity of the disease in the country, the surveillance and control programs must be continued at the same level.

(viii) Leprosy. In a survey conducted in 1964 it was estimated that there were approximately 22,000 cases of Leprosy in Liberia with an infectious stage rate of 10% of the cases. Because of the long incubation period of the disease and the requirement of long term intimate contact for transmission of the disease, children rarely present with the disease clinically. There is a high prevalence rate of physical disability and morbidity, among the victims of the

disease, with nearly half of the known cases suffering from some disabilities of hands and feet. There are eleven leprosaria in operation, caring for approximately 3,000 victims. Even after patients have been rehabilitated and/or rendered non-infectious, social stigmata and myths often preclude the return of these individuals to regular society.

(ix) Trypanosomiasis. (Sleeping Sickness) Although the prevalence of this disease is very low in Liberia, because the country lies within the endemic trypanosomiais area (Volta-Niger-Gambia rivers) the disease poses a real threat to certain development schemes. This latter situation is compounded by the fact that cattle, pigs and horses can be infected with the disease. The vector for the disease is the Tsetse fly. Because of the difficulty in controlling the fly vector and the potential health hazard to man and susceptible animals from the spread of the disease, this poses a serious constraint on economic development in the country. The relative absence of beast of burden such as oxen and mules poses problems for agricultural development in the country.

b. Parasitic and Infectious Diseases.

(i) Helminthiasis (worms)

A high incidence of helminthic diseases occurs in Liberia, particularly in the rural areas. The most common and most important is the hookworm, the latter because of it being a common cause of anemia and the predisposition to other forms of illness. This disease is associated with going barefooted in areas where improper disposal of infected human excreta occurs. Thus the disease can be controlled by the wearing of shoes and the proper disposal of human excretia.

(ii) Gastro-intestinal Infections.

Infections of the gastrointestinal tract are most commonly caused by amebia and bacterial agents, both of which are associated with poor environmental sanitation (i.e. contaminated food and water supply). These conditions are responsible for much morbidity in general and high mortality in infants, particularly in urban and congested areas.

(iii) Respiratory Infections.

Respiratory infections in the form of bronchitis and pneumonia are common in Liberia. This causes significant and protracted morbidity among adults, and adds significantly to mortality in infants and children, particularly in those who are suffering from malnutrition and other illnesses.

3. Malnutrition. It has been reported that the problem of malnutrition is more a result of customs, lack of knowledge, and superstitions, rather than lack of food or the capability for food production, In terms of lack of knowledge and superstitions, even when proper foods are available for the diet, certain of these foods are not consumed because of myths and superstitions. As examples, pregnant women and young girls do not eat eggs; whereas young males are not given certain types of fruits, all on account of myths and superstition. In terms of food production, there are certain factors operative which should be mentioned. Many of the essential food essentials are imported, e.g., milk and dairy products, beef, certain vegetables, etc., rather than being produced locally. Even rice, which is a part of the basic diet of the country, is imported to the tune of one-third of the amount consumed. This heavy importation of food products makes prices prohibitive for the majority of the

people even if the myths and superstitions were overcome.

In this respect, any educational program to improve the diet of the people must be tied closely into a national nutrition and food production strategy. There is little question that malnutrition is a significant problem in Liberia - onewhich urgently needs addressing by the GOL.

An excellent nutritional survey recently done by a group headed-up by Dr. Juno-Ann K. Clarke, Associate Professor of Nutrition, San Francisco State University (California), reported some interesting findings on this subject. Interested persons are referred to the report of this study in the form of a monograph, entitled "Nutritional Status of Children in Urban and Rural Liberia." Copies of this publication may be obtained from the author: Juno-Ann Clarke, Ph.D.
P. O. Box No.155
Oakland, California 94604

Dr. Clarke reported the following such findings:

- Food taboos were common for pregnant women and were mostly against essential proteins needed for adequate fetal and maternal development. Eating habits changed little during pregnancy and lactation.
- Some foods such as eggs and meats were considered improper or taboo for children.
- Children were breast fed from one to three years, and weaning foods consisted mostly of rice, water and pounded rice.
- Children were not fed as a rule when they were suffering from fever of diarrhea.
- Occasionally urban mothers reported using propietary weaning foods, however this was a rare occurrence in rural areas.
-

- As a consequence of these feeding patterns and/or eating habits, the children were small statured, fetal death rates high (33 stillbirths/100 births and 57 abortions/1000 pregnancies) and an extremely high mortality rate between 0-5 years of age.
- Anemia, parasitic infestations, and increased susceptibility to infections and communicable diseases were common findings.

Dr. Clarke's findings are supported essentially in toto by work of others in the country. As she and others have pointed out, there exists important inter-relationships between nutrition, basic health services, and population dynamics. They conclude that they must be attacked together and simultaneously.

4. Family Planning and Population Dynamics. Population dynamics pose both health and economic problems for Liberia. The failure to carry out adequate family health/family planning programs, coupled with malnutrition, leads to poor health of mothers and children. In the final analysis, this leads to poor physical and mental development, to say nothing of the human wastage. Overall this whole train of events ultimately has significant adverse effects on economic development of the country.

The annual growth rate of the population has been estimated at approximately 3.2 percent. The general fertility rate (i.e., number of births/1000 women between ages 15-44 years) is estimated at 203. The fertility ratio (i.e., the number of children under five years of age of women 15-44 years of age) was 78/100. Both the general fertility rate and the fertility ratio are among the highest in the world. The crude rural infant mortality rate of 171/100 is also among the highest

in the world. The fetal wastage is also tremendous (i.e., 33 still-births/1000 births and 57 abortions/1000 pregnancies). This fetal wastage, coupled with the high infant and children mortality rate between 2-5 years of age amounts to perhaps the highest overall human wastage rate in the world.

To gain insight into the GOL's position on family planning, one should review the statement made by President Tolbert in May of 1973 on this subject:

> "Somewhere along the line, the impression may have been left that our Health Policy precluded the concept of family planning. This is an illogical assumption. It would be self defeating to advocate the raising of living standards, while at the same time denying the need for qualitative growth. Responsible parenthood is just as important as responsible fiscal policy."

Family Planning, within the Division of Family Health Services of the Ministry of Health, has become quite important, especially in the context of an estimated 3.5% annual population growth rate and it's implications. The Ministry of Health takes the position that any new preventive health program which does not contain a family planning component is incomplete. This position is taken in view of the feeling that there is a direct correlation between the health of mothers and children, and the spacing and limiting of births. Thus, the Family Planning Program is being expanded so that more parents may be able to take advantage of such services.

C. <u>Health Resources</u>.

1. Ministry of Health & Welfare.

The Ministry of Public Health and Welfare is responsible

for Health planning, health policy formulation, and implementing all governmental health programs, except for J.F.K. Medical Center Complex. The Ministry of Health and Welfare is headed up by a Minister (Presidential Appointee and Cabinet Rank) and consists of the following operating bureaus and divisions:

A. Bureau of Administration (Dir.-Asst. Min.)

Personnel Division

Budget & Finance Division

Supplies & Procurement Division

Transportation and Maintenance Division

Communications Division

B. Bureau of Planning and Development (Dir.-Asst. Min.)

Planning Division

Manpower and Training Division

Vital Statistics Division

External Aid Division

C. Bureau of Medical Service (Dir.-Medical Director)

Nursing Services Division

Hospitals and Clinics Supervision Division

Narcotics, Drugs & Medical Supplies Division

Non-Governmental Health Institution Division

D. Bureau of Preventive Services (Dir.-Asst. Min.)

Family Health Services Division

Communicable Diseases Control Division

Environmental Health Division

Health Education Division

E. Bureau of Social Welfare (Dir.-Asst. Minister)

Child Welfare Division

Institutional Development Division

Inasmuch as the above is a recently approved reorganizational structure, other than for the Bureau of Preventive Services, the other Bureaus are incompletely staffed. Each of the Bureaus, however is presently staffed by designated Assistant Ministers and an expatriate American physician who serves as the Director of the Medical Services Bureau. The Minister of Health and Welfare is a successful and influential Liberian Lawyer, who left private practice, upon the request of the President, to head up the Ministry of Health and Welfare. There are competent and well trained Liberians at the head of each of the Bureaus, except for the Bureau of Medical Services, which is headed up by a very competent expatriate American physician.

2. Specific Resources.

a. Governmental.

(1) Health Manpower

The following is a listing of the number and various types of health manpower in the GOL Health Services Program:

	TOTAL	MOH	J. F. K. Medical Center
Physicians	58[1]	20	38
Registered Nurses	337	172[2]	165[3]
Practical Nurses*	605	348	257
Midwives	115	65	50
Medical Asst's	39	36	3
Lab. Tech.	51	16	35

	TOTAL	MOH	J. F. K. Medical Center
Pharmacists	3	1	2
Auxiliary Midwives	33	33	0
Dentists	8	3	5
Dental Assts	7	1	6
Pharmacy Assts.	19	8	11
Veterinarians	0	0	0
Physiotherapists	7		
X-Ray Technicians	13	6	7
Sanitarians	101	95	6

Note: 1) Includes 29 Expatriates
2) Includes 10 Expatriates
3) Includes 3 Expatriates

(ii) Health Facilities.

HOSPITALS	COUNTY	TOTAL BEDS
J.F.K. Medical Center	Montserado	744
Careysburg Hospital	Montserado	20
Rennie Hospital	Montserado	25
Bassa County Hospital	Bassa	39
St. Timothy Hospital	Cape Mount	50
Tallewoyan	Lofa	65
C.B. Dunbar Hospital	Bong	22
G.W. Harley Hospital	Nimba	41
Martha Tubman Hospital	Gr. Gedeh	30
F.J. Grante Hospital	Sinoe	35
J.J. Dossen Hospital	Maryland	170
	TOTAL:.....	1241

Operated by MOH (497)

Operated by J.F.K. (744)

Clinics & Health Stations.

The Ministry of Health and Welfare operates clinics and health posts. J.F.K. Medical Center operates several specialty clinics, an emergency service and a general out-patient department in connection with its hospital operation.

(iii) Health Manpower Educational and Training Institutions.

INSTITUTION	ENROLLEES
Dogliotti Medical College	80 Medical Students
Tubman National Institute of Medical Arts (J.F.K. Medical Center.	120 Nursing Students & Allied Health Students

b. Non-Governmental (Private)

(i) Health Manpower

CATEGORY	TOTAL	NATIONAL	EXPAT.
Physicians	74	9	65
Dentists	5	0	5
Dental Asst.	4	2	2
Registered Nurses	213	159	54
Practical Nurses	232	231	1
Midwives	82	70	12
Midwife Auxil.	14	14	0
Pharmacists	5	3	2
Pharmacy Asst.	8	8	0
Veterinarians	1	0	1
Sanitary Engineers	0	0	0
Sanitarians	7	7	0

CATEGORY	TOTAL	NATIONAL	EXPAT.
Physiotherapists	5	2	3
Laboratory Tech.	43	33	10
Asst. Tech.	26	26	0
X-Ray Tech.	20	15	5

(ii) Health Facilities

Hospitals. There are a total of nine Mission Hospitals, 9 Concession Hospitals and 1 Private Hospital in Liberia. These 19 hospitals account for approximately half of 2400 + beds (1185) in the country. These hospitals reported a total of 31,433 Hospital Admissions and 1,146,510 outpatient visits.

Thus, it is noted that this group of health facilities from the non-governmental sector contributes significantly to medical care in the country.

(iii) Health Manpower Educational and Training Institution.

INSTITUTION	TOTAL	NATIONAL	EXPAT.
The Curran Memorial Hospital (School of Practical Nursing & Midwifery)	28	21	7
Ganta Hospital Nursing School	20	20	0
Phebe Hospital Nursing School	64	57	7
Firestone Medical Center Nursing School	38	36	2
Samuel Grimes Maternity Center Nursing School	44	44	0

c. Other Health & Health Related Resources.

(i) The GOL has resources in the rural areas which could impact significantly on health care services, such as the following:

Ministry of Education - Teachers for teaching health education & Family Life.

Ministry of Local Government - In it's community development workers who are involved in self-help programs for constructing schools and health centers.

Ministry of Agriculture - Through it's Extension Agents and Home Economists, could have important effect on Nutrition education and local food production program.

(ii) Non-governmental and/or Technical Assistance Programs.

Peace Corps - providing technical assistance in the form of manpower to assist in health education programs and preventive health service programs. Also providing technical assistance in the form of Home Economists for Nutrition education and feeding programs.

W H O. Presently contributing technical assistance in health to the GOL for health planning and health manpower training by providing the services of health professionals (Regional Health Advisor, Public Health Advisor, Radiologist, Microbiologist, Public Health Nurse) equivalent to more than $150,000 annually.

U S A I D. Provided assistance in form of a 6.5 million loan for the construction of J.F.K. Hospital plus technical assistance in the form of a PASA Team for the operation of the Medical Center during 1965-1977. For existing health and health related projects, USAID will contribute several million dollars in the form of grants to GOL.

FEDERAL REPUBLIC OF GERMANY. Provided a loan to the GOL for the improvement of community water supply (potable water). This should benefit the construction of new health facilities.

II. ECONOMIC AND FISCAL FACTORS AFFECTING THE LIBERIAN HEALTH SECTOR: PROBLEMS AND ISSUES.-

There is an emerging concensus among the various academic disciplines that productivity, mental alertness, initiative, drive, and creativity are greatly enhanced in the healthy individual. Data from various recent studies tend to indicate that ability to learn, and productive capacity, are dramatically correlated with health status. Governments do now recognize that health expenditures on their population is just another form of capital investment toward the economic growth of their country, even though tangible results may be difficult to ascertain in the short term. There is a recognition that high death rates and high illness represent a drain on the scarce economic resources of a poor country. Illness diverts these resources from more economically productive areas of investment, and robs a country of it's potential, it's human resources.

However, in any nation, developed or developing, there are never enough resources available to tackle all the problems facing it at once. Choices must be made, and priorities established by the political leaders. The financial constraints facing the Government of Liberia are no exception in this respect. There is grudging recognition that a population of which up to 80% may have malaria, in which many are malnourished, and in which schistosomiasis is growing, is not able to aggressively seek a better future for itself. As such, the Government would like to become a more dynamic force in the area promoting health. Yet, in the final analysis, the size of the total budgetary pie available to the Government, and the multitude of priority areas, all equally important, must determine what share will be given to the health sector. How well these resources are utilized

depends on the managerial capabilities of the leadership.

The Liberian Economy.

The Economy is based almost entirely on subsistence agriculture and on the production of iron ore, crude rubber, and timber for export. With respect to the outside world, the country is a supplier of raw materials and a consumer of manufactured goods. Internally, Liberia is attempting to address low levels of real income, and insufficient capital accumulation. Less than a quarter of the population participates wholly in the money economy.

An Open Door Policy, begun in the 1960's led to an inflow of foreign capital and technical skills that domestic sources could not possibly have provided. Today, private foreign enterprise occupies a dominant position in the economy. Foreign held concessions, under expatriate management, are the country's major producers and employers of wage labor. A large share of foreign trade is in the hands of foreign owned businesses, which often also control domestic wholesaling, and together with a number of Lebanese proprietors also control a great deal of the retail trade. The banking system and the construction industry are also largely foreign owned.

As major sources of domestic revenue, generators of related domestic activities, employers of wage labor, trainers of skills, and dispensers of public health, the large concessions have become powerful forces in practically all aspects of Liberian life. Even though Liberian businessmen and public officials have expressed dissatisfaction with the monopoly position obtained by foreign interests, continued growth in the foreseeable future would be almost impossible without them. Even though Liberians are participating more

and more in economic activities, the benefits tend to accrue mostly to a very small urban elite, and a few skilled and semi-skilled wage earners. The subsistence economy in which the overwhelming majority lives has not as yet greatly benefited.

The structure of the money economy depends to a large extent upon foreign-owned and operated enterprises. About one-third of government revenues are received from these concessions. Although Liberia still enjoys favorable balance of trade, a situation which may well change in the immediate years ahead, there is an overall deficit on current accounts due to net factor payments abroad - a result of foreign ownership. Government economists describe the economy as expanding, especially with prospective increases in iron ore exports. Yet, government finances continue to be strained by the heavy burden of foreign debt incurred between 1958 and 1962 to finance massive investments in infrastructure. Since then, more loans have been obtained from outside sources that now must be repaid. Debt service payments now absorb one third of current government revenue, allowing for very little, if any, public savings each year, and thereby seriously curbing the ability of the government to make development expenditures. Current remittance of dividends and undistributed profits on foreign investments, also constitute a heavy burden on the country's balance of payments, offsetting the favorable balance of merchandise trade.

Since 1966 iron ore has accounted for close to 70% of the value of exports. While this trend may continue for the next few years, there are already fears in some quarters that this commodity may soon be depleted, and no substitute income from exports appears to be developing to fill this gap.

For a number of reasons the agricultural sector of the economy has remained stagnant. Production of rice, cassava, and manioc continue to be inadequate to meet domestic demand, as few farmers produce surpluses for market. Approximately a third of the country's rice needs must be imported each year to supply the demand in the cities. This is another drain on the economy which is further compounded by drastic increases in the price of rice in world markets. Indications are that the pattern of a faster rate of growth in the value of imports over exports appears to be likely to continue over the next few years.

The recent worldwide impact on oil prices will also exert its toll on the Liberian economy. Fuel costs alone are said to have risen fourfold in the last year, from about $15 million last year to an estimated 48 million for the current year, (1974).

Characteristics of GOL Budgets.

The GOL is heavily dependent on foreign sources to carry out its planned programs. Although the GDP growth rate averaged approximately 10.2% a year between 1963 and 1972, the domestic revenues available to the government have remained small. In fiscal year 1974, for example, this amounted to only $96 million. Of these, approximately $26 million, went immediately for debt servicing, and $1.1 million went for reserves.

In order to implement its plans Liberia continues to rely to an increasingly great extent on foreign assistance. In obtaining loans which must be repaid at a later date, the country is in effect gambling that its future economic growth will compensate the debts incurred to date. Yet, foreign aid provided by outside sources has been

steadily growing in the past few years. In 1969 loans and grants amounted to about $17 million, in 1970 it was $20 million, in 1971 about $24 million, in 1972 almost $31 million, in 1973 about $32 million, and in 1974 probably the same. The worldwide economic conditions are likely to severely affect Liberia in the next few years, and presumably once again loans and grants will be needed to sustain and supplement Liberian efforts.

Distribution of the GOL Budget for 1974.

The proportional distribution of allocated resources within the budgets prepared by the government have not changed drastically over the last few years. As such, we can take the 1974 budget as representative of how the GOL assigns its priorities.

The $96.0 million in the 1974 budget are distributed as follows:

	Amount in Million	%
I. GENERAL SERVICES	22.7	23.7
A. General Administration	10.7	11.2
a. Organs of State (legislature, Chief Exec., Elections)	4.0	4.2
b. Ministry of Finance	2.7	2.8
c. Ministry of local Government	2.4	2.5
d. Others (Civil Service Agency, G.S.A., Audit Office, I.P.A.)	1.6	1.7
B. Judiciary and Justice	4.2	4.3
a. The Judiciary	.9	.9
b. Ministry of Justice	3.3	3.4
C. Foreign Relations	4.0	4.2
D. National Defense	3.8	4.0

		Amount in Million	%
II.	SOCIAL AND COMMUNITY SERVICES	26.7	27.8
	A. Education	11.3	11.8
	a. Ministry of Education	8.9	9.3
	b. University of Liberia	2.4	2.5
	B. Ministry of Health & Welfare	6.6	6.9
	C. Ministry of Labor, Youth & Sports	.8	.8
	D. Ministry of Public Works	7.0	7.3
	E. Ministry of Information, Culture Affairs & Tourism	.8	.8
	F. Action of Development and Progress Agency	.2	.2
III.	ECONOMIC SERVICES	7.9	8.1
	A. Ministry of Agriculture	4.4	4.6
	B. Ministry of Lands & Mines	1.1	.8
	C. Ministry of Commerce, Industry & Transportation	.8	.8
	D. Ministry of Planning and Econ. Affairs	1.1	1.1
	E. Ministry of Postal Affairs	.5	.5
IV.	GENERAL GOVERNMENT	11.2	11.7
V.	DEBT SERVICE	26.5	27.6
VI.	RESERVE	1.1	1.1

Financial Resources available to the Ministry of Health.

With the $6,564,369 or 6.9% of the funds allocated to the Ministry of Health and Social Welfare, the Ministry is mandated to "the prevention of the introduction and spread of communicable, infectious and preventable diseases; to provide medical care and treatment through public hospitals, clinics, mental institutions and rehabilitation centers for alcoholic and narcotic addicts; to

license and supervise medical practitioners and facilities; to promote and do research in the prevention and treatment of human diseases; to supervise and administer all welfare institutions, and to cooperate with the Judicial System in its administration of the law relating to juvenile delinquency. Finally, the Ministry is to plan and develop an infrastructure for the maintenance and improvement of health services throughout the country." Obviously the task is impossible to accomplish within such a modest budget.

Of this amount of $6,564,369 allocated to it for 1974, the Ministry proposes to spend the funds in the following manner:

Central Administration	$276,767	or 4.2%
Preventive Services	$543,034	or 8.3%
Curative Services	$4,594,978	or 85.2%
Planning & Development	$38,849	or 6.%
Welfare Services	$110,744	or 1.7%

Furthermore, of the $4,594,978 going to curative services, $3,575,769 of the amount was for the operation of the John F. Kennedy Medical Center, i.e., JFK Memorial Hospital, TNIMA, Maternity Hospital, TB Hospital, and the Rehabilitation Hospital. The Ministry has little input into the program of the autonomous JFK Medical Center, and therefore the Minister has really much less flexibility to provide services in other parts of the country. The JFK Medical Center, although a GOL health facility, is controlled by a special board of which the Minister of Health is Chairman. Although the JFK provides curative services in the Monrovia area, it has capabilities to materially assist the MOH in carrying out it's overall objectives.

In addition to the funds available to the Ministry through the governmental budget, assistance is given to it directly from several foreign sources.

The World Health Organization and UNICEF has traditionally undertaken a number of cooperative projects in medical education, disease control, and environmental health.

The U.S. has a long history in assisting the GOL with its public health programs. Most recently this help has taken the form of loans for the construction and equipping of the JFK Medical Center, plus providing technical assistance once it was operational. But in addition the U.S. Government has helped in the Smallpox/Measles campaign, and the Peace Corps has been active in a number of health programs. Presently USAID has agreed to support a new rural outreach project to begin in 1975.

Other countries provide the Ministry with technical and financial support. Italy provides faculty at the School of Medicine, Great Britain and Israel provided staff and equipment; France provides medicine and equipment.

While the exact amount of this type of support fluctuates each year it is estimated at $1.5 to $2.0 million a year.

By far the greatest additional support to the Ministry of Health is the indirect relief provided by the missions and concessions in Liberia. While these entities do not directly support the Ministry of Health and Social Welfare, their activities in the area of health reach large numbers of the population for which the Ministry is theoretically responsible but would be hard put to provide any type of meaningful services. The magnitude of

the impact of the missions and concessions on the health of Liberians can be gleaned from the 1973 Annual Report of the Ministry of Health.

IN & OUT PATIENTS IN HOSPITALS 1973

HOSPITALS	BEDS	IN-PATIENTS	OUT-PATIENTS VISITS
Government	1,203	22,004	239,372
Concessions	693	14,462	873,495
Missions	550	16,971	273,015
Total:	2,446	53,437	1,385,882

The above figures indicate that over half of all hospital beds are provided by non-governmental entities. They account for about 59% of all hospital in-patients treated in hospitals in the country, and a substantial percent of all hospital out-patient visits. At a conservative figure we could say that this support is worth at least as much as the budget of the Ministry, namely about $7.0 million.

A very small private section provides care to a limited number of the well to do. This aspect is probably not significant. It is mostly restricted to Monrovia, and a few of the coastal towns.

Summing up the total annual resources from all sources, going into the delivery of health care, for the total Liberian population of approximately 1.5 million, one could estimate a figure of between $25 to $26 million a year.

This figure is quite respectable when compared with what is often available in other developing countries. However this favorable picture is somewhat overshadowed by the fact that only about 10-20% of the population have access to medical care of any

sort. Furthermore, the bulk of these funds are invested into curative services that only reach the very few.

Financial Pressures on the Ministry of Health.

Looking into the crystal ball of what the immediate future might bring to the Liberian economy and particularly to the Ministry of Health and Social Welfare is a hazardous task. Yet one can single out a number of factors that may affect the financial ability of the Ministry of Health and Social Welfare to carry on it's activities at an accelerated pace. An attempt will be made to examine each of these variables in turn in an effort to ascertain their relative importance in slowing down progress in the field of health care delivery to the population.

I. Factors External to the Ministry.

1. Inflation. In the last year and for the immediate future, there appears to be a worldwide inflation on the rampage. While both developed and developing nations suffer in such circumstances, countries whose economies are straining to make ends meet will undergo far more serious disturbances. In Liberia we have seen that import costs have been gaining much faster than export revenues.

The drastic increase in fuel prices has tripled or quadrupled the costs of supplying Liberian industry. Together with private industry the GOL has been forced to buy its supplies at the going rate. The immediate impact of this state of affairs is that the resources of the government are being depleted at a rapid rate. In order to stem expenditures and compensate for this rapid outflow the government will need to hold the line in spending elsewhere. Traditinnally, times of austerity have

tended to be first reflected in health programs. With more resources needed for foreign exchange it is probable that domestic programs will stagnate or may even be retrenched, and in all likelihood this will be reflected in the budgetary allocations going for public health programs as well.

A more direct impact of inflation is reflected in the increased costs for just maintaining activities at their current level. Increased fuel costs have been reflected in higher transportation costs, increased costs in raw materials, and increased manufacturing costs. All these costs tend to be passed on to the consumer, in this case the Ministry of Health. A close look at wholesale prices for basic drugs and medical supplies, indicates dramatic cost increases (up to 200% in one year on some items). The implications of this state of affairs is that more resources are needed to remain even, otherwise the delivery of health care services must be curtailed. The operational costs of the Ministry of Health are going up at a time when the government is facing financial difficulties.

Even so, a number of positive factors may somewhat blunt the impact of rising costs. In terms of medical supplies, medication, and equipment the Ministry has instituted reforms that will translate into savings that may offset some of the inflationary trends.

The Ministry of Health has recently broken the monopoly of the pharmaceutical firm which was the exclusive supplier to the Government. The Ministry now buys under competitive bidding. Competition has greatly reduced the costs of medication and supplies.

The Ministry of Health has recently opened a central warehousing

facility on the grounds of the JFK Medical Center. The availability of storage space has allowed the Ministry to buy in large quantities and thereby benefit from the economics of scale.

The Ministry is developing it's own logistic system to deliver these supplies throughout the country and in this manner effects savings in delivery charges.

In addition, the Ministry might experiment with buying medications under their generic names as another way to reduce costs.

2. Debt Financing. The short term solution of borrowing capital, whether necessitated by circumstances or by design, cannot go on indefinitely. Already the country is reeling under the burden of debt servicing, repayment of loans, and interest. These latest financial difficulties will most probably be dealt with through loans from international banks, or perhaps friendly nations. Regardless of the sources of these loans, eventually additional burdens will be placed on the economy. New debts will further dampen the ability of the government to carry-out needed activities. Once again this is likely to be reflected in financial constraints placed on the Ministry of Health.

3. Rising Population. The population of Liberia is believed to be growing at a rate of about 3 to 3.5. The rapid growth of the population, especially in the younger age brackets which usually require more health services, will place additional demands on an already overburdened health care delivery system. These demands may translate into the need for more of everything: drugs, supplies, personnel, etc. The Ministry is required to supply more at a time when resources are getting scarce.

This may well imply for the Ministry of Health a more intensive Maternal-child program with a family planning component as a top priority. The Ministry has already recognized the implications of the situation and has made this a priority item among it's objectives.

4. Decreased Mission Activities. The inflation which faces every individual has reduced his charitable contributions to churches and voluntary organizations. The headquarters of many missions active in Liberia are feeling the economic pinch, and this is reflected in the scope of activities that missions in Liberia are able to undertake in all fields, including health.

Missions have become active in the delivery of health services because of humanitarian impulses but also by default, because the government was unable to provide for this need. Today the GOL has publicly stated that health for it's citizens is one of it's highest priorities. The financial pinch on the one hand and the stated public willingness of the government to assume a bigger role in health care has created a climate in which missions are slowly, but surely, relinquishing their high level of involvement in the direct provision of health services. In at least one mission the Ministry has already had to step in and give financial contributions in order to keep the mission hospital and clinic operating. It is estimated by people familiar with the situation, that within a few years the responsibility for operating a number of these mission hospitals and clinics may have passed to the Ministry of Health. The largest number of hospital beds and out-patients handled by these missions, if passed on to the Ministry of Health will require large investments in capital, manpower and operational funds. This process may

already have begun.

5. Concessions. The major concern of concessions is the productivity of their workforce. It is to this end that concessions provide medical care in their hospitals and clinics to employees and dependents. As part of the agreement they have with the GOL the concessions must also provide care to non-employees within a certain radius around the concession. Under certain circumstances these concessions will accept referrals, laboratory work, or other such requests from the Ministry of Health, but in the main the concessions consider their health care services as the cost for doing business. As long as the concession is making money and remains in business these services are provided. However, there is always the potential threat that a business may move (i.e., when iron ore is exhausted in one location) with a resulting turnover of responsibility for the care of a large segment of the population to the Ministry of Health. It is claimed that at least one of the iron ore mines is close to having depleted available resources and may shut down soon. The fate of that hospital and clinics is as yet unknown, at best the Ministry would assume operating costs.

6. International Organizations. The financial constraints imposed on governments by inflation reflects itself in the contributions of these governments to international organizations such as WHO, UNICEF and UNDP. The membership of these organizations has become more reluctant to increase assessments on individual member countries, and some countries are unable to pay their dues. Similarly, voluntary contributions are decreasing. As everywhere else, inflation reduces the scope of what can be done by these organizations with the funds they do have at their disposal.

These factors when applied to the Liberian situation would tend to indicate that increased funding from traditional international organizations should not be counted on. On the contrary, the serious difficulties encountered by all developing nations makes for a much more competitive situation in obtaining necessary funding for projects.

7. Other Governmental Entities. Liberia's top priority is integrated rural development through regional programming. A national development program is being built-up not on the basis of sector plans, but supposedly on a coordinated inter-sectoral approach comprising both horizontal intergation at the national and county level, and also vertical integration downwards from the central institutions to the field services. The responsibility for coordinating this high priority program rests with the Ministry of Planning & Economic Affairs; frequently, for various reasons, this coordination is lacking. In many instances, as part of the integrated approach to developing a given community, the Ministry of Local Government will as an example, build, or through self-help promote, a health center, clinic or even a small hospital. This is frequently done without the knowledge or previous agreement of the Ministry of Health. At other times a paramount chief, politician, or other influential citizen, will prevail upon the President to have such a health entity constructed. Once these physical plants have been created, pressure is mounted on the Ministry of Health to equip them, staff them, and operate them. In recent months a number of such unexpected requests had to be honored by the Ministry of Health from the scarce resources it has available.

This may not necessarily be a handicap to the Ministry. If a greater degree of coordination could be developed between the two Ministries each could further it's goals in a harmonious manner. Perhaps the first step could be for representatives of each Ministry to sit-down together and compare their locations. Efforts could first be allocated to those geographical areas where the interests coincide. Such an approach might reduce the capital investments of the Ministry of Health, since the Ministry of Local Government has resources available and also can promote self-help projects. Coordination would allow more careful planning by the Ministry of Health in terms of resource allocations.

A side benefit of cooperation would be to force the Ministry of Health to develop more fully a planning capability which at present is only rudimentary. With a recognized planning capability, and a plan, the Minister could probably prevail on the President to refer all petitions to the Ministry for study, rather than to be faced time after time by a fait accompli.

II. Factors within the Ministry.

It is obvious that the resources available to the Ministry of Health and Social Welfare are not sufficient to meaningfully deal with the major health problems facing the country. This does not prevent us, however to maximize their use. There are a number of pressing problems the Ministry needs to address if it is to forge ahead in a significant manner. Unfortunately all of these problems involve financial considerations at a time when the economic conditions in Liberia are far from propitious.

1. Salaries. In the past, the Ministry of Health has had difficulty in attracting or retaining it's qualified health personnel.

salaries of key paraprofessionals such as nurses, health assistants, etc., have been below what their preparation could earn them outside their professions, or in other areas of the health sector itself. It is said for instance, that a high school graduate could start in a secretarial position for about $100 a month, while a nurse with three years beyond high school gets $75 a month at the Ministry, and even more at a concession. For these reasons the Ministry has found it difficult to recruit the qualified staff it needs. Many good people tend to leave for greener pastures. The Minister feels that one of his very first priorities must be to raise the salaries of key posts so that they will be competitive with other alternatives open to qualified individuals. At present the relative attractiveness of a career in public health for promising students is not sufficient to supply the needs of the Ministry.

The picture has considerably brightened recently when it became mandatory for all graduating health professionals to provide one year or more years of service to the Ministry of Health. These graduates in the various medical and paramedical specialties will provide the Ministry with some of the manpower it needs. Furthermore, during their term of service the Ministry will be empowered to assign them where most needed, namely in the interior where posts are usually hard to fill. With judicious matching of candidates and posts it is conceivable but some may elect to stay permanently after their obligatory tour of duty ends. Unfortunately, the professional schools in Liberia do not turn-out enough graduates to fill all the needed slots. Therefore, forced by the economics of the competitive situation, the Ministry is requesting a realignment of the salary structure of some of the health paraprofessional posts. If approved,

this will result in a significant increase in the costs of delivering services. If this salary raise is not accompained at the same time by an increase in total funds going into public health, the services may have to be curtailed or more efficient operations take place to absorb these differences.

2. Manpower Needs. Not only is the Ministry of Health inadequately funded, but the number of posts allotted to it are clearly insufficient. Even under the old prevailing conditions the Ministry did not have enough posts to provide the needed health services. At present, pressures are applied by the Ministry of Local Government for the Ministry of Health to staff all the new clinics that are springing-up everywhere. The USAID supported Lofa County Rural Outreach Project will require counterparts; the Peace Corps Project also requires counterparts; the Ministry itself, under pressure to offer more and better care to a larger section of the population, is moving into new geographical areas - all of this requires either additional staffing or a different deployment of personnel, or both. There is talk of drastically increasing the output of all training institutions for health professionals. This goal is meaningless unless ways are found to hire the graduates. One of the greatest stumbling blocks to the Ministry of Health program is its inability to hire the staff it needs. As a result, the Ministry of Health must find means to increase the number of positions available to it for carrying-out its expanded mission.

3. Capital Investments. Lack of funds to repair public health centers and hospitals over the years has led to physical plants that are now inadequate, in need of repair, and disruptive of good health care in general. In some areas no health structures are at present available and these must be built and equipped. A number of

hospitals are beyond repair and new ones are being built. The new attention of the GOL and it's Ministry of Health to rural health delivery systems requires the construction of about 30 health posts and a number of health centers around the country. The recently completed JFK Memorial Hospital will already require $750,000 of repairs over the next three years. Over the same period of time it is estimated that the Maternity Hospital will require $1.3 million to be entirely rebuilt and equipped; the TB Hospital will need $ 100,000; the Mental Institution about $70,000; and the Tubman National Institute of Medical Arts is requesting $750,000. Even as this is written construction costs are rising so that the final bill when these capital investments are made may well be much higher. Funding must be found to renovate and build the physical plants that must provide adequate services.

SUMMARY: We have looked at length at the darker side of the financial problems facing the Ministry of Health as it attempts to move energetically ahead with its rural health programs. While we have painted a bleak picture, there are redeeming features that can be brought to bear with ingenuity, goodwill, initiative and cooperation.

There are positive forces at work that favor the Ministry of Health. These positive factors are mostly intangible, but nevertheless may eventually channel needed resources into the health sector.

The dynamism and sincerity of the present Minister who has the ear of the President, is but one facet. There are also other good omens for a strengthened focus on health activities. Yet by far

the most crucial is the need for a coordinated approach by the various actors who play a role in the Liberian health sector. When financial resources are scarce, every effort must be made to reduce duplication, waste or conflicting objectives. The Ministry of Health should take the initiative in a meaningful dialogue with all governmental and private entities that participate in the delivery of health care. The same must be done with regards to the standardization and synchronization of those institutions that train the manpower needs, in order to insure the quality and quantity of the various disciplines needed. The opportunities for savings may be there if one carefully searches for them. The outputs of the schools training paraprofessionals are each very low. Is consolidation possible? Governmental and private hospitals and clinics exist close to each other. Are there opportunities for sharing? Could the Ministry pay for services at Missions or Concessions? What are the relative merits of these alternatives? A series of such questions must be asked, and answered, by the Ministry. Looking at the situation from a purely financial point of view, it would appear that the Ministry of Health will be hard-pressed to initiate new major activities. The overall strategy may well be to try to maximize the productivity of the resources that are already available. It is within this framework that AID may play a constructive role.

III. GOL GOALS, STRATEGY AND PLANS FOR THE HEALTH SECTOR.

A. Introduction.

The GOL developed a ten year National Health Plan in 1966 covering the period 1967-76. However, for various reasons, the plan was not implemented. On October 2, 1972, President William R. Tolbert, Jr., delivered an address to the Liberian people, in which he spoke of the plight of the poor in terms of health services. He particularly emphasized the deficiencies in health services for mothers and children, as well as a lack of adequate health services in general for rural inhabitants. President Tolbert expressed the GOL's commitment to make health services available to all of the people, regardless of place of dwelling, ability to pay for services, religion, or creeds. In essence, he reiterated the position that health care was a right of all of the people of Liberia. Public awareness of these health conditions, combined with rapid population growth caused a severe demand on the health care delivery system. This latter situation called for the development of a National Health Plan, that would make a more efficient use of limited health resources. These factors led to a re-examination of the previously developed National Health Plan and the development of a new five year Health Plan which will be incorporated with other sector plans into a National Five Year Plan (1977-1981).

B. Goals of GOL's Three Year Health Plan.

"The overall goal of the Five Year National Health Plan (1977-1981) is to improve the physical, mental and social well-being of the people of Liberia to enable them to contribute adequately to the national development effort." Sub-goals are

the following:

-- To correct imbalance in health care services between urban and rural inhabitants through improved rural health services.

-- To provide health services on a priority basis in terms of those most in need and underserved, i.e., Maternal and Child Health Programs, including family planning services.

-- To establish a rural health training center, with a bias toward community health services in the rural areas.

-- To improve and strengthen the infrastructure of the Ministry of Health and Social Welfare, through training and recruitment of qualified technical experts in health and welfare.

-- To improve the quality and quantity of health services for the rural areas through service integration and training of health workers.

-- To improve the efficiency of health services delivery through adequate supervisory services and logistic support in the form of better procurement and distribution of drugs and supplies.

-- To improve the retention and recruitment of health workers through such schemes as competitive salaries and methods of training for such workers.

-- To improve health facilities through a program of phased construction of new facilities and renovation of some existing facilities.

C. <u>GOL Strategy and Plans in the Health Sector</u>.

The Ministry of Health and Social Welfare has proposed the following strategy for attainment of the overall goals in the Health Sector:

1. Infrastructure strengthening in the Ministry.

Although each Bureau in the Ministry is presently filled by competent directors, except for perhaps the Bureau of Preventive Health Services, the divisions and sections in the Bureaus are poorly staffed. Now that the plan for reorganization of the Ministry has been formally approved, budgetary allocations must be made for salary slots to complete the staffing of the Ministry. Following this latter step, the Ministry must recruit the best qualified personnel for the positions; develop systems of operational procedures for each Bureau; and provide for a system of in-service training and supervision within each Bureau. Without strengthening of the infrastructure of the Ministry, as proposed, the Ministry of Health will find it very difficult, if not wholly impossible, to come anywhere near to carrying out it's mandate.

2. Improving the staffing and staff capabilities in GOL's health service programs.

The MOH recognizes that if it is to expand and extend coverage of health services to greater numbers of people, then both the quality and quantity of health workers must be increased. The MOH has a three-pronged strategy for attainment of this goal: 1) To request and obtain increased budgetary allocations for additional positions, and salary adjustment of existing positions; 2) To develop mechanisms for better recruitment and retention of personnel; and 3) To develop a long range health manpower training and development plan.

The MOH is moving forward in this area. A request has been made for supplemental funds for employing additional staff for the LOFA County Rural Health Project at least. In addition, funds have been requested to cover salary increases in certain presently authorized

positions. This latter step is one of the measures being tried to improve recruitment and retention of certain categories of health workers in the MOH.

Another step being taken by the MOH in this area, is that of concentrating on the recuirtment of certain categories of health manpower from indigenous rural people. It is believed that the recruitment of such individuals, and their subsequent training along a rural community health service bias, will result in improved quality of services delivered, and greater retention of these health workers in the rural areas. The final action being taken by the MOH has to do with development of a long range health manpower training and development plan, which includes the proposal to develop or establish a Rural Health Manpower Training Center. This Training Center is proposed to be established at the Malaria Eradication Project in Kpain (Nimba County) at an estimated cost of more than $1 million for new construction, renovation, and equipment. The operational costs for the Center are not available.

The Rural Training Center will supplement and work in cooperation with other health manpower training institutions, providing manpower training programs which are either not being offered or where manpower production is not sufficient to meet national needs. Two basic types of training will be offered on an integrated basis: 1) Initial and field training of new professionals and allied health workers; and 2) refresher and in-service training of those already employed. It is proposed that the training center would train approximately 3000 individuals annually, of all types.

3. Improvement of the physical condition of health facilities.

Practically all of the GOL's health facilities are in need of either major repairs or replacement. At the present time the GOL owns and operates 14 hospitals and approximately 220 health posts. Bed space is inadequate in the rural areas and many of the health posts are in need of better facilities in order to deliver high quality health care services which are readily accessible to the population. The MOH has proposed a $1.5 million capital investment budget for construction, renovation and equipment of hospitals, health centers and health posts over the next three years. Primary emphasis will be on improvement of health facilities in the rural and semi-rural areas.

4. Development and implementation of integrated rural health delivery programs.

The MOH is aggressively planning and pursuing a course of action which will lead to a low cost integrated rural health delivery system for Liberia. The present plan calls for the setting-up of a county health development center in each of the nine counties, headed up by a County Medical Director. Presently there is a designated County Medical Director in each of the nine counties. The County Medical Director is responsible for supervision of all governmental health services in the county, both curative and preventive. Thus, he has under his supervision the Hospitals and Clinics (Curative Services), plus Community Health Services (preventive health services). Through this decentralization of authority and personnel, the County Medical Officer coordinates these two major components of health care services at the field level. The day to day operation of the hospitals and clinics are under the supervision of Medical Directors of the

hospital.

It is proposed that a specially trained public health nurse serve as Director of Community Health Services for each of the counties. Presently there are no incumbents of this type in these latter positions, primarily due to the shortage of Public Health Nurses in Liberia. The implementation of this plan should result in more efficient use of health manpower of the MOH through better supervision, improved logistic support, and better in-service training capabilities.

5. Provision of better logistic support in terms of drugs, supplies and equipment.

The governmental hospitals, clinics, health centers, and health posts have suffered over the years for lack of logistic support in terms of drugs, supplies, and equipment. Not only has procurement been haphazard and costly, but the distribution of what was available in Monrovia was highly unpredictable and unsatisfactory. The MOH has proposed and received approval of a mechanism, which should not only be more efficient but cost-saving as well. The MOH, in cooperation with J.F.K. Medical Center, has constructed a Central Supply and Drug Depot on the grounds of J.F.K. Medical Center. The program is just beginning operation and will have the responsibility of procurement and distribution of all drugs and hospital supplies for all GOL health programs and facilities. This program, if operated properly, and up to capacity, should materially assist the MOH in providing high quality health services to the rural area.

6. Development and implementation of a pilot demonstration rural health project.

In an attempt to demonstrate the most feasible method of deliver-

ing integrated health services to the rural area, the GOL, in cooperation with USAID is conducting a 4-year demonstration project in Lofa County. The project is expected to commence in February 1975, when the Advisors will commence to arrive. This is a $5.6 million project, whose cost is equally shared by USAID and GOL. Upon refinement of the project, the plan is to replicate this type of program to other counties on a national basis.

D. Constraints to the GOL in the Health Sector Plan.

The principal constraints for the GOL in carrying out the National Health Plan are due to fiscal and manpower resources. As stated previously in the Economic Analysis Section of the Sector Assessment, fiscal resources available to the GOL for all programs and activities are limited. There is also the possibility that the situation may get relatively worse before getting better. During these times the MOH, along with other GOL programs and departments, must set priorities; reduce duplication of services; utilize resources (human and fiscal) in the most efficient manner possible; and develop mechanisms and strategies for collaborative and cooperative ventures where possible. This requires strong, creative, and innovative leadership; as well as, competent committed, and dedicated workers at all levels. It is felt that the MOH presently has these qualities at the helm, and perhaps at the middle level, however it is questionable whether this is so at the lower levels.

The following comments are made in reference to the individual strategies proposed by the MOH:

1. Strengthening the infra-structure of the MOH.

There is little question that this is perhaps one of the top

priorities for consideration by the MOH. The ability of the MOH to do the job required, particularly during these trying times, makes this task a first order. Take for example, the Planning and Development Bureau. Without adequate staffing and staff capability for doing meaningful planning, the Ministry will not only be unable to compete in the market place but will also not be able to use it's limited resources well. Also in this same Bureau, there must be developed a rational plan for collecting, analyzing, storing and retrieval of health data, critical for any type of rational and sound health planning. It is believed that the GOL can provide some resources to get the job done, however external technical assistance will be needed for training and manpower development activities.

2. Improving the staffing and staff capabilities in the GOL's health service programs.

Although the MOH will not be able to accomplish this overnight, with proper planning and phasing implementation of this strategy, significant progress can be made in this area. The proposal, or strategy, for salary adjustments in certain categories, plus relevant training of health workers, should materially assist in the reaching of this goal. In this connection the MOH may want to give a serious consideration to whether it should use scarce resources of more than $1 million for capital investment in the Rural Training Health Center, or whether to use such resources as salaries for health service provider personnel. The decision which the MOH must make is whether it is feasible to request that existing training institutions become more responsive to the needs and plans of the MOH. If the latter be the case, it may

give the MOH more flexibility in the use of allocated resources.

3. Improvement of the physical condition of health facilities.

On the surface this appears to be a reasonable request, and one which the GOL could perhaps afford. However, when one takes into consideration the requests and demands made on the GOL budget for capital improvements, then whether the GOL can afford all of these requests is questionable. It is felt that the more pressing needs for capital improvement in health facilities should be honored and pursued on a high priority basis.

4. Development and Implementation of rural health delivery programs.

The improvement in staffing and staff capabilities, plus the benefits from the Lofa County Rural Health Project, should materially assist in the implementation of this objective. It must be realized that at best this development should be phased, and the speed of development will depend upon the availability of resources (fiscal and manpower).

Resources which may materially assist the GOL in attaining this goal would be the conscientious attempt to involve and utilize to the maximum extent possible all health resources, i.e., government (J.F.K. Medical Center), private (Mission), concession health facilities, and foreign donors and international health agencies. In addition, the involvement and cooperation with governmental agencies who are working in health related areas (i.e., Ministry of Local Government, Ministry of Education, and Ministry of Agriculture) could also facilitate the implementation of this goal.

IV. AID ASSISTANCE STRATEGY IN THE HEALTH SECTOR FOR LIBERIA.

(Recommendations & Rationale)

The priorities and plans of the GOL in the health sector are in agreement with those of AID and the Africa Bureau for the most part. In it's policy issues paper, Health Strategy for Africa, the Bureau listed as priorities:

The control of communicable disease improvement in environmental sanitation, development of nutrition programs, and support of family planning programs. It was also pointed out that all of these activities could be packed conveniently into an integrated health delivery system or program. Inasmuch as the rural inhabitants are the most underserved group, integrated health delivery programs for rural areas should receive high priority for support by AID. Further, inasmuch as the need is perhaps the greatest and the cost benefits are most optimal, priority will be given to integrated health delivery programs for mothers and children, including nutrition and family planning components.

In addition to support of integrated health service programs, infrastructure building and/or strengthening should be given high priority consideration. This latter consideration was on the basis of the realization that in many of the LDC's the infrastructure weaknesses and the lack of managerial-planning capabilities preclude the optimal use of scarce resources.

Thus, in essence the goals and plans of the GOL to implement integrated rural health delivery programs with emphasis on health services for mothers and children, are congruent with the priorities of AID in regards to the health sector. In addition, the

proposal or plan to strengthen the infra-structure of the MOH is also in line with AID's policies and priorities in this sector.

It is on the basis of the foregoing, as well as the feeling that these are the most strategic approaches for AID assistance from a cost effectiveness standpoint, that the following recommendations are made for AID assistance strategy for Liberia.

1. Assignment of a Health Population and Nutrition Officer to the USAID/L staff.

With the major interests and investments in the health sector by AID in Liberia, it appears most practicable to have a knowledgeable and competent public health professional on USAID/L staff. Toward this end, USAID is presently in the process of recruiting such an individual. With this health expertise on it's staff, USAID feels it can maximize it's present and future investments in the health sector.

2. Technical Assistance in Strengthening the Infrastructure of the MOH.

As stated previously in the section on "GOL Strategy and Plans for the Health Sector", the GOL could support a significant portion of this aspect of the plan, however external assistance would be needed for training and manpower development activities. It would appear that there is an excellent and strategic opportunity for AID to provide technical assistance in this area to the GOL, providing the MOH is desirous of and requests such assistance from AID. Preliminary discussions seem to suggest that the MOH is desirous of such assistance. If such is pursued, AID would be favorably disposed toward providing assistance of a technical nature for development of operational

procedures and/or system development in at least the Administrative Services, and Planning and Development Bureau. Provisions would also be made on-the-job training and operational training through U. S. counterparts, as well as out-of-country training for some of the GOL staff. This latter training activity will not be considered complete until the Liberian had returned to the country to assume the position trained for and had a period of appropriate supervision and training on-the-job. On the front end of such an assistance effort in this area, a short term assessment will be made of the extent of the problem and amount and actual type of manpower assistance needed.

3. Technical Assistance in Development of a Low Cost Rural Health Delivery System.

The plan to provide assistance to the GOL in the implementation of the Lofa County Rural Health Pilot Demonstration Project, appears to be a sound and strategic use of AID's resources in the health sector. The USAID feels this project has the potential for contributing significantly to the GOL plan to expand health services to the rural areas for both the immediate and long range future. It should also provide a vehicle for greater involvement and participation of the J.F.K. Medical Center, the private health sector, educational and training institutions and other foreign donors in the health sector.

4. Consideration of Continuing and Future Support of the J.F.K. Medical Center.

During the next two years and prior to the planned phase-out of support to J.F.K. Medical Center, USAID/L will carefully analyze

what practical role or opportunity it should grasp for future support of the Medical Center, as the latter moves into a new phase of activity. By this new phase of activity is meant such activities as those related to outreach functions (i.e., back up support and serving as a referal center for the GOL health service programs); the manpower training functions to serve GOL health program needs; and assistance in the operation of such programs as the Central Supply and Drug Depot for the GOL's health service programs. All of these program efforts could materially assist the GOL in attainment of it's overall goals in the health sector. This effort, coupled with other AID assistance strategy, could have a multiplying effect on health resources.

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SECTOR ASSESSMENT

EDUCATION/HUMAN RESOURCES

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Editorial Changes by USAID/Liberia

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EDUCATION/HUMAN RESOURCE SECTION

While support of the Integrated Rural Development (IRD) priority of the Government is one of the USAID/Liberia's prime areas of concentration, the Mission currently provides no assistance to the Education sector though education forms part of that priority objective. The following is designed to determine the nature and extent of Liberia's development problems, that may warrant future AID assistance in the broad context of Education and Human Resource Development.

I. Identification and Analysis of Major Development Problems Affecting Education/Human Resource Development.

A. Economic Overview

While Liberia continues to remain among the less developed nations it has experienced a substantial growth in GNP of approximately 7% per annum over the past 20 years. This remarkable growth rate is mainly attributable to external investments primarily in the extraction of iron ore. The iron ore companies virtually doubled their output between 1964-1972. However, agriculture, where the bulk of the population is occupied grew by a respectable but inadequate 5.6% per annum. Even this growth performance is due primarily to the rapid growth of forestry and rubber both dominated by foreign investors. Subsistence agriculture increased only 2.4% per annum or barely exceeding the rural population growth rate less migration.

Manufacturing, though rather small as a sector, did quite well (10% per annum). However, these gains are traceable mainly to a new oil refinery and to the continued expansion of the food and beverage industries. Increases in transportation are due partly to the expansion of port activities for exports and partly to the increase in urban population and its demand for local transportation.

The Liberian economy in general is typical of a country that is heavily dependent on a foreign exploitative sector. The bulk of its current sources of growth are external and most of these sources (i.e. iron ore and forestry) are not renewable. However, without them the current economy would likely experience real difficulties. The IBRD accurately identifies the key growth question as how best to use these natural resources now and in the immediate future so as to provide a productive base for long range growth of the Liberian nation. Furthermore, the IBRD gives the nation a relatively short "development fuse" of only 15 years at most in which to utilize the mining and forestry concessions for the benefit of the country.

B. Critical Development Problems

Exported Manpower - The problems inhibiting the social and economic development in Liberia are to a great extent traceable, either directly or indirectly, to the paucity of trained Liberians. Furthermore, at present rates the increases in its supply of trained citizens will likely take care of little, if any, more than population growth. Consequently, the capacity to absorb major growth in the future is very minimal without increasing the already heavy dependence on exported manpower.

While it is not possible to provide comprehensive data on present employment in Liberia, the Indicative Manpower Plan of Liberia for the Period 1972-1982 reports a survey of the 96 largest firms in the country. The survey indicates that of the 62,999 persons employed by these firms, only 4,575 were expatriates (7.3%). However, these expatriate workers play a far greater role in the nation's economy than their numbers indicate. They constitute 68%

of employment in services (business and personal), 55% in trade (wholesale and retail) and 12% in mining and quarrying. Even these percentages can be misleading for the reason that these expatriate employees are usually performing critical functions as managers, supervisors, foremen, and administrators. Generally, Liberian employees fill the lower and semi-skilled jobs mainly as laborers, drivers and clerks. While this condition is changing, the rate of Liberianization has been very slow at the upper level.

Dependency on foreign manpower and capital has become an increasing burden on the Liberian economy. According to latest GOL estimates, in 1972 Liberia paid approximately $90 million* to foreigners as interest and dividends on borrowed investment capital and as wages and salaries for expatriate personnel. These net payments to foreigners rose by 30 % during the period 1964-1972. Obviously, Liberianization emerges as a crucial problem inhibiting the rapid and desirable development of the nation.

Income Distribution - The consequences of an inordinate dependence on foreign capital and labor and the inability to maximize this capital and labor in terms of Liberianization and diversification of the economy continues to present a host of social and economic problems for the majority of Liberians. Uppermost is the problem of inequity in income distribution. While there is no definitive data on income distribution the best estimates of the GOL are that 60% of the nation's income went to 4% of the population. Further it was estimated that while the average income for the urban

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*Indicative Manpower Plan of Liberia - Page 26

population in 1973 was up to about $400 per annum, the average for the rural population was only $70.

Rural Development - More than 70% of Liberia's population live in rural areas and engage in subsistence level farming or other agriculture activities. The bulk of these farmers practice traditional "slash and burn" methods of upland rice production. Due to the lack of capital and training they have few, if any, options to improve their lot in life. As such this rural population constitutes both a liability and an asset to national development. Should the rising expectation of these rural citizens not be met over the next few years in a way which enables them to participate more fully in Liberia's development, there is the potential for complex social and political problems. However, with improved agricultural knowledge and practices these rural people constitute Liberia's greatest asset for long term and sustained development.

C. Priority Framework for Attacking Development Problems

Currently, the GOL has no National Development Plan. The most recent plan covered the period from 1967 through 1970, but it was never implemented. However, in 1972 the National Planning Council was reactivated and given the task of establishing economic development policies and priorities.

GOL Development Policies - At its first meeting held April 18, 1972 the National Planning Council agreed on the following development policies:

"i) Consolidation of economic progress made so far and maximizing the use of existing infrastructure and other facilities;

ii) Economic and financial self-reliance through intensive and judicious mobilization of domestic resources and skills, supplemented wherever necessary by foreign assistance;

iii) Balanced and sustained economic progress of all parts of the country and all people through integrated rural and urban regional development programmes in order to accelerate agricultural based rural development, and small-scale industries;

iv) Systematic development of programmes for increasing knowledge and skills of Liberians through quality education and human resources development, as well as preferential encouragement of local entrepreneurship;

v) Systematic development and scientific utilization of natural resources through geological, cadastral and other surveys and censuses and the application of science and technology to development.

vi) Re-affirming the Open Door Policy and incentives to investors, encourage, invite and attract foreign investments which are compatible and consistent with our national goals and reiterating our faith in free enterprise, reassure foreign interests and no nationalization of industries in any form is envisaged;

vii) Ensure that the legitimate interests of the workers are protected by more responsible union leadership and more responsive management attitudes, as well as ensure compliance of both sides with Agreements freely entered into;

viii) Promote mutual cooperation to the fullest extent with neighbouring African countries in order to increase each other's economic potential, diversify trade, and raise the living standards of the people of all countries; and

ix) Strengthening existing institutions concerned with development planning and implementation, and establish new institutional machinery, where necessary, to build up economic programmes and development activities in the several sectors to be included, in due course, in the national medium-term plan."

To date these policy statements constitute the only criteria to evaluate present development planning and implementation.

<u>GOL Development Priorities</u> - Also at its first meeting, the National Planning Council established the following development priorities which form the basis of all current development planning.

1. Integrated rural development through balanced regional planning and growth in the sectors of (a) agriculture, (b) education, (c) health, and (d) transportation and communication.

2. Orderly slum clearance.

3. Marked Improvement of Public Administration.

4. Increased creation of employment opoortunities.

Integrated Rural Development Strategy - The strategy envisages a multidisciplinary approach centered on economic and geographical growth poles in the region and stresses functional linkages between various sectors to achieve mutual reinforcement of their programmes of social and economic development. Pilot studies have already been initiated in selected regions (Lofa and Bong counties) to develop tentative regional development programmes which will be incorporated in a multi-annual comprehensive national development programme. These plans will also be reflected in the UNDP Country Programme. The ongoing projects with an integrated multi-disciplinary approach to rural development are being accorded priority by the Government and will be incorporated at the appropriate time in the regional and national development programmes.

In implementation of its policy of integrated rural development, the Government has decided to select, as a first phase, two hundred rural communities as models for further development throughout the country. These communities are seen not only as a base of agricultural production but also with all social services necessary to raise the quality of rural life, and as a centre of development initiative and self-help in the neighbouring areas. The selection of these communities is being guided by the following criteria to ensure optimum results:

1. Population of 500 or more: A public primary school up to grade six or above with 100 or more pupils with additional facilities to be used as a community centre.

2. Potential as growth pole: Preference will be given to communities serving areas with definite development potential, particularly in agriculture; and

3. Accessibility for development: Location within five miles off the main or link road.

The selected communities will be developed as growth poles for the neighbouring areas through an inter-disciplinary and inter-ministerial cooperation in conjunction with the County Superintendents and local farmers' associations or cooperatives to include, progressively and as the means are available, the following related, inter-linked and mutually supporting sectoral activities in approximate order of priority:

1. Community schools with facilities for basic crafts and home economics training as well as related services, including

   (a) health clinic,
   (b) safe water supply, and
   (c) school garden.

2. Farms adjoining or near the community schools for demonstration, training and/or production with a view to increasing agricultural production and diversification.

3. Facilities for distribution of farm inputs, collection points for produce marketing, centres for agricultural credit, and simple processing where feasible.

4. Farm-to-market roads.

5. Communications (postal services including saving banks, telegraph and telephone services, and radio).

6. Village housing and physical improvement.

7. Service and rural industries.

8. Rural electrification.

Recent Planning Efforts - The GOL is now engaged in a comprehensive effort to enhance its national development planning. It has established a Manpower Planning Division in the Ministry of Planning and Economic Affairs which completed the Indicative Manpower Plan of Liberia for the Period 1972-1982. Also in cooperation with the Institute of Public Administration, this Manpower Planning Division conducted a National Manpower Workshop in Monrovia September 25-27, 1974, the first ever held in Liberia. Thus, Liberia for the first time is attempting to utilize manpower planning as an integral part of its development strategy. The economic survey and the Manpower studies are not comprehensive and definitive due to the lack of basic data and analytical expertise. However, these efforts constitute not only a beginning but a very significant thrust that stands to usher in what could be a major change in development activities if properly implemented. The immediate target is to develop a multi-year National Development Plan by mid-1975 which will be based on long range draft plans from each sectoral ministry. These sectoral plans are now in preparation with a high priority on making them as comprehensive and detailed as possible and with a completion date by mid-1975.

The findings and recommendations reported in the Indicative Manpower Plan call for a massive effort in education. It indicates that the GOL must undertake large-scale investments in new schools, teacher training and technical and vocational education. To accomplish this it recognizes and advocates the need for significant increases in the national allocation of funds to education from its current meager share of only 12%.

The education priorities for Manpower development included in the Indicative Manpower Plan are summarized as follows:

1. A major reform of the Liberian education system is essential to determine clear educational goals and appropriate priorities. The leading objective of this reform should be the development of an effective and relevant nation-wide system of primary education with a focus on basic education that is designed not only to create a literate society but to increase, the stock and quality of the nation's manpower base.

2. Of equal importance is the need to launch a long-term program for building more technical/vocational schools and facilities as a vital part of the secondary school system. This manpower training should be planned and conducted in close cooperation and coordination with industry.

3. In addition to building new technical/vocational schools, the existing facilities of the Booker Washington Institute (BWI) at Kakata should be revitalized. The GOL should make BWI a terminal school in practical skills and grant it financial autonomy.

4. The GOL must recognize the importance of agricultural education and provide adequate financial and executive support for the community school program.

5. University education in the next decade must not be expanded beyond that which is planned and that for which financing has already been arranged.

6. It is recommended that a National Training Board for Liberia be created, as soon as possible, to serve as the central body in the field of Manpower and Industrial Training outside the formal school system. This board should have the authority to impose a moderate rate of training levy on employers and use the funds that are collected for the exclusive use of financing approved training programs in industry, both long-term and apprentice.

USAID Development Targets - USAID/L currently provides assistance to two of the GOL development priorities: Priority One - Integrated Rural Development and Priority Three - Public Administration. Assistance to Rural Development focuses primarily on agriculture although this assistance is also directed at eliminating two additional constraints to rural development namely, transportation and health.

USAID/L also provides assistance to another GOL priority in Public Administration. The target is to assist the GOL in upgrading the skills of its administrators and to develop an effective Civil Service System. A detailed description of USAID/L assistance in Public Administration and Integrated Rural Development is provided in the 1976 FBS.

II. Linkages Between Priority Development Problems and the Output Structure of the Educational System.

A. Profile of Liberia's Formal Education System

Liberian schools are operated by the GOL, various religious organizations (Missions) and foreign concessions. In 1972 there were 656 public, 140 mission and 101 concession and other private elementary schools or a total of 897 elementary schools in the nation. The same year there were a total of 224 secondary schools 94 of which were public, 81 mission and 49 other secondary level schools. Thus, of the total of 1,121 schools in 1972, 750 were public and 371 mission or concession schools.

Education in Liberia is characterized by highly centralized administration and supervision. The GOL/MOE is directly responsible for the employment and salaries of all public school teachers,

the curricula, examination and certification of all students and schools and the finance of all public schools except for para-medical training and university level education. The following is a brief description of the educational system.

GOL Laws Governing Education*- The major legal texts presently in force which govern education are:

1. Nomenclature. The change from a Bureau of Education to a Department of Public Instruction in 1912, to a Department of Education in 1963 and to a Ministry of Education in 1972. This law provides for a cabinet minister to have control of all education - public and private - throughout the Republic. He nominates and the President appoints officials to assist the Minister of Education.

2. Compulsory Education Laws of 1912, 1937, 1955 and 1959. These laws made education compulsory for all children between the ages of 6 and 16, for 5 hours a day five days a week for 180 days a year, with a penalty attached for parents and guardians who prevent children, of ages indicated, from attending school.

3. Prescribed Curriculum and Textbooks. The law requires all schools, public and private, to use books prescribed by the Ministry of Education and to follow the courses of study provided by the Government.

4. Supervision. Laws passed in 1912, 1937 and 1955 provide for inspection and supervision of schools in each area of the country by officials of the Ministry of Education.

5. Organization of the Education System. The latest law, passed in 1960, changed the school system from 8-4 (eight years of elementary education and four years of secondary education) to 6-3-3 (six years of elementary school, three years junior high school and three years of senior high school). College or university education is four years beyond secondary school. Kindergarten or pre-school education is of two years duration for children ages four and five.

6. Permission to Teach. Laws passed in 1937 and 1956 require all teachers to meet specific requirements of the Ministry of Education before receiving a certificate or license to teach. A revised proposal provides for the following certificates: Grade A, for university degree holders; Grade B, for teachers

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*Copied from Highlights on Liberia and Its Educational System Pages 19-20.

who have completed at least two years of university training but did not obtain a degree, and Grade C, for secondary school graduates. All grades of certificate require a certain amount of professional training.

Educational Levels and Administration - The Liberian educational system is structured into the following levels, namely: pre-school, elementary, secondary, and university.

1. The Pre-School Level - consists of nursery school for children ages 2-3 and kindergarten of two years duration for the four and five-year olds. Pre-schools are found mostly in urban areas. Also classified as pre-schools are classes of pupils who enter school without a knowledge of English, the medium of instruction. Such pupils remain in pre-school classes until they have acquired enough knowledge of the language to be benefitted from first grade instruction. Duration may vary from 1-3 years.

   Because of Government's legal commitment to provide universal education to all school-age children, and considering that less than 40% of the school-age population is presently in school, Government cannot assure total responsibility for pre-school education. However, it encourages the establishment and operation of such schools as much as possible by private agencies because of their social and economic value to national development.

2. The Elementary Level - which is of a six-year duration, theoretically begins with age 6. Education at this level in all types of schools (public, mission, and other - including concession and tribal) is co-educational, except in a few Roman Catholic Schools.

   Emphasis at the elementary level is on general education, involving language arts, mathematics, social studies, science, physical education and health, and in some schools, arts and crafts. To complete the elementary course of study, a grade six pupil is expected to pass both the school work and the national examination - the school work counts 75% and the national examination 25%. Students in grades 1-5 gain promotion by successful completion of the school work only.

3. Secondary Level - The secondary level is sub-divided into two stages of three years duration each. They are: (a) the junior high school, which includes grades 7-9 and in theory takes care of students ages 12-14, provides general education; (b) the senior high school, which covers grades 10-12 and theoretically caters to the 15-17-year olds, provides a diversified education in three streams-academic, vocational/technical and teacher training.

   Selection procedure for entry into the junior senior high schools is based on successful completion of the terminal grade at the elementary and the terminal grade at the low secondary levels, respectively. That is, at both levels, a student is required to pass in school work and the National Examination and

obtain a combined average of 65%. Promotion in other classes of the secondary level is based upon the combined results of daily class recitation, six-week marking period tests and the semester examinations, all administered by the class teacher.

4. Teacher Education (Secondary Level). The teacher training program at this level is of three-year duration, after the completion of the junior high school.

There are two rural teacher training institutes, both of which are operated by the Government. They are the Kakata Rural Teacher Training Institute (KRTTI) located at Kakata, Montserrado County and the Zorzor Teacher Training Institute (ZRTTI) in Zorzor, Lofa County.

The Teacher Training Institutes are boarding schools. Textbooks, teaching materials and tuition are provided free of cost, and each student is given a small stipend monthly for personal effects.

Selection procedures for entry to either of the Rural Teacher Training Institute is determined by achievement and aptitude testing. Promotion is determined by completion of the required course of study; the National Examination is not mandatory.

5. Vocational Education. Vocational education in the primary schools of Liberia is chiefly arts and crafts. Few schools offer home economics for girls and practical arts for boys, but these are not required at this level.

There are three vocational schools at the secondary levels. All admit students after junior high school completion. They are: (1) Booker Washington Institute (BWI) with eleven fields of specialization; (2) the Liberian-Swedish Vocational Training Center (LSVTC) in Nimba County with five areas of specialization plus practical training given at the LAMCO Mining Company's facilities; (3) the Bong Mine Vocational Center, where only skilled workers needed by Bong Mining Company are trained. It is a private institute operated by the Bong Mining Company.

Only BWI, of these three schools, is co-educational and has a duration of four years, (grades 9-12). It is operated solely by the Liberian Government.

The Liberian-Swedish Vocational Training Center was organized as a joint venture of the Governments of Liberia and Sweden in 1964. It came entirely under the Liberian Government in December 1971. It is controlled by a Board of Directors consisting of representatives from the LAMCO Concession, various Government Ministries, the Swedish Embassy and other agencies.

Selection procedure and promotion in these schools are the same as those of the teacher training institutions - aptitude testing and student achievement in school.

6. Administration - of Elementary and Secondary Schools. All elementary and secondary schools are headed by principals except the teacher training institutes which are headed by Directors. The principals of public schools have no authority to appoint, promote or dismiss school personnel; they can only recommend such actions to the Minister of Education through their school supervisor, who alone has the power to employ, promote or dismiss. In the case of non-public schools, such administrative matters are usually handled by a Board of Directors.

The academic year for Liberian schools at all levels and types commences from about mid-February and runs to mid-December. There are two semesters in the school year. In the case of the elementary and secondary schools, each semester consists of three six-week marking periods. The actual number of teaching days in the year is 180. There are 25 teaching periods of 45 minutes each per week. Courses which involve laboratory or workshops, like science and practical subjects, are held in double sessions of 90 minutes.

7. Post Secondary Level. The university level consists of several types of programs. First are the four-year courses leading to the bachelor's degree in science, liberal arts, education, forestry, agriculture, economics, business education, public administration and nursing. The bachelor's degree is also offered in law at the University of Liberia, but requires three to five years, depending on the stage of entry. For students who have completed two years of college, five years additional is required while for college graduates only three years is required. There are shorter courses of two and three years's education leading to certificate in extra mural studies at the University of Liberia.

The two existing institutions of higher learning are co-educational. The University of Liberia and Cuttington College are each governed by a Board of Trustees, with the president of the institution serving as the executive officer of the Board. He and his administrative staff plan and execute a program of work which is approved by the Board of Trustees. Personnel appointments, study programs, financial responsibility admission of students and examinations are made and controlled by the President, administrative staff and the faculty of each college, with the approval of the Board of Trustees.

The academic year for the institutions of higher education runs from March to December. There are two semesters of 16½ weeks of instruction and 25-30 teaching periods a week. The normal teaching load of an instructor is 15 hours per week and class periods are one hour, except for laboratory periods which are 1½ to 3 hours in length.

Entrance examinations are administered annually to students who have satisfactorily completed the senior high schools.

Successful candidates are admitted, provided they meet other requirements in health and character. Promotion is made on the basis of evaluation by the instructor in each course. Examinations are prepared and administered by professors and other teaching personnel. For graduation, students must successfully complete 128-151 semester hours with a minimum grade of C. For the LLB Degree, 196 semester hours are required.

Educational Enrollments - During the period from 1970 through 1973 there was a spiraling enrollment increase of 24% in elementary schools and 54% increase in secondary schools. Elementary enrollments increased from 120,245 in 1970 to 148,730 in 1973. Junior High enrollments raised from 11,572 in 1970 to 16,480 in 1973. Senior High enrollments almost doubled from the 1970 level of 3,922 to that of 7,420 in 1973. However, this rapid expansion of enrollments was not matched by a corresponding increase in school construction and teacher supply with the result that the schools are now even more overcrowded and understaffed than ever before. The teacher/student ratios rose from 1 - 36 in 1970 to 1 - 40 in 1973 in elementary schools and increased from 1 - 17 to 1 - 20 in secondary schools.

The GOL projections for the rate of school enrollment increases during 1972-1982 are indicated below. However, they reflect a "rule of thumb" escalation rate of about 6-7% annually in the absence of a plan to control or influence these increases:

Level or Specialization	1972	1982
1. Elementary (Pre-first and Grades 1-6)	139,045	269,000
2. Junior High (7-9)	15,169	28,610
3. Senior High (10-12)	6,242	14,690
4. Technical/Vocational	908	920
5. Teacher Training	305	750

Higher education enrollments increased from 1,393 in 1972 to 1,713 - a rise of 23% as compared to 16% from 1971 to 1972. The University of Liberia accounted for 81.6% and Cuttington College 18.4%. Graduates by area of discipline from these two schools during 1969-1973 are as follows:*

Area of Discipline	1969	1970	1971	1972	1973	Total
1. Liberial/Fine Arts	58	71	85	72	64	350
2. Natural S ience	12	17	9	20	32	90
3. Education	20	43	19	12	20	114
4. Agriculture/Forestry	7	10	12	9	11	49
5. Business/Pub. Admn.	-	-	1	31	23	55
6. Law	16	9	4	4	5	38
7. Medicine	-	-	-	-	4	4
8. Nursing	3	6	5	5	4	23
TOTAL	116	156	135	153	163	723

Education Outputs

The output projections per annum for secondary education by level or specialization in 1982 as compared to 1972 is as follows:

Level or Specialization	1972	1982
1. Senior High (Gen. Ed.)	1,322	3,408
2. Technical/Vocational	131	200
3. Teacher Training	35	130
Total	1,488	3,738

*As shown in Economic Survey of Liberia 1973 - Page 114

Education Financing

In 1974 Liberia allocated 12% of its National Budget for education or $11.3 million to education from a total National Budget of $96 million. A comparison of allocations to education as a percent of the national budget during 1970-1974 are as follows:

GOL Financing	Millions of Dollars (U.S.) 1970	1971	1972	1973	1974
1. National Budget	$65.2	$71.2	$81.6	$83.0	$96.0
2. Ministry of Education	6.3	7.4	8.4	8.2	8.9
3. University of Liberia	1.4	1.5	1.4	2.1	2.4
4. Total Education	7.7	8.9	9.8	10.3	11.3
5. 4 as % of 1	11.8%	12.5%	12.0%	12.5%	12.0%

The above table indicates a steady and substantial increase in the education budget. However, what is not shown is the fact that increases in enrollment have more than offset these increases in budget.

B. Other Education Activities

There are significant numbers and wide varieties of activities going on throughout Liberia that may be classified either directly or indirectly as education activities but which fall outside the main stream of the formal education system. Most of them are included in the categories of: (1) traditional education, (2) adult education, and (3) youth education activities. Although there is very little information available on this scatteration of activities, the following is a brief description based on the information available.

Traditional Education - The youth of Liberia's indigenous population depend upon tribal "Bush Schools" for their formal education.

This tribal educational system is very secretive thus little information is available to those outside the tribal society. It is known that this tribal school system includes a Poro school for boys and a Sandi school for girls between the ages of approximately 3-12. Tribal boys and girls may stay in the school from 3-6 years during which time they are away from their parents with only occasional visits back to their village. The schools are headed and administered by tribal officials. Students are taught the necessary skills and insights in farming, social behavior, marriage/parenthood, child care and other educational needs required for effective participation and perpetuation of tribal life.

While the scope and influence of these tribal schools may be declining, these schools still constitute the only education received by the bulk of Liberian youth. While Liberian law requires youths to attend modern schools, the law does not prohibit them from attending the tribal schools.

Adult Education Activities - In 1962 a survey of adult education and other education activities not included in Liberian formal education system was conducted by the GOL/MOE with assistance from USAID/Liberia. The report of this survey was later published in 1964 by Dr. Robert M. Smith, Adult Education Professor from the Bureau of Studies in Adult Education at Indiana University. Dr. Smith served as the USAID/Liberia Adult Education area advisor and assigned to the RAD program at Gbarnga during 1961-1963. Unfortunately, USAID/Liberia does not have access to this report which has been out of print for several years.

USAID/Liberia is aware that the report identified a large number of Informal Adult Education Activities conducted by the Missions, concessions and other private groups with special interests in Liberia. The total costs of these programs ran well over one million dollars yearly. Enrollments were in the thousands and the MOE exercised little or no control or supervision over these programs. A large portion of these activities consisted of literacy classes, health education and non-formal groups focusing on agriculture and community development activities. Considerable duplication and overlapping was observed along with many problems relating to the lack of guidance, coordination, supervision, trained teachers and effective leadership.

The impact of the report was the identification of this rather large educational activity as a real potential for training Liberians at the grass roots level. Unfortunately, the GOL has done little in its MOE or other ministries to coordinate these activities or to harness them as resources for its development programs.

The MOE currently is continuing its Adult Education Division but it is weak and generally unable to provide the leadership and resources required to meet the many basic educational needs of the adult population in Liberia. However, in the Integrated Rural Development Program there is provision for some adult education activities as a part of the community education program designed for the 200 growth-pole communities. It is doubtful that the emphasis and resources will be sufficient for more than a token impact.

Youth Education Activities - The Ministry of Labor, Youth and Sports is completing its third year of operations. During this short period it has become involved in the following training activities for youth and young adults.

1. Agriculture training for 20-youth at the Harrisburg Youth Camp.
2. Basic crafts training at the Klay Center for 78-youth.
3. Counselling and Guidance testing program for 31-youth.

More importantly the function of the Basic Crafts, Vocational and Technical Division of the Ministry of Education created in 1960, was transferred to the Ministry of Labor, Youth and Sports in 1972. This Ministry is now charged with the responsibility for the crafts training programs at the Klay Center and in several schools and centers in the rural areas as well as the BWI vocational and technical training program at the secondary level. In so doing, this ministry now has a substantial role in manpower development.

One of its new programs is the training of 20 young Liberian farmers in improved agricultural practices. Following a brief training program the Ministry has arranged for these future farmers to return to selected areas where they will be provided with a five-acre plot which will be deeded to them for their permanent use. They will focus on the production of cash crops mainly vegetables. Assistance by the Ministry will be provided in marketing their produce if necessary. Their small test program should have signigicant implications for the community school component of the Integrated Rural Development Program.

III. Reconciliation Between the Major Development Problems and the Overall Human Resource Development Activities.

Liberia's educational system has grown in scope and size at a remarkably rapid pace during the last two decades. However, like its economy, the nation's educational system is greatly dependent upon foreign capital and staff. Also the nature and scope of the educational system has not kept pace with the rapidly changing world and has not redirected its programs toward the nation's development problems and needs. However, Liberia's officials at all levels and in all government agencies are beginning to show an increased understanding of the education/human resource problems it faces, if indeed, the nation is to involve its total citizenry in the benefits of modernization. Furthermore, these officials, and the agencies they serve, are demonstrating at least at the planning level, the desire to improve and expand the nation's educational system. The following is the USAID's best assessment of the current educational system in Liberia, its problems and its plans for the future. This assessment is based primarily on available information from the MOE, the UNDP, the IBRD, and USAID experience gained through past assistance to the Education sector.

A. Assessment of the Current Educational System

The current philosophy and methodology of Liberian education has been transported from Europe and America. While Liberia was never subjected to colonialization it has purposely or inadvertently developed a system that is not its own. For this reason the system is notable for its inherent imbalance and internal inefficiencies.

Inherent Imbalance - Liberia's educational system is highly academic and designed for the most part to prepare students for further education. While during the past decade its MOE has made attempts to add

practical arts and skills, as well as vocational courses in some schools at some levels, the system itself remains unchanged. It still retains an improper balance toward classical subjects and disciplines to the almost exclusion of systematic training and experience in the predominately rural-agricultural environment which is characteristic of more than 70% of the nation's population. A curriculum revision was made by the MOE in the early 1960s with assistance from AID but the revision was not thorough and the MOE adopted a large number of foreign texts for use in the instructional program in its schools.

Internal Inefficiencies - Considering the fact that Liberian education is faced with formidable challenges in terms of inadequate financing, a rural population with many different dialects and sub-cultures, vast distances with few all weather roads, inadequate and untrained staff and teachers for the most part, coupled with inordinately low teacher salaries, one would expect problems and inefficiencies. Liberia's educational system has its share. The following are some of its major weaknesses.

Uppermost is the inadequacy of Educational Administration and supervision at the national level and a corresponding deficiency of school administration at the county and district levels. Many of the principals and supervisors of schools trained by AID and in other programs during the 1960's have either moved up or out leaving the rural school program with a serious deficit in good local school administration.

The rapid turnover of the system's teaching force due mainly to teachers entering other employment with higher salaries, together with the rapid and uncontrolled enrollment increases at all levels is

presently a serious crisis in the teaching force.

It is not surprising that the holding power of Liberian schools is extremely low and particularly so at the elementary level. In a recent study conducted by the MOE statistical department it was determined that out of 1,000 Liberian students in the pre-first grade (kindergarten), only 261 reached the 6th grade and this number entering the 6th grade, only 183 were successful in passing the national examination for that grade. Considering the fact that the MOE sets grade six as the grade level required for functional literacy, this relatively low holding power of only 18%, renders the bulk of the more than 30% of the Education Budget allocated to elementary education as containing critical wastages at this level. The holding power of secondary schools is much better but still low constituting additional wastage. Out of 1,000 students entering secondary school at grade 7, only 543 reached grade 12. The national examination pass rate for grade 12 is 80%.

Per pupil costs are rather significant when viewed in terms of the above holding power. The annual costs per pupil for elementary schools in 1972 was $18, and in secondary schools it was $84. The costs per pupil in the teacher training institutes was above $1,000 at Kakata and just below this amount for Zorzor. For vocational education the costs per pupil were $1,500 at LSUTC, $464 at BWI and technical teacher training costs per pupil were $2,500 per annum. Per pupil costs at the University of Liberia increased from $1,439 yearly in 1971 to $2,659 yearly in 1973 with the total estimated costs per graduate going from $12,551 in 1971 to $17,910 in 1973.

A comparison of budgetary allocations to various levels of education indicates problems of appropriate utilization of scarce

funds. For example, the largest share (25%) of the Education Budget went to elementary education which had 88% of all school enrollments. However, the University of Liberia which had only 1.2% of all school enrollments received (with a small subsidy to Cuttington College) 21.6% of the Education Budget. If the costs of the foreign scholarship program are added to that of the University of Liberia, then the percentage allocated to Higher Education becomes an astounding 32% of the total education budget. Given the fact that a high percent of foreign scholarship students do not return to contribute to Liberia's development there is much to be desired in terms of fundamental equity in the system.

B. Possible Gaps in the Liberian Educational System

The MOE has, at least on paper, a program for a full range of education activities normally included in a well conceived educational system. While this coverage is broad in terms of number of programs, many of the programs are quite thin and on paper only. Thus, with perhaps only a few minor exceptions, the entire educational waterfront is covered. The fact that the GOL/MOE has so many programs and activities is both a strength and a weakness. It is a strength in terms of having problems and need areas identified but is a weakness in that the scarce and limited MOE budgetary and human resources are spread so thin that all of its programs suffer from the need of adequate support.

Consequently, pending the completion of the MOE long range Educational Plan, USAID considers the following as only "possible gaps" in the current educational system.

Non-Formal Education - While there is considerable rhetoric in the GOL regarding the need for a focus in non-formal education, no

adequate assessment of the matter has been made to date. One area is to include some experimental activities for youth and adults using non-formal methods to form an integral part of the community school portion of the Integrated Rural Development Program. Substantial research should be incorporated as part of the pilot activity to determine precise needs and appropriate programs. Also, a part of the problem is the training and upgrading of vocational skills and the in-service training of elementary teachers should be attempted by non-formal education methods.

Technical/Vocational Education - The MOE, the IBRD/IDA and the UNDP are all aware of the need for a significant shift to more vocational training in Liberia's school system. However, given the problems to be faced and the urgency to move forward, it is likely that plans will be hastily prepared and the resources both financial and human will not likely be available in sufficient supply to cope with this looming problem.

Elementary Teacher Training - According to the IBRD/IDA, even with the anticipated extensions of Liberia's two teacher training institutes at Kakata and Zorzor, it will be impossible to cover Liberia's needs for elementary teachers in the foreseeable future. The IBRD/IDA has suggested the use of radio, correspondence courses and/or programmed learning to supplement the work of the two teacher training colleges. They further suggested the need for additional research and indicated firm interest in assisting the GOL in this area.

C. Current Planning for Future Education

Long-Range Educational Planning

Under a World Bank Loan, UNESCO is assisting the MOE in the develop-

ment of long-range educational plans to cover a 3-4 year implementation period. As a part of this planning effort the MOE conducted a "Consultative Conference on Educational Policy and Planning" in Monrovia September 19-20, 1974. A wide range of persons numbering between one and two hundred, representing the MOE, other ministries, industry, churches, and other agencies and organizations came to participate in the Conference. The purpose of the conference was: (1) to achieve a deeper awareness and understanding of the issues in education by all concerned; (2) a clarification of certain issues essential to national development; and (3) the formulation of useful recommendations regarding goals, directions and policy discussions as a firm basis for decision making by responsible GOL authorities and upon which the proposed long range educational plan can be constructed.

The sessions of the Conference were built around an extensive list of key issues and policy questions prepared by the MOE. The MOE Bureau of Planning and Research prepared background papers that were used as resource material for conference participants. Also, the MOE prepared seven papers which stated the official MOE views on: (1) Basic Education; (2) Secondary General Education; (3) Technical/Vocational Education; (4) Teacher Training; (5) Educational Materials and Technology; (6) School Buildings and Grounds, Furniture and Equipment; and (7) Educational Organization, Management and Finance.

The Report for the Conference are not available and has not been released to date. However, a review of the background papers and the Conference agenda would appear to constitute a rather significant addressing of relevant issues, needs and problems. This conference

was a significant step in the direction of serious long-range educational planning, perhaps the most serious attempt thus far.

Suggestions for Improving the Educational System in Liberia -

A review of the background papers and MOE policy issues is not included here due to the fact that they have been revised as a result of the Conference and the revisions to be included in the Conference report are not available to the USAID. However, it is likely that many if not all of the following suggestions for improving the educational system will be included in the conference report and perhaps in the educational plan when completed.

1. Liberia's educational system should adopt and implement educational objectives, goals and targets that address the nation's crucial development problems. There should be an immediate shift away from the predominately general academic curriculum. Basic education should be offered at the elementary level, vocational options at the secondary level and action research and studies in a development oriented curriculum should be provided at the higher education level.
2. Liberia should construct a completely new curriculum for its schools at all levels. This curriculum should not just include courses in agriculture, vocational education, practical arts and skills at various levels. Rather it should incorporate agricultural, rural and vocational insights and understandings as a vital focus in all courses of study. Student learning experiences should be undergirded with a positive attitude toward manual labor and individual responsibility.

   This curriculum reform should include an adequate program which will assure the effective preparation, publication, pro-

duction (printing) distribution and utilization (teacher training) of sufficient copies of low cost texts and materials which will be delivered to schools in a timely fashion each year. The program should include training for a sufficient cadre of Liberians to staff the curriculum unit and to enable continual curriculum revision as needed.

3. The MOE should take immediate steps to reduce the serious wastage in elementary education incurred through an increasingly low elementary school holding-power.

4. Measures should be taken rapidly to curtail the uncontrolled increases in school enrollments at all levels and proliferation of new schools all over the country. To allow continuation of current increase will further complicate and postpone a rationale plan for Liberianization of the nation's teacher force, add increased burdens to an already over extended educational budget and further jeopardize attempts to improve the quality of education in Liberia.

5. As a top priority the MOE and other ministries, industries and private groups, should join forces in upgrading the quality and increasing the quantity of outputs from BWI and its other technical training facilities. The program should be job-oriented with the staff of each vocational and technical school maintaining a close liaison with industry and other employers.

6. The GOL should find a way to increase allocations to education. Liberia's education budget which accounts for only 12% of its national budget is very meager when compared to other African countries, the bulk of which make a 20% allocation to education. As a result, Liberia's education budget is woefully inadequate

to meet its current and future needs. It would appear that the current budget will have to be doubled to meet its needs over the next few years.

7. Another matter of high priority is the salary scale for Liberian teachers. Unless MOE teachers salaries are raised sufficiently to be competitive with other employment opportunities, its scarce but growing supply of qualified teachers will be dimished.

8. The MOE should not only require its staff to make systematic visits to schools outside of Monrovia but it should provide ample resources in transportation and per diem for them to do so. The Monrovia syndrome is a real impediment to good morale and increased motivation or rural school officials and students. Radical measures at the highest levels of the GOL should be taken, if necessary, to enable the MOE to become more directly involved with its schools through personal supervisory visits.

IV. Other Donor Assistance to Liberian Education and the Nature of On-Going Coordination.

A. UNDP Inputs to Integrated Rural Development - Approximately two-thirds of UNDP assistance available for its proposed planned period of 1975-1977 are committed to the multi-sectoral strategy in Integrated Rural Development. Two of the projects directly focus on education, they are "Community Schools Program for Integrated Rural Education and Community Development" and "Rural Primary Teacher Training Institute."

B. Other Donor Assistance to the Education/Human Resource Sector

Related activities of multilateral and bilateral donors to the integrated rural/regional development effort are the following:

Project Title	Executing Agency	Financing Agency	National Cooperating Agency
Manpower Planning Unit (4.5 man-years)	ILO	IDA	Min. of Planning & Economic Affairs
Education Planning Unit (7 man-years)	UNESCO	IDA	Min. of Education
University Planning Unit (7.5 man-years)	UNESCO	IDA	Univ. of Liberia
School Feeding & Construction	CARE	CARE	Min. of Education
3 Volunteers for Rural Teacher Training Project	UK	UK	Min. of Education
Volunteers supporting LIR/73/009 & 015	U.S. Peace Corps	USPC	Min. of Education

C. World Bank Education Projects

The IDA began its first project in Education on March 30, 1972 with the approval of a $7.2 million credit. The project is designed to help the GOL reshape its education sector. The GOL contribution is $2.4 million yielding a $9.6 million total project expenditure. Implementation of the project is being conducted by a newly established unit in the MOE headed by a highly qualified Liberian. This project unit includes an advisor, an architect and an equipment procurement specialist.

The project has an expected completion date of January 1978 and consists of the following components:

1. The construction, furnishing and equipping of:

   (a) two multi-lateral high schools - one in Voinjama and one in Zwedru with 600 student places, 150 boarding spaces and ten staff house units in each facility. Technical assistance (14 man-years) will be provided by six UNESCO specialist who will assist in the development of the educational program for the two schools. The schools

will provide for a general curriculum for students in grades 10-12 with aptitudes in areas of science/academic, agriculture and general mechanics. Participant training for each principal will be provided.

(b) one new College of Agriculture and Forestry consisting of 200 student places, 200 boarding spaces and 30 staff house units. This new facility will be a part of the University of Liberia and located at Bendell. No technical assistance or participant training will be provided under the loan.

(c) one new Demonstration School - to be located at Kakata to form a part of the teacher training program at the Kakata Teacher Training Institute. The school will include 240 student places and 2 staff housing units.

2. The conversion and/or extension and the supplemental furnishing and equipping of one elementary teacher training institute at Kakata. Project plans include 175 additional student places, 160 additional boarding spaces and 14 staff housing units.

3. The supplemental equipping of:

(a) one Secondary Science Teacher Training College - to implement an improved science teacher training program for junior and senior high school teachers.

(b) A Vocational Training Center - at LSUTC designed to provide 18 technical education teachers and a technical teacher training program at the William V. S. Tubman High School in Monrovia. The project provides 6 man-years of technical assistance for 2 specialists primarily at the Tubman High School.

In addition to the above, the project provides technical assistance in Manpower Planning (4.5 man-years), Educational Planning (7 man-years), University Planning (7.5 man-years) and Project Management (18 man-years). Participant training is provided for counterparts in Educational Planning (5 man-years for 5 Liberians) and 2 man-years for the two Liberian principals of the Voinjama and Zwedru multi-lateral high schools.

In April 1974 the IBRD/IDA sent a three-member reconnisance team to Liberia for discussions concerning a possible second education project. Following the visit the, MOE prepared a two-page request entitled "Gaps and Priorities in Education" and forwarded it to the IBRD/IDA for consideration. Rather than consisting of a precise assessment of need, the list requested assistance in nearly every area and level of the education sector. However, it did refine the list to those which the MOE considered basic for discussion as follows: (a) Elementary Education - strengthening the Zorzor Teacher Training Institute and additional school construction; (b) Secondary Education - the construction of 3 additional multi-lateral High Schools, strengthening teacher training facilities including specialist training and technical assistance for curriculum and textbooks development; (c) Vocational/Technical Education - the establishment of an urban vocational Education Center, the establishment of post secondary technical training and the institutionalization of technical teacher training; (d) Construction of a junior college at a suitable location; (e) Administrative infrastructure - strengthening project evaluation, strengthening the school building office and improving personnel administration.

In response to this MOE request the IBRD identified the following areas of interest for a possible second education project: (a) Rationalization of elementary teacher training utilizing radio and/or other modern technology; (b) construction of laboratories and workshops to broaden curricula at existing secondary schools; (c) Establishment of an educational facilities office; (d) assistance in establishing a skills upgrading center together with necessary administrative arrangements to ensure employer participation and the construction and/or equipping of new or the improvement of existing institutions in the areas of technical education, vocational training and rural para-medical training; (e) technical assistance for educational management and action oriented research and support for the training of educational administrators at Cuttington College, and (f) the training of forestry personnel.

The IBRD/IDA response defers further judgement on the nature and content of the possible second education project pending the completion of the MOE long-term education plan to be completed by early 1975. The letter also expresses the intent to conduct a pre-appraisal mission of the proposed second education project in January or February 1975 or after the completion of the MOE long term plan.

D. U. S. Peace Corps Assistance to Education

Education continues to be Peace Corps/Liberia's largest program. In 1974 there were 350 volunteers in Liberia and approximately 140 were teaching in classrooms and/or performing other education-related professional duties. Of this number there were about 115 serving in the rural areas. While classroom teaching has been the largest

single activity in terms of number of volunteers, the emphasis in the future will shift from teaching to teacher training, vocational technical and physical education.

Current Programs - In 1974 there were approximately 105 PCV's teaching in Liberia's secondary schools including 30 math teachers, 30 teachers in science, 30 in language arts and 15 teaching French. There were 13 PCV's assigned to higher education. Of the four teaching at the University of Liberia, one was teaching law, two teaching math, and three were teaching science and math. Nine volunteers were assigned to Cuttington College with six teaching in science and math, one in economics and one each in the areas of language, arts and history. Eight volunteers were provided to the MOE Central Office in Monrovia, one of which went to testing, two to planning and research, one to math and science curriculum development, 1 each to arts/crafts and auto/electrical mechanics and two to home economics development. Four PCV's were assigned to the Zorzor Teacher Training Institute to assist in the training of teachers in science education and community development.

Formerly Peace Corps had large numbers of volunteers assigned to the Mobile In-Service and Pre-Service Primary Teacher Training Program but in 1974 there was only one PCV in this program. Also, the Peace Corps program called for ten volunteers to be assigned to B.W.I. in Dec. 1974 but the program had to be cancelled pending resolution of problems resulting in the closure of B.W.I.

Program Effectiveness - Peace Corps is providing a valuable contribution in the supply of trained teachers direly needed in Liberian schools. The effectiveness, or lack of effectiveness, of these PCV's is determined by many factors which are not related to their training

and experience and to a large extent out of their control. Uppermost is the presence or absence of textbooks and teaching materials for their students. Equally important is the presence or absence of a trained and effective school principal. It is quite common for Liberian schools to have neither an adequate supply of teaching materials nor a trained principal. In these instances the impact of a trained PCV is minimal. More importantly a trained Liberian teacher under these same circumstances will have limited effectiveness.

E. Donor Coordination

USAID/Liberia maintains effective relations with all donor organizations with resident representatives in Liberia. Liaison with UNDP has been excellent over the past several years. However, due to a lack of a resident representative of IBRD, the USAID frequently does not have effective liaison with them. There is no official GOL channels or initiatives to effect systematic donor coordination though the Ministry of Planning and Economic Affairs has responded favorably to the suggestion of the USAID Director that donor coordination meetings be held. The Minister held the first of these donor coordination meetings in early December.

V. An Examination of Relevant and Feasible Alternatives in Addressing Possible Inputs in Liberia's Education Sector.

While Liberia's Education System is in need of vast improvement in nearly all areas and levels, the system itself with improvements is needed and can be made more effective. Thus alternative considerations must focus on strengthening and perhaps reshaping the system in terms of direction and content. The following are some areas that warrant further AID consideration and possible future inputs pending the completion of the MOE long-range educational plan.

From Planning to Implementation -

A salient characteristic of Liberian Education is the development of many programs and plans which never really get off the ground. And when they do they are inadequately supported with minimal results and abandoned before sufficient time has been given to evaluate them. Others simply lie dormant on the shelf, with a program on paper only. AID and other donors should make sure that any possible future inputs are so designed as to strengthen the MOE capability to move from Plans to Implementation in a timely and orderly fashion.

De-centralized Educational System - Given recent initiatives in the area of Integrated Rural Development through Regional Coordination, the time may soon be right to assist the MOE in strengthening the county and district educational offices. The former USAID/L rural education project included a focus in this area and the results were encouraging. However, the GOL and other donors have not continued this emphasis and there has been a rapid turnover of trained personnel in these county and district educational offices leaving them with reduced effectiveness in many instances.

Complementary Activities in Non-Formal Education - Education activities using non-formal methods can and should play an increasing role particularly in addressing literacy, farmer education, community development and general adult education activities in the rural areas. However, care should be exercised to insure that possible future programs in this area are properly conceived and designed so as to include a precise assessment of actual educational needs, appropriate training of Liberians to conduct the programs and sufficient GOL commitment and resources to carry the programs forward on a continuing basis.

Educational Technology - The effective use of media in Liberia to enhance education is sorely needed. The MOE should make an in-depth analysis of the potential for Educational Radio/TV programmed learning, correspondence, etc. at the earliest possible date and seek donor assistance to develop programs.

VI. Plans and Possible Projects

Since the GOL/MOE Educational Plan has not been completed it is not possible to fully ascertain the full nature and extent of need which may warrant specific AID projects in the Education Sector at this time. USAID/L strategy in the Education/Human Resource Development area is to take the initiative in more collaborative style in insuring effective donor coordination and remain responsive to GOL needs in the areas which will not be met by donor assistance where the U.S. has unique expertise and coincide with AID emphasis on equity, the rural poor, non-formal education and educational technology will be given priority.

Possible areas for future AID projects are:

1. The development of an MOE and GOL national capability in non-formal education through a series of AID funded national workshops and seminars in non-formal education.
2. Rural School Administration and Supervision.
3. Strengthen MOE capability in Adult Fundamental Education with a focus on agricultural education and practical skills for adults.
4. Pilot research and possible follow-up projects form a component of the community school program to be conducted in 200 rural communities.
5. Train additional Liberians in the U.S. and/or Africa for the MOE and other ministries at the graduate level to fill key positions related to the thrust in integrated rural development.

VII. The Relationship of the Education Sector to Other Sectors of Priorities and/or Problems.

The education sector has direct linkages to the other sectors, agriculture, health, transport and communications, which comprise the GOL's integrated rural development strategy. In initially implementing this program the GOL has decided to focus on two hundred communities which will be developed into community centers with facilities for primary schools, health clinics, postal services, housing and farm-to-market road construction, demonstration farms, etc. These models of development clearly demonstrate the linkages existing between the various sectors, education, health, etc., as part of the total development package which the GOL is striving to achieve under its integrated rural development policy.

Education obviously affects the development of other sectors, whether it be agriculture, through teaching literacy to rural farmers so they might learn the value of applying pesticides to their crops, or in health, by providing villagers with the basic knowledge about the value of immunizations or proper sanitation. Liberia's policy of integrated rural development stresses functional linkages between various sector programs in order that they might complement each other as they strive for simultaneous social and economic development.

SHELTER SECTOR

ASSESSMENT

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and

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SHELTER SECTOR ASSESSMENT, LIBERIA

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SHELTER SECTOR ASSESSMENT

I. BACKGROUND

Prior to 1970 the GOL had no organization within its structure responsible for housing and Government was concerned over its growing population problem (3% annual growth and 9% in Monrovia) and the corresponding squatter settlements. In that year, the GOL with the assistance of the United Nations initiated steps to begin to meet this pressing problem. As part of this effort, the GOL established a National Housing Authority (NHA) in 1970, to which the UN provided a four-man technical assistance team. In 1972 legislation was passed creating a National Housing and Savings Bank (NHSB).

In 1971 the GOL requested A.I.D. to review the possibility of developing a Housing Investment Guaranty (HIG) program. Following a series of negotiations between A.I.D., the UNDP and the GOL, a $5 million HIG program was approved in June 1973. This project was designed to: 1) help develop the NHSB and NHA into viable housing institutions; and 2) to provide shelter for low and moderate income families. Unfortunately, the implementation of this project was delayed because of an inter-Ministry dispute regarding the selection of the housing sites, which also involved the UNDP and USAID. When the dispute reached an impasse, A.I.D., on September 25, 1974, cancelled the $5 million authorization it had reserved for the HIG program. Shortly thereafter, the Minister of Planning and Economic Development advised A.I.D. and UNDP that the problems causing the delays in implementing the program were being resolved. Accordingly, A.I.D. agreed to consider the development of a new HIG program. At the same time the UNDP has written a letter to the Minister outlining those conditions under which it would consider renewing its support in housing. No response to that letter has been received as of

December 31. USAID and UNDP are working closely together on this entire project.

After four years of the joint GOL/UN effort and 17 man years of technical assistance, the NHA exists as an organization having the basic foundation required to help the country meet its housing problem. However, because internal problems resulted in a heavy turnover of personnel and the withdrawal of the UNDP team, the NHA is not yet able to function independently. To correct this problem, the GOL is reorganizing the NHA and is in the process of negotiating with the UNDP for a new team of experts to help the NHA.

In addition to the problems with the NHA, the GOL has experienced delays in getting the National Housing and Savings Bank into operation. The Bank is now expected to begin operations in May of 1975 -- one full year later than scheduled.

II. DAP OBJECTIVES

The Mission will work with the GOL and the UNDP to help develop the NHA and NHSB into strong, viable institutions which can serve as the resource base for future GOL shelter programs. Such activities are consistent with the goals of AID's new shelter policy.1/ In addition, the Mission has made a policy decision to direct its shelter inputs to families of below median income. The Mission selected this income group as its target for the following reasons.

1. Low-income families have received less than their fair share of assistance from the Government and thus, without land or access to credit for construction loans, are forced to rent rooms or construct huts in rapidly spreading squatter areas.

1/ AID Policy Determination #55 dated October 22, 1974

2. The squatter population in Monrovia is multiplying at a rapid pace -- the annual growth rate in Monrovia is estimated at 9%. Translated into absolute terms this means that Monrovia, with a population of approximately 180,000 will increase to approximately 400,000 within ten years.

3. President Tolbert and senior officials of the Government have made numerous statements over the past three years emphasizing their strong interest and concern in developing a means for providing shelter for lower income families.

III. SHELTER AREAS

Studies in 1968-69 indicated that improved shelter was required for 10,000 families in Monrovia as well as an annual increase of 700 units per year to meet the needs of the 9% annual increase in the population. The basic shortage is now estimated at 12,000 units.

Housing construction during the past few years, except for the small NHA/UNDP project[1/] (94 units), has largely taken place in the private sector on an unregulated basis. Construction firms are producing housing only for the high income families. Housing for low and moderate income families is constructed, generally, by self-help means. Clearly, neither the public nor private sector are currently meeting the shelter needs of Monrovia.

In a report prepared by the UNDP housing team leader, he said that the country needed a minimum input of $7.5 million a year in the shelter sector. Of this amount, he suggested $4 million be provided by the private sector and the balance by the GOL. If the NHSB is successful in

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1/ The GOL/UNDP plan of operation (1970-74) provided for 300 low-cost housing units. To date, 72 have been completed in Sinkor and 22 in Gardnersville.

attracting savings and channeling this capital into the housing market, it may be possible to reach a private sector input of $4 million annually. Without the savings input of the bank, it is doubtful if the $4 million figure could be reached. Therefore, a GOL input of between $3 to $3.5 million annually is a minimum figure if the GOL wishes to begin to overcome its shelter problem.

IV. HOUSING SECTOR POLICY

The GOL has not yet developed plans for a national housing policy of the type currently being considered in a number of other developing countries. However, the GOL/UNDP project took steps to identify housing objectives. This is reflected in the following statement issued by the GOL during the "Third National Conference of Development Objectives and Strategy" held in Monrovia during March 12-16, 1973: "Regular allocation of resources for saving within the development framework of the country is necessary, as housing has an important role in the social sector. Over and above this, in developing countries, in view of its large employment potential, housing is recognized as an economic development tool. Considering the need and the availability of resources for economic development in Liberia, an investment of $3 to $3.5 million per year for housing in the public sector is considered as the minimum". Listed below are other significant objectives of the GOL outlined during the 1973 conference.

1. Private and public investment combined should be $7.5 million per year or 3% of adjusted GNP.
2. Land development and controls, establishment of land use and zoning controls, and taxation of vacant land within developed areas.
3. Activation of the NHSB (the NHSB is now scheduled to open in May of CY 1975).

4. Professional and vocational training in housing and construction.

5. Encouragement of the use of local materials and labor intensive production methods.

6. Establishment of a national building code.

7. Use in the public sector housing program of such cost reducing subsidy techniques as:

   a. Strandardized components

   b. Aided self-help

   c. Limited subsidies for GOL employees, slum dwellers and industrial workers. (Because of the GOL's limited resources, AID believes it would be more productive to eliminate subsidies.)

8. General production beginning in 1974 of:

   a. 500 sites and services

   b. 300 core houses

   c. 450 completed houses (as a result of the GOL/UNDP project, 94 were completed in CY 1974).

   d. 200 completions of private starts.

V. EMPLOYMENT

Traditional house construction provides a method of converting unskilled and underemployed workers over a period of a few years into semi-skilled and skilled workers who can meet the requirements in the urban market for labor in all categories of construction. It is a technique particularly valuable in countries which have problems of chronic unemployment and underemployment. The UNDP, in projecting the effects of a $2 million annual investment in low cost housing for conventional construction in Liberia, estimated that such a program would provide employment for approximately 1,300 workers, both skilled an unskilled. If the GOL can maintain a substantial shelter program, it will not only provide employ-

ment in construction, but also in the construction materials and allied industries, e.g., home furnishings.

VI. SHELTER INSTITUTIONS

The GOL's shelter program centers around two institutions.

1. The National Housing Authority (NHA). In March 1970 the NHA was established and given responsibility for planning, researching and regulating housing activities on behalf of the GOL. The NHA is looked upon as the implementing arm for any projects to be financed by HIG funds. The NHA had a limited, young professional staff which had been almost completely controlled by the UNDP housing team. With the departure of the team during the last quarter of CY 1974, a void was created which needs to be filled as soon as possible. The GOL and UNDP are now negotiating for a new housing team which will focus more on training counterparts. One of A.I.D.'s objectives during the DAP period is to join with the UNDP to help the NHA become an organization capable of developing and implementing a national housing program for the GOL.

2. The National Housing and Savings Bank (NHSB)

The NHSB is an independent, mixed public-private corporation, which was created by the National Housing and Savings Bank of Liberia Act of 1972, as approved on April 3, 1972. All voting stock must be held by the GOL. Its object and purpose, "shall be to provide the financing required to satisfy the housing and building need of the citizens of Liberia, including the making of long term loans for home ownership". In 1973 the directors were appointed and the chief executive officers selected. The NHSB is scheduled to become operative in May of CY 1975. The immediate success of the NHSB depends on its capacity to attract savings and, to a lesser extent, its participation in the proposed A.I.D.

HIG program. The NHSB's initial capital of $1 million will be provided by the GOL.

The Mission considers the development of the NHSB into a sound financial institution important to the overall success of the GOL's shelter program. Unless the GOL can mobilize local savings to help finance part of its shelter program, the public sector will have to carry a disproportionate share of the funding needs. Because of the NHSB's importance to the success of the GOL's shelter program, the Mission, during this DAP period, is prepared to provide assistance to the NHSB and organize the HIG program to ensure participation by the NHSB.

VII. CONSTRAINTS

1. Manpower - The shortage of qualified managers and technicians is not unique to Liberia, but this shortage is a major constraint to the growth of both the NHA and NHSB. In 1973 the NHA had a staff of 75 people, of which only a few could be considered junior technicians with academic training as architects, engineers or accountants. The results achieved to date by the NHA, i.e., the supervision of the construction of 92 housing units, the identification of land for future sites, and the attempt to develop a policy or objective for the NHA, were due in part to the inputs of the UNDP housing team. Unfortunately, the UN team, for various reasons, was unsuccessful in developing a training program to provide the NHA with a stronger core of professional personnel. Probably the most inhibiting factor was the merger of the NHA with the Liberia Development Corporation (LDC) in early 1974, which resulted in a substantial change in management, objectives and personnel. Because of these changes in the NHA, and other factors which the UN decided would inhibit the opportunity to develop a successful shelter program, the UNDP

housing team left Monrovia near the end of CY 1974. The GOL has recently assessed the merger of the NHA and LDC and decided it would be in the best interest of the GOL to have these organizations operate as independent entities. The division of the two organizations should be completed by the end of CY 1974. In addition, the GOL and the UNDP are now negotiating to have a new housing team provide technical assistance to the NHA. These negotiations should be completed in early CY 1975. With the advent of the new UNDP program, the Mission believes that there will be substantial improvement in the management and technical operation of the NHA.

The legislation creating the NHSB was approved April 3, 1972 and a full-time manager began organizing the institution in July 1973. By the end of CY 1974, the NHSB was still operating out of a small office with only a few clerical personnel and one Peace Corps Volunteer. There are a number of valid reasons for this delay, but it is difficult to assess how much is due to the shortage of qualified personnel. With the NHSB scheduled to become operation in early CY 1975, the Mission will be in a better position to assess its manpower needs. Because the NHSB is important to the GOL's shelter program and to the implementation of AID's housing guaranty program in Liberia, the Mission is prepared to provide limited assistance to help make the NHSB a viable financial institution.

2. Financial

The capital channelled into the shelter sector prior to 1970 was mostly private, with public capital used on a very limited ad hoc basis. With the creation of the NHA and the arrival of the UNDP housing team, a specific program of inputs and outputs was developed. In addition, the UNDP housing team leader prepared a proposal suggesting the GOL budget $3 to $3.5 million a year for its shelter program. Although there

is a need for an annual capital investment in shelter by the GOL, the government has limited its funds to:

a. capital to organize the NHA and an annual input for administrative expenses;

b. investment capital to finance the 92 housing units built by the NHA; and

c. the purchase of $1 million of stock to capitalize the NHSB.

To develop a successful shelter program in a country which has a backlog of over 12,000 housing units in the capital, a substantial capital investment will be required. The GOL is looking to A.I.D., the World Bank and other external borrowing to meet this need. The GOL is also attempting to mobilize savings through the NHSB and to channel this capital into the housing market. The objectives of the GOL's shelter program may very well rest on the success of the NHSB in mobilizing domestic savings.

VIII. OTHER DONORS

Since 1969 the UN has been providing technical assistance to the GOL in the field of housing, building and planning. Beginning in 1970 the UNDP established a housing team in Liberia to help the GOL develop the NHA and the NHSB. The UNDP contribution included 214 man-months, 12 fellowships and equipment valued at approximately $821,000. The GOL and the UNDP are now in the process of negotiating a new project agreement to provide assistance to the NHA for a 30-month period at a cost of approximately $500,000.

Also, the GOL has approached the IBRD regarding a possible sites and services program. However, the negotiations are at such a preliminary level that it will probably take some time before such a project can materialize.

IX. CURRENT HOUSING GUARANTY PROGRAM

In June 1973, A.I.D. approved a $5 million Housing Investment Guaranty program to be implemented by the NHSB and the NHA. As noted in an earlier section, there were internal policy problems which delayed the implementation of the program. These problems are now in the process of being resolved and the Mission believes that by early FY 76 the investor for the program will have been selected and the contracts signed.

The program is projected to provide for the financing of approximately 1,200 low and moderate income housing units built under NHA supervision, with the NHSB as the servicing agent. The NHA, which has been in operation for only four years, will, with the $5 million of HIG funds, be developing its first major housing project. To date, the NHA has built and financed only 92 units. After the NHA completes the proposed 1,200 unit program, it will have gained a body of experience that will allow the GOL to develop a national shelter policy and plan for both its urban and rural sectors.

The disbursement time for the average HIG project is approximately three years because it is tied to the construction time for the housing units. At the end of the three-year period, the NHSB will be servicing 1,200 loans and obtaining income for its servicing, which should make it a strong financial institution and put it in a better position to compete with the foreign owned commercial banks.

X. PROPOSED NEW SHELTER PROGRAM

In implementing the $5 million HIG program, the Mission will monitor carefully the development progress of both the NHA and NHSB. The NHA and NHSB should gain the knowledge and expertise to allow the GOL to develop a truly national shelter program.

The current GOL shelter program is, by and large, limited to the capital. Of course, in selecting Monrovia as the first area of concentration, the GOL is attempting to attack its shelter problem where the need is the greatest. However, the Mission feels the time in near when the GOL should pause to review its total shelter needs and take steps to establish a national housing policy and a plan for its implementation. It is in this direction that the Mission plans to direct its future assistance. For a GOL program that is directed toward developing a national housing policy and lower median income families, the Mission is prepared to provide assistance to the GOL. For such a shelter program, the Mission may elect, as an option, to include development loan and development grant resources along with HIG funds. If a sites and services program is part of any new GOL/AID plan, grant funds would probably be needed for technical assistance.