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GOVERNANCE AND ECONOMIC MANAGEMENT ASSISTANCE PROGRAM (GEMAP) IBI ANNUAL REPORT TO USAID 2010



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Cover Photo: A picture of a billboard that promotes the hope for the future of Liberia under the newly elected democratic government.

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IBI International
2101 Wilson Blvd., Suite 1110
Arlington, VA 22201 USA
Tel: (703) 525-2277
Fax: (703) 525-2211
www.ibi-usa.com

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ACRONYMS

DOB	Department of the Budget, Ministry of Finance
DFI	Development Finance Institution
EGSC	Economic Governance Steering Committee
FIMCAB	Financial Management Capacity Building Program
FDA	Forestry Development Authority
GSA	General Services Agency
GEMAP	Governance and Economic Management Assistance Program
GOL	Government of Liberia
IBI	IBI International
IMCC	Inter-Ministerial Concessions Commission
IMF	International Monetary Fund
IRFC	Internationally Recruited Financial Controller
LACC	Liberia Anti-Corruption Commission
LCIP	Liberia Community Infrastructure Program
LECAP	Liberia Expenditure Control and Accounting Program
LIBAM	Liberia Improved Budget and Assets Management Project
LPRC	Liberia Petroleum Refining Corporation
LIPA	Liberian Institute for Public Administration
MTEF	Medium Term Expenditure Framework
MCIMS	Mining Cadastre Information Management System
MOF	Ministry of Finance
MLME	Ministry of Lands, Mines and Energy
MPEA	Ministry of Planning and Economic Affairs
MPW	Ministry of Public Works
MCC	Monrovia City Corporation
NACS	National Anti-Corruption Strategy
NPA	National Port Authority
NTGL	National Transitional Government of Liberia
PRS	Poverty Reduction Strategy
PFMA	Public Financial Management Act
PPCA	Public Procurement and Concessions Act)
RIA	Roberts International Airport

SOE	State Owned Enterprise
STTA	Short-Term Technical Assistance
TT	GEMAP Technical Team
UNDP	United Nations Development Programme
USAID	United States Agency for International Development
USG	United States Government

1. INTRODUCTION

The Governance and Economic Management Assistance Program (GEMAP) was a partnership between the Government of Liberia (GOL) and the international community to promote accountability, responsibility and transparency in fiscal and financial management as Liberia was reconstructing its administration after 14 years of civil war. Implemented between 2006-2010 following the election of Ellen Johnson Sirleaf as President in late 2005, GEMAP was overseen by an Economic Governance Steering Committee. That top level committee was co-chaired by the President of Liberia and the United States Ambassador to Liberia. A working level Technical Team composed of key government and donor counterparts coordinated implementation.

USAID supported a major portion GEMAP since 2006 through its main implementing partner, IBI International. For the purposes of this report, the phrase “USAID GEMAP” will refer to that portion of GEMAP that was funded by USAID. This annual report covers the 9-month period from November 2009 through September 30, 2010, the end date of IBI’s contract with USAID for the implementation of USAID GEMAP.

USAID GEMAP Produces Documentary to Reach Global Audiences

As GEMAP neared its end, USAID sponsored the production of a documentary on GEMAP as a reflection on the key successes achieved, challenges faced, and lessons learned in this unique collaboration between the international community and Liberia.

USAID expects to use this documentary to reach global audiences as an example of exemplary partnership between international community and a host country. The documentary will be distributed widely across the global development community, and will be used by USAID in trainings and workshops on building economic governance in developing countries.

The documentary can be accessed at www.gemap-liberia.org.

GOL institutions assisted by USAID GEMAP include the Ministry of Finance’s Department of the Budget, Department of Expenditure and Debt Management, and Department of Revenue; Ministry of Lands, Mines, and Energy; General Services Agency; Ministry of Planning and Economic Affairs; Ministry of Public Works; Liberia Anti-Corruption Commission; Liberian Institute of Public Administration; and state-owned-enterprises including Liberia Petroleum Refining Corporation, National Port Authority, Roberts International Airport, Forestry Development Authority, and Monrovia City Corporation. These institutions are pivotal in generating, managing, and spending revenues in the interest of the Liberian people.

The last year of USAID GEMAP saw a solidification of the transition from the original emergency nature of the program

to one with a longer-term vision of sustaining and enhancing the gains achieved during the first three years. This transition emphasized a more holistic approach to organizational reform and intensified human and institutional capacity building. During this last year, the program provided IT hardware and software to institutions to improve the enabling work environment, and more specialized training programs targeting a wider cross-section of the Liberian civil service. In the earlier project years it had first been necessary to establish sound, transparent procedures, to train staff on them and to get a reliable power supply into the ministries.

The major achievements of USAID GEMAP, and their consequent impact in reducing corruption and building institutional capacity for responsible financial management, are a result of the implementation of an approach which is emerging as a model for building governance in post-conflict environments. The model takes its power from participatory planning and an institutionalized approach to solidifying government-donor partnership.

With an overall positive evaluation by evaluators contracted by USAID Liberia, and outstanding praise from Liberian and international counterparts, IBI completed all technical activities and contractual obligations under USAID GEMAP on time, on budget, and according to USAID rules and regulations on September 30, 2010.

2. BACKGROUND

The work described in this report was implemented under a SEGIR Macro II¹ task order signed between IBI and USAID Liberia in April 2006. Eleven contract modifications were signed between July 2006 and July 2010. Liberia's achievements with GEMAP assistance are summarized in the previous two annual reports of this project, one internal and one external assessment commissioned by USAID and one external evaluation commissioned by the UNDP. They have resulted in Liberia obtaining relief on USD5 billion in government debt after qualifying for the Highly Indebted Poor Country programme. On the World Bank Group index of ease of doing business in 183 countries, Liberia moved from unranked in 2006 to 159th in 2009 and 149th in 2010.

As the last year of the GEMAP project approached, IBI and USAID designed and conducted a survey of priorities identified by officials of assisted institutions, by GEMAP advisors and by Technical Team members. The survey was designed to provide a rapid and cross-cutting overview of expectations from the final year of USAID GEMAP, not as an evaluation. An official program assessment of USAID GEMAP was conducted by outside evaluators contracted by USAID Liberia in March-April 2010.

The survey suggested a significant demand in continued assistance in technical areas where GEMAP had been traditionally involved, including legal and regulatory reform, and institution of improved policies and procedures. The results emphasized the need for training of a larger segment of the Liberian civil service and technical assistance in information technology. Overall, capacity building continued as the major government priority. The respondents identified on-the-job training and mentoring as the most useful capacity building methods, followed by formalized classroom training programs.

Consultations with GOL, USAID, and other GEMAP donors continued through July 2009 to determine the nature of technical assistance following the termination of the co-signatory role of GEMAP financial controllers. In September 2009, USAID signed a modification to the IBI Macro II Task Order increasing the program budget by \$1,351,000 and approving the program design for the period October 1, 2009 – September 30, 2010. The overarching theme for this final year was capacity building, focusing on increasing efficiency, revenue generation, and cost savings for the Government of Liberia.

Developed as a result of this consultative process, the major program components of the final year and their primary features and objectives were as follows:

IBI Financial Management Capacity Building Program. This program was implemented by IBI in coordination with Liberian Institute of Public Administration (LIPA). Courses were offered in internal controls, internal audit, accounting, budgeting, procurement and contract administration, public sector management, and IT.

Ministry of Finance. IBI's Budget Advisor and the IBI Budget Automation Specialist retained their roles at the Department of Budget after giving up co-signatory authority. They focused on

¹ Support for Economic Growth and Institutional Reform – SEGIR Macroeconomic Policy, Poverty Alleviation, and Economic Institutions and Analysis – Macro II is an Indefinite Quantity Contract designed to promote broad-based and sustainable growth through technical assistance, research and training. IBI has held this contract since 2004.

the full automation of the national budget preparation exercise, and preparations for the implementation of the new Public Financial Management Act. IBI also provided short-term assistance to the Department of Revenue to improve tax revenue reporting systems and to the Department of Expenditure and Debt Management to improve payroll and check payments systems.

General Services Agency. The IBI Change Management Advisor assisted the GSA to create a national inventory of GOL assets and to institute a fixed asset management system. The GSA advisor also analyzed areas where fraud had become apparent and devised solutions. These included misappropriation of government property and fuel coupon trading.

Ministry of Public Works. An IBI team comprised of an expatriate financial advisor and a Liberian assistant assessed and upgraded financial management systems, delivered targeted training for staff, and assisted in conducting due diligence on contracts and procurements as requested by management of the institution. The procedural improvements were designed to address the shortcomings noted in the audit of the institution by the General Audit Committee.

National Port Authority. The IBI NPA Financial Advisor remained at the NPA following termination of GEMAP co-signatory authority in October 2009. With specialized short-term technical assistance in upgrading internal controls and fixed asset management systems, the Advisor instituted an automated financial management system at the NPA and built staff capacity through on-the-job training, mentoring and development of manuals of procedure. This prepared the Ports Authority for a management contract and major investment program, expected to begin implementation as GEMAP ended.

Ministry of Lands, Mines, and Energy. IBI's Mineral Concessions Expert continued building auctioning of known deposits, contract negotiation and preparing administration capacity for mining concessions. He proposed amendments to rewrite the Mining Law in line with international best practice, and spearheaded completion of the computerized mining permitting registry known as the cadastre.

Ministry of Planning and Economic Affairs. IBI provided a Senior IT Advisor who assisted the Ministry in developing the National ICT Policy. He also facilitated Liberia's participation in an international consortium to bring broadband internet connectivity to Liberia.

Short-term Technical Assistance. In budgeting for the final year, IBI and USAID allocated significant level of effort to provide sufficient flexibility to act on future requests for assistance. The requests included

- Regulatory and infrastructure reform experts for the Liberian Telecommunications Authority
- Additional technical assistance at the MCC, MOF, NPA, and MLME
- Cross-cutting technical assistance in Board training, organizational change, and internal controls for SOEs, and
- A short-term desk study to apply spatial development methodology to identify development corridors in Liberia to assist the Ministry of Planning and Economic Affairs in its development of the National Economic Growth Vision and Strategy for 2012-2027, the GOL's successor to the Poverty Reduction Strategy.

What follows is a detailed description of program activities, achievements, and impact at each institution.

3. ACHIEVEMENTS AND IMPACT

3.1. MINISTRY OF FINANCE

Department of Budget

In the last year of USAID GEMAP, the Budget Office, formerly under the Mansion, had recently been merged into the MOF as a Department. The Work Plan of the GEMAP Budget Advisor targeted improving DOB operations within the context of this merger.

High Impact Achievements Continue in GEMAP's Last Year

The last year of GEMAP saw a solidification of the gains achieved during the first three years, with a number of new initiatives.

With USAID GEMAP assistance, the national budget process has become faster and more accurate, and spending in line with laws and according to plan. The institution of systematic controls within the national payment system eliminated chronic fraud and misuse that amounted to millions of dollars in losses every year. The implementation of a state-of-the-art Mining Cadastre Information Management System has streamlined minerals licensing, avoiding potential ownership conflicts and loss of revenue. A national fixed asset inventory exercise performed by the GSA identified for the first time in the history of the GOL the number and location of the government's fixed assets, vastly expanding the number of known resources and reducing the potential for theft and misuse.

Institution of financial controls and procedural improvements at the Monrovia City Corporation and the Ministry of Public Works resulted in increased savings and efficiency. Regular monitoring by USAID GEMAP at Liberian state-owned enterprises where the co-signatory authority of USAID GEMAP Financial Controllers had been handed over to Liberian counterparts indicated continued momentum in the capacity of these institutions to manage their finances effectively. The Financial Management Capacity Building Program, a formal training initiative started in February 2010, trained nearly 300 people across the public, private, and non-profit sectors.

The GEMAP co-signatory authority was handed over to a Liberian counterpart in September 2009. The elimination of co-signatory authority enabled the GEMAP Budget Advisor to develop and implement an assistance program with a longer-term vision. This vision emphasized enhancing staff capacity to prepare for the requirements of PFM reform. Regular monitoring by the Budget Advisor noted continued adherence to fiscal and financial rules, improved recording of information, and more accurate and analytical reporting.

The appointment of a new Deputy Minister for Budget in July 2009 eliminated the organizational limbo that the institution had been suffering in the absence of leadership. At the time of the merger, the Director of the Budget had been named Minister of Finance, leaving a vacuum at Budget. USAID GEMAP was instrumental in enabling the new Deputy Minister of Budget to adapt into the organization.

The budget formulation process gained more traction in the last year of USAID GEMAP. With USAID GEMAP guidance, the DOB further institutionalized adherence to budget calendar and budget guidelines, preparation of budget forms, analysis for budget hearings, ministry and agency write-ups on proposed usage of

funds, links to sector development strategies, and processing and updating of budget requests coming in from ministries and agencies.

The quality of periodic DOB reports improved in content and in presentation. Accounts reconciliation with the Department of Expenditure became more timely and more accurate. The National Budget Book

format was adapted to the requirements of the new PFM Act. These were done in anticipation of the upcoming transition to the Integrated Financial Management Systems (IFMIS) standards at the MOF.

To enhance budget preparation automation and IT capacity building, USAID GEMAP produced a Handbook of Basic Computer Skills and conducted workshops for the DOB analysts. The introduction of a professional IT management function at the DOB established a virus-free IT environment with new computers, software, training and support. This improved the productivity of the DOB staff. The establishment of a local area network and computer-based intercom improved communications and information dissemination, adding positively to DOB operations.

The introduction of program budgeting and medium-term expenditure framework into GOL operations turned out to be an ambitious goal in the current public finance environment. Another key deliverable of the last year of USAID GEMAP, a draft Operations Manual for the DOB, was not completed. The complications and uncertainties that the BOB-MOF merger introduced at the ministerial level curtailed any serious attempt to undertake this institution-wide effort. In the absence of overarching institutional guidance on the part of the MOF, the DOB put together draft versions of a generic Code of Ethics and a Personnel Handbook.

Department of Revenue

The Minister of Finance submitted a request to USAID in the final year of USAID GEMAP for technical assistance services to ease the Ministry's transition to automated revenue reporting systems. USAID GEMAP deployed its IT Specialist at the Department of Budget to the MOF Department of Revenue (DOR) to improve revenue administration and reporting processes.

In the first phase of this short-term assistance activity, the IBI IT Specialist assessed the quality of the Bill Processing System (BPS) database and installed additional data fields into the database to enhance revenue reporting. The improvements enabled the DOR to collect information on Tax Roll, Assessment and Appraisal, Appeal, and Revenue Intake (Billing and Payment). Additional reporting features included the Medium Tax Division-Summary Collection Report; the Medium Tax Payer Ledger Account; the Small Tax Division>Returns, Recordings, Service; Revenue Performance; the Real Estate Tax; the Monthly GFS Reporting Format; and the Quarterly Revenue Performance Report. The IT Specialist also provided on-the-job training to personnel assigned by the DOR.

The MOF requested additional IT technical assistance from USAID GEMAP in order to ensure that the tax codes entered into the system through customs clearance processes are accurate and fully reflected in the BPS. The MOF specified improvements in both the development of reporting modules and in the capacity building of personnel responsible for the monitoring of tax code data accuracy and the production of required reports.

The tax code database that is part of the customs clearance processes had been developed and maintained by a Liberian contractor, and handed over to the MOF DOE. DOE staff, in collaboration with the USAID GEMAP IT Specialist identified certain data management irregularities in the process of aligning the database with the bill payment modules. In this context, USAID GEMAP provided technical assistance and guidance to integrate customs clearance, BPS, payment, receipts, and tax payments databases.

The integration of these databases and the assurance that each database reflects accurate information has been instrumental in enabling the DOR to produce accurate, customized, and meaningful revenue reports in a multi-user environment. The generation of these reports strongly influenced the National Budget execution process. Liberia currently operates on a cash budget, streamlined through monthly cash plans and revenue shortfalls occurred frequently in the last two years. IT integration increased the frequency and accuracy of revenue reports, improving the government's ability to plan and project its spending accurately. These databases have also been useful for institutions such as the Monrovia City Corporation

and the Ministry of Commerce, which rely on accurate business registration data for revenue collection and tax administration purposes.

Department of Expenditure and Debt Management

The Minister of Finance identified fraud, embezzlement, theft, waste, and inefficiencies in its automated payroll and check writing systems and approached USAID GEMAP with a request for technical assistance to bring the problem under control. The Deputy Minister for Expenditure and Debt Management remarked that when he and his staff saw how the Budget Department people were working, they wanted IBI assistance as well. A series of technical interventions by IBI followed.

Initially, USAID GEMAP fielded an internationally recruited IBI IT Expert to undertake an assessment of the situation. The primary objectives of this assessment were to analyze business processes and procedures in payroll and payment processing and to recommend solutions for the inefficiencies and lack of transparency.

USAID GEMAP's assessment noted fundamental weaknesses that needed urgently to be corrected. Given the constraints and challenges that the MOF faced, USAID GEMAP continued to provide additional technical assistance to the MOF to correct the weaknesses in its payroll, disbursement, and check writing systems.

The chosen medium for implementing robust measures to payment processes, the SunSystems computerized financial management system, was strengthened by USAID GEMAP to enable the system to process all GOL payments and perform automated reconciliations. SunSystems became live and backlog entries were entered. The system is able to produce accurate and timely expenditure reports, a process that did not exist at the MOF prior to USAID GEMAP assistance.

The operational and systematic improvements, implemented in close collaboration with the Central Bank of Liberia (CBL), resulted in virtual elimination of the chronic fraud and misuse in the system that amounted to millions of dollars in losses every year. Payments processing became faster, more accurate, and more accountable.

In this context, USAID GEMAP also commissioned a study to assess the suitability and feasibility of using mobile payment technologies to make government payments to beneficiaries, particularly to residents of remote rural areas, to facilitate financial inclusion of unbanked personnel, and to understand government's role in shaping the emergence of such technologies. Additionally, to facilitate payments verification across the MOF and the CBL, USAID GEMAP experts developed PARIS (Payment Assurance Real-time Information Systems). PARIS allows commercial bank tellers and Central Bank officials to verify in real time the checks presented for cashing. PARIS also strongly supports the clearing and reconciliation functions of the CBL and the reconciliation function of the MOF.

The key short-term challenge at the DOE is its capability to sustain the initiatives USAID GEMAP established to modernize the payment system. There is an ongoing requirement in the MOF for human and institutional resources to coordinate reforms to the financial management systems. There is a critical shortage of operational staff with accounting and information systems skills within the DOE. Most operational personnel are novices with SunSystems and have limited confidence or ability to operate the system and trouble-shoot problems.

USAID GEMAP's improvements to the financial management and payment systems at MOF kept financial management on a continual improvement cycle and paved the way for a long-awaited Integrated Financial Management Systems (IFMIS). While IFMIS activities have attracted considerable time and material resources of MOF and the World Bank as the sponsoring agency, delivery of its important and wide-ranging theoretical capabilities remains elusive. The IFMIS team began by changing the Chart of Accounts from a 17-digit to a 39-digit code, but did not have the equivalency table ready in time for FY

2011 Budget preparation. Continued collaboration and joint planning with the IFMIS teams will be needed for the smooth transition to the IFMIS platforms.

3.2. MINISTRY OF LANDS, MINES, AND ENERGY

The goals of the USAID GEMAP technical assistance to the MLME emphasized maximizing benefits to the national economy and to local communities from mining. The structure of mining administration has been transformed to require that well-documented deposits be auctioned competitively and Greenfield area permits issued on a first-come, first served basis, that infrastructure built for the mines be shared with diversified users, that concession agreements are published and their finances transparently reported and analyzed, and that host communities benefit from educational and community development programs. Governance of the minerals sector was improved through reform measures that limit opportunities for corruption.

At the start of the final year of the program, USAID GEMAP and the MLME had achieved major strides in the harmonization of the Public Procurement and Concessions Act (PPCA) with the Minerals and Mining Act (MMA), the finalization of a Model Mineral Development Agreement (MDA), the concessioning of the major iron ore deposits in the country, and the implementation of a Mineral Cadastre Information Management System (MCIMS).

The MCIMS is in operation, ensuring that overlapping rights are readily identified and licenses and permits administered efficiently. The PPCA Amendment Bill was still before the Legislature as the USAID GEMAP project closed out. Revisions to the Mining and Minerals Act have been proposed, but not enacted.



MLME Minister and LIBAM Chief of Party celebrate the opening of the Mining Cadastre Office—a state of the art facility that houses all of the computers and equipment necessary for running MCIMS.

By the end of USAID GEMAP, mining investments totaling over USD 10 billion for five major iron ore deposits were in the works. Four of the five were signed and beginning implementation; a sixth was available for exploration. Over half of the investment is in infrastructure, including ports, railroads, roads and power supply. This infrastructure is desperately needed to facilitate diversified investment as well as investment in mining.

Benefitting from GEMAP and other sources of advice, the GOL developed state of the art mineral development agreements (MDAs). The GOL has written into the agreements provisions for joint planning with the mining companies to ensure that multiple uses are accommodated equitably. The agreements also now close loopholes that formerly allowed mining companies to export profits through

creative accounting and business practices. They ensure that government gets four revenue streams: up-front payments, royalties, licensing and permitting fees, and income/operating tax revenues. Host communities benefit from community development funds and access to educational opportunities funded under MDAs. Costs and benefits of mining are reported to the public and analyzed through Liberia's adherence to the Extractive Industries Transparency Initiative, which was among the first recommendations of USAID GEMAP advisors.

The targets and deliverables of the USAID GEMAP technical assistance activities at the MLME and the resulting achievements and impact are displayed below in detail in tabular format.

TARGET	ACHIEVEMENTS	IMPACT
Provision of a well-managed MCIMS unit	<p>The MLME created a Cadastre Unit and appointed a Cadastre Head, responsible for overseeing and managing the minerals licensing process.</p> <p>All members of staff were contracted by the MLME for sustainable operation. The USAID GEMAP advisor assisted in recruitment processes.</p>	<p>The transparency and efficiency of mineral rights administration will be greatly improved. The MCIMS streamlines minerals licensing procedures, avoids ownership conflicts by clarifying boundaries, and increases mining revenue by tracking payments and fees.</p>
Development of a local Minerals Concessions Lawyer	<p>A goal of USAID GEMAP was to work with the MLME to identify and build the capacity of a mineral concessions lawyer. However, the position was frozen by Ministerial decision due to lack of a suitable candidate and time constraint after the first recruit proved unsuitable.</p>	<p>This setback requires to be remedied soon to facilitate the implementation and administering of mineral concessions.</p>
Implementation of Bong Mines MDA	<p>The MLME and the GOL completed the handover of the Bong Mines concession to the concessionaire following a competitive bidding process, and MDA implementation initiated. The concessionaire made the first installment of the upfront payment of \$20 million, and the handover list of assets in the concession area has been agreed to.</p>	<p>The successful completion of the Bong Mines concession is expected to bring the following major economic impact:</p> <ul style="list-style-type: none"> • Level of investment estimated at \$2.6 billion • Upfront payment of \$40 million • Employment creation estimated at 3,000 jobs <p>When this is combined with the wider economic linkages through infrastructure development, the country stands to gain significantly.</p>
Finalization of the BHPBilliton MDA	<p>With USAID GEMAP assistance, the MLME was able to conclude a negotiated MDA with BHPB and sign the MDA. The implementation of MDA investment obligations has commenced.</p>	<p>The economic impact that will result from the successful implementation of this MDA is significant:</p> <ul style="list-style-type: none"> • Investment size approximately \$2.4 billion • Upfront payment of \$15 million • Estimated number of jobs to be created is about 3,000.

TARGET	ACHIEVEMENTS	IMPACT
Negotiation of the Putu Range Deposits Concession	Negotiations between the GOL and Severstal/Mano River Resources re-opened after the BHPB MDA became public following its tabling in the Legislature for ratification. The re-negotiation has since been completed and the Putu MDA has gone to the Legislature for ratification.	Once implemented the Putu MDA is capable of becoming the hub of economic development for the eastern part of the country. Its economic parameters include: <ul style="list-style-type: none"> • Estimated level of investment around \$2.4 billion • Upfront payment of \$5 million • Estimated number of jobs to be created is about 3,000
Finalization of the Western Cluster MDA	Negotiations between the GOL and the winning bidder were deferred to enable Elenilto, the successful bidder, to provide evidence of operational capability and financial capacity.	If successfully negotiated the Western Cluster iron ore deposits are poised to bring large economic benefits as illustrated by the following project parameters: <ul style="list-style-type: none"> • Estimated investment of \$2 billion • Upfront payment of \$25 million • Estimated number of jobs to be created is about 3,000
Wologizi Iron Ore Deposit	The Wologizi deposit has been classified as an Exploration License area. The concessioning of this deposit is awaiting passage of the PPCA Amendment Bill to enable the grant of the Exploration MDA and the Exploration License to be granted under the MMA	Potentially, this is another iron ore mining project which has enormous potential to develop a major part of the country with little economic activity.
Finalization of a revised and updated Mineral Policy for Liberia	USAID GEMAP worked with the MLME to update Liberia's Mineral Policy. The Policy has been completed and adopted by Cabinet.	The Minerals Policy informs the process of exploiting mineral resources to meet national goals and objectives.

TARGET	ACHIEVEMENTS	IMPACT
Revision and harmonization of mineral-related legislation in line with the updated Mineral Policy	Supervening priorities regarding the finalization of amendments to the PPCA and the on-going negotiations of MDAs have led to the postponement of the revision and update of the MMA. Nevertheless, USAID GEMAP prepared and presented to the MLME a report on the Proposed Reforms and Proposed Amendments to the MMA.	The delayed amendment of the PPCA has slowed progress on the grant of Exploration Rights to the Wologizi Iron Ore deposits. MMA revision is a pre-requisite to the provision of pending Regulations and institutional instruments and organs needed for the efficient and transparent governance of the minerals sector.
Development of updated Mining Regulations	Class C (artisanal and small-scale) and Exploration License Regulations have been issued. Other areas of regulation await the revision of the MMA	Without Regulations all the oversight functions of the Ministry are hampered. Further, without alignment with the MMA, all statutory instruments made under its authority, that includes MDAs may be legally impaired.
Build MLME's capacity to present Liberia in international forums	With USAID GEMAP sponsorship and facilitation, Liberian mining professionals interacted with colleagues operating in similar environments. USAID GEMAP assisted a number of key MLME staff to attend regional and international conferences and workshops including the International Mining Indaba in South Africa and field trips to the Mining Ministries of Ghana and Zambia.	The conferences and field trips have enhanced Liberia's exposure to best practices and investment networks in the global mining industry.

Although legal and institutional reform is not complete, the major challenge going forward is developing local capacity to implement the reforms, a much harder process than the development of necessary reforms. The last mining companies closed down in Liberia in the 1980s, which means that mining professionals have little experience of active mining. Developing essential working knowledge and skills for mining administration will require a multi-pronged approach of workshops and seminars, attachment programs to local and outside mining-related institutions and mining companies, and inter-governmental exchange programs to enable key professional and technical personnel acquire skills and expertise whilst holding substantive positions.

In this context, the establishment and operationalization of key institutions such as the Mines Inspectorate, Environmental Protection Fund, and Minerals Development Fund are important. In particular, the realization of a Mines Inspectorate capable of supervising and regulating Liberia's mining industry needs to be a priority. Construction, followed by active mining are scheduled to begin upon signing of concession agreements, which will necessitate robust contract administration and monitoring functions.

In the area of concession negotiations, sources of possible inconsistency need to be eliminated by adhering as much as possible to the minimum threshold terms and conditions in the model MDA. The model requires the tax and fiscal terms in MDAs to be governed by the Revenue Code, but companies tend to argue for concessions in particular agreements. It will also be important to adhere to the requirement that an MDA can only be negotiated and concluded after completion of a bankable feasibility study report based on data from in-depth exploration.

In implementation of concession agreements, all key players including host communities of mining projects should be empowered to understand the rights and obligations contained in MDAs so they can play their roles constructively. The National Bureau of Concessions will be the primary agent for enabling this to happen. The revision of the MMA and provision of essential regulations should be completed before the start of large scale mining activities to enable MLME discharge its oversight responsibilities in respect of compliance obligations in Concession Agreements and the obligations of all holders of mineral rights.

3.3. GENERAL SERVICES AGENCY

With the USAID GEMAP Advisor's assistance, the GSA completed a detailed national inventory of the government's vehicles and generators in 2009. This generated significant interest across the Cabinet. The analysis of fuel usage based on this inventory resulted in potential savings of over \$9.3 million in the FY 2008-09 National Budget and \$6.5 million in the FY 2009-10 National Budget.

Using this inventory as basis, with USAID GEMAP assistance, the GSA started building an automated fixed asset management and tracking system to record and track the purchase and use of all government owned assets in the country, enabling property recovery and valuation, and reducing theft.

The scope of the national fixed asset inventory exercise involved two phases: Phase 1 was a pilot collecting and processing inventory data in Montserrado and four neighboring counties. Phase 2 would cover the remaining 11 counties, depending on the successful completion of Phase 1 as confirmed by the GSA, IBI, and USAID. Significant additional resources were committed towards successful completion of this exercise with USAID authorization, despite not having been anticipated in the budget modification covering the final year of the project. USAID Liberia's commitment to supporting this initiative was a sign of strong commitment to the President of Liberia's reform agenda, which strongly supported this particular initiative.

As soon as an agreement was reached between USAID, IBI, and the GSA regarding the scope, methodology, budget, and logistics of the national fixed asset inventory exercise, USAID GEMAP started the procurement process for the equipment necessary for the undertaking. The equipment purchased included GPS units, digital cameras to take pictures of each asset, and bar coding equipment to identify fixed assets and automatically upload inventory data into the central database and specialized printing equipment. The GSA, under the supervision and guidance of the USAID GEMAP Change Management Expert, recruited interns to work with the GSA team to identify, bar code, enter and analyze data, first in Montserrado and surrounding counties, then in Bomi, Cape Mount and Margibi counties.

Inventory data collection teams were organized, trained, and equipped for the bar-coding and valuation of GOL personal- and real-property assets. Phase 1 of the exercise started three months later than anticipated because of extended discussions between USAID, IBI, and the GSA regarding the responsibility of each party, which, in turn delayed the procurement process.

By April 2010, with the exception of the National Security Agency and the Ministry of State, the data collection exercise within Monrovia was nearly complete. Data was assembled for the four counties included in Phase 1 (Montserrado, Bomi, Cape Mount, and Margibi). By the end of the GSA component of USAID GEMAP's technical assistance activities in May 2010, the majority of these four counties had been surveyed and assets identified. The GSA now has a database of all inventory surveyed during Phase 1.

Due to the ambitious nature of the schedule that was agreed to by the contributing parties to this exercise, logistical and timing constraints represented significant challenges to both timeliness and budget. Comprehensive and up-to-date data did not exist especially for institutions with a large number of fixed assets in different geographical locations such as the Ministry of Health and Ministry of Education. Therefore, a considerable amount of legwork was required to determine what needed to be inventoried and where everything was. There were often requests from the GSA for USAID GEMAP to contribute more resources towards rental and fuel costs of vehicles than had been agreed. USAID GEMAP was not able to accommodate all of these unanticipated requests.

In terms of staff capacity, the Data Entry staff typically lagged 14 days behind the Data Collection staff. The Coordinators lagged 10 days behind the Data Entry staff. Phase 1 was successfully completed, but due to the three-month initial delay and budget constraints the GSA was not able to complete Phase 2 before the end of USAID GEMAP. It has continued implementing at its own pace and with severely constrained resources.

With the administrative and technical lessons learned and the experience accumulated during the conduct of Phase 1, a realistic plan can now be developed for Phase 2 by the GSA. When the initial plan for the national fixed asset inventory exercise was developed by the GSA and USAID GEMAP in June 2009, GSA had no idea how many assets the GOL had, where they were located and how many GOL entities had to be inventoried. Now that the GSA has a comprehensive list of entities, locations, assets, and other pertinent details, the amount of assets both inventoried and to be inventoried has proved to be vastly beyond initial estimates. The assets in Phase 1 alone have exceeded 100,000. This is a significant outcome considering that initially the GSA thought that, at most, there would be 40,000-50,000 assets for both Phase 1 and Phase 2.

The system is extraordinarily efficient and provides rich insights on priorities for all government agencies. The Ministry of Education, for example, can see not only what schools are where, but also what equipment, teachers and students were present during the inventory exercise. To reach its full potential the inventory system has to be completed, regularly updated, and analyzed by the line ministries.

3.4. NATIONAL PORT AUTHORITY

In March 2009, IBI in consultation with USAID decided to increase its level of effort at the NPA by assigning a team of five USAID GEMAP personnel to work full-time at the NPA. The team was instructed to assist the NPA to prepare for the hand-over of co-signature authority and to also assist in the privatization of the port. The team increased its areas of technical assistance to include working on revenue management, concentrating on capacity building by establishing financial systems and procedures with concomitant training, and coordinating wherever possible with World Bank Consultants who had various assignments all related to preparing the NPA for privatization.

This increase in LOE at the NPA had a significant impact, as evidenced by two major achievements. One is the current Managing Director’s recognition of the work of the USAID GEMAP team and its counterparts, particularly the Controller, in the areas of expenditure reduction, revenue increases, and capacity building. The other success shows in the results and impact of the completion of the Work Plan, achieved through hard work and close cooperation among NPA staff, NPA management, and the USAID GEMAP team.

With support from strong executive leadership and management stability at the NPA, USAID GEMAP was able to register concrete progress at NPA in instituting systems and processes. A large in-house training initiative USAID GEMAP led enabled NPA finances to be managed more efficiently and effectively. The completion of the transition to an automated financial management system was a major achievement, considering the volume of transactions that NPA had been processing manually. Regular monitoring by the USAID GEMAP Financial Advisor following the handover of the GEMAP co-signatory authority to the NPA Controller indicated that the volume of problematic procurement activities decreased as documentation and due diligence systems were improved.

The major targets and deliverables for USAID GEMAP’s technical assistance activities at the NPA are outlined below in detail, along with the achievements under each target.

TARGET	ACHIEVEMENTS
Improved financial management and strengthened Finance Department	Financial Management Policies and Procedures Manual was completed.
	Process Maps for all key functional areas at the NPA were completed.
	Accurate and auditable financial statements and reports are now available.
	An inventory of all material fixed assets with current value and useful remaining life is now available.
	Market value of assets reflected in NPA financial statements is now determined.
	Revenue calculation, capture and recording policies and procedures have been reformed.
	Accounts receivables and payables have been systematized with the introduction of an automated financial management system.

TARGET	ACHIEVEMENTS
	Improved budget structure and budget creation and control procedures are in place.
Improved Internal Controls and Effective Management and Internal Controls (MIC) Department	Manual Due Diligence Policies and Procedures, included in NPA Financial Rules, Policies and Procedures Manual, were developed.
	Checklists for adherence to Internal Controls and a Manual for MIC Policies and Procedures were completed.

NPA's improved financial management shows in its results. In 2009 the NPA produced net income that was substantially higher than anticipated, with USD3.5 million in earnings versus USD1.3 million budgeted. This was a significant improvement compared to the 2008 results. Earnings rose from USD18 million in 2008 to USD3.5 million in 2009. This result was primarily due to control of expenses since revenue in 2009 was actually lower than in 2008. Having documented at least USD1 million in savings based on efforts to reduce fraud and waste, USAID GEMAP contributed substantially to the greatly improved financial performance of the NPA in 2009-2010.

NPA Acknowledges GEMAP Contribution to Strong Financial Performance

In January 2010, NPA announced that 2009 net profit increased by USD1.7 Million or 92% from 2008. 2009 net profit was reported almost three times higher than budgeted.

Increase in profit was attributable to a significant reduction in costs despite lower revenues in 2009. The NPA Managing Director acknowledged in a meeting with USAID the important role of GEMAP in achieving strong financial performance despite the global economic slowdown and the management instability that negatively impacted the NPA for the most part of 2009. Many examples of savings were directly attributable to GEMAP due diligence of expenditures. Further efficiency gains and cost reductions will be achieved by complete computerization of the accounting system, currently ongoing with IBI GEMAP assistance. NPA staff is already using system to process and record financial transactions, and 2010 Monthly financial statements and budget vs. actual reports are already being produced accurately from the system.

The financial rules USAID GEMAP developed for the NPA are broad guidelines that serve as a foundation for more detailed policies and procedures. These rules are a powerful tool for the NPA Board to ensure the NPA finances are controlled. They outline the authority delegated by the NPA Board to NPA management. The policies and procedures provide detailed explanations and instructions in all day to day operations of the NPA Finance Division. Combined with the Process Maps, these rules allow management, staff and other stakeholders to quickly and easily understand how NPA financial processes should be executed, the internal controls in the processes and the key players in each process. They are being used as a training tool for the financial staff and are useful for internal and external auditors.

Embedded in the new processes are substantially improved internal controls. The implementation of accounting software allowed improved internal controls to be incorporated into the software. The impact of this is improved management control of processes, reduced errors, reduced fraud and ultimately improved profitability.

NPA board and management now have access to timely accurate financial statements that can easily be audited. With written Financial Rules, Policies and Procedures and process maps, the

board and management can understand how the reports and data were prepared and the controls in place to ensure their accuracy.

The GOL's effort to privatize the Freeport of Monrovia is well underway. A Port Reform Secretariat has been established and two World Bank funded consultancies to support reform are in place. Effecting change at the NPA while considering that major changes were coming to the organization in the near future created a number of challenges. The USAID GEMAP team met these challenges by collaborating with the World Bank funded port reform consultants particularly in the areas of IT infrastructure and organizational structure to ensure reforms implemented dovetailed with the long term reform plans. Cleaning up the Port's finances and operations allowed the GOL to tender a management contract, which was awarded to a subsidiary of Maersk.

In order to ensure that the improvements and reforms at the NPA are sustained and built upon it will be necessary to provide follow up monitoring and technical assistance. At the present time the capacity of the NPA Finance Division to provide sophisticated financial planning and analysis is extremely limited.

3.5. MINISTRY OF PLANNING AND ECONOMIC AFFAIRS

A key new initiative of USAID GEMAP's final year was assistance to the Ministry of Planning and Economic Affairs (MPEA) on information and communications technology (ICT), broadband access and the use of geographic information systems (GIS) to identify development corridors where diversified development could be fostered. A Senior ICT Advisor was fielded in October 2009 to assist the Ministry to develop a National ICT Sector Policy and Strategy, a key deliverable in the Poverty Reduction Strategy (PRS). The initiative marked USAID GEMAP's support to a key lesson learned from three years of GEMAP experience: Information Technology readily provides effective and inexpensive solutions to increasing efficiency and transparency, thus making corruption easier to detect and control. In an environment like that of Liberia which lacks basic IT infrastructure and human capacity, the marginal effect of even the simplest IT intervention significantly empowers the users.

The focus of USAID GEMAP's assistance to developing the ICT sector in Liberia in this reporting period had its roots in "ICT for development" (ICT4D): maximizing the use of ICT to achieve broad-based growth and development. The Senior ICT Advisor assisted the Ministry to establish an ICT4D Steering Committee with key representation from GOL and the private sector. The establishment and operationalization of the ICT4D was also a key deliverable of the MPEA in the PRS. The Steering Committee met for the first time in November 2010, and the TOR for the committee was approved a week later. The Committee met once a month to discuss ICT policy and strategy with an eye on using ICT as a tool for achieving broad-based growth and development.

The National ICT Policy for Liberia was completed and submitted to the Cabinet for approval on May 1, 2010. The GEMAP ICT Advisor was instrumental in facilitating the necessary dialogue among a wide range of stakeholders including the MPEA, Ministry of Post and Telecommunication, Liberia Telecom Authority, and other public and private sector participants to finalize a document that reflected the input and expectations of the participants. The policy emphasizes the use of information technology for facilitating social and economic growth and development. Outlining the vision to move towards this objective within the next 3-5 years, the Policy adopts the establishment of broadband internet connectivity and fiber-optic ring around Monrovia as the core infrastructure and platform based on which the ICT4D initiatives would be built. The Policy focuses on e-governance as the major means through which various national developmental priorities will be facilitated. To realize e-governance initiatives, the Policy calls

for the development of an e-governance agenda, and the identification and prioritization of e-governance activities in different sectors of the economy, including public financial management, agriculture, and mobile banking.

The USAID GEMAP's Senior Advisor initially assessed the different international connectivity options available to Liberia. He then facilitated intense negotiations to get Liberia into an appropriate and timely fiber-optic cable consortium. A public/private consortium had to be created rapidly to fund and administer Liberia's participation. Liberia signed the ACE Construction & Maintenance Agreement (CMA) in Paris on June 5, 2010. The \$700 million, 17,000-kilometre long Africa Coast to Europe (ACE) cable will run from South Africa to France. It will connect 23 countries either directly (for coastal countries) or indirectly through terrestrial links (for the landlocked countries Mali and Niger).

The signing ceremony took place at the Eiffel Tower where senior officials and dignitaries from 23 countries that are part of the ACE Consortium were present. The Managing Director of Libtelco, the national operator, signed the CMA document on behalf of Liberia and the Cable Consortium of Liberia (CCL), the public/private partnership consisting of mobile operators, Liberia Telecommunications Authority (LTA), GOL, and Libtelco. The members of the CCL have each contributed funds to meet the total investment cost of \$25 million required for Liberia to participate in the ACE consortium. Liberia is now a full standing member of the ACE Consortium led by France Telecom.

Described by the GOL as an "historic event", ACE will bring broadband internet connectivity to Liberia by 2012, replacing Liberia's dependence on costly, slow, and unreliable satellite connections. Poor internet connectivity has, until now presented a major impediment to economic development. With USAID GEMAP technical assistance and facilitation, the CCL was able to successfully raise the \$25 million required for participation in ACE, and attract funding in Grant money from World Bank towards the cost of the investment as well as the technical expertise necessary to build the enabling legal and regulatory framework.

In the interest of catering to the shifting national priorities imposed by MPEA, the most pertinent being the signing of the ACE consortium agreement, some targets that had been anticipated in the MPEA GEMAP work plan for the Senior ICT Advisor were delayed or missed. One such target was the installment of Chief Information Officers (CIOs) in line ministries as a precursor to transitioning to E-Government. This target was missed because the CIO position had to be first created by the Civil Service Agency (CSA) before any appointments could be made. USAID GEMAP provided short-term technical expertise for a comprehensive ICT infrastructure assessment of the GOL, which identified qualified personnel who could be groomed into CIO positions. These personnel were unable to be appointed to CIO positions due to the CSA position requirement. Nevertheless, USAID GEMAP drafted the terms of reference (TOR) for the CIOs in collaboration with the MPEA, and the ICT4D Steering Committee approved the TOR. Based on the TOR, the positions were formally approved by CSA in September 2010.

Another target that was missed was the incorporation of the numerous GOL-wide ICT initiatives that the General Services Agency had taken over the years into the ICT sector work embarked on by MPEA and MOPT. Given the fact that the GSA had launched an ambitious national fixed asset inventory exercise during this period, the institutions did not have enough resources to dedicate to this coordination.

The pace and enthusiasm with which the above-mentioned, historical outcomes were achieved despite the numerous challenges faced confirms once again the importance of the GEMAP Model: embedding a senior advisor in a reform-minded institution, with

direct access to the institution's management and leadership, produces impressive results. In determining the next steps for the implementation of the priorities set forth in the National ICT Policy, the importance of cross-ministerial and cross-sectoral coordination and project management should not be understated.

3.6. LIBERIAN INSTITUTE OF PUBLIC ADMINISTRATION

Another key initiative that is a direct result of the consultative process followed in planning the last year of GEMAP was USAID GEMAP's collaboration with the Liberian Institute of Public Administration (LIPA) for the design and delivery of the Financial Management Capacity Building Program (FIMCAB).

Coordinated by the former USAID GEMAP Controller at Roberts International Airport, and hosted by LIPA, FIMCAB was designed in response to the Office of the President's emphasis on intensified formal training as a component in capacity building initiatives in the public sector. FIMCAB's objective was delivering customized training to enhance job performance. The program emphasized a practical approach to formal class-room training, offering short-term, hands-on courses with case studies from Liberia and similar countries in a wide range of subjects in financial management and IT.

FIMCAB was designed as a collaboration between USAID GEMAP and LIPA. In a memorandum of understanding signed between USAID Liberia and LIPA prior to program launch, it was agreed that USAID GEMAP would provide the instructors that would design and deliver the courses and provide training of LIPA trainers, while LIPA would provide the facilities and host the courses. The fees accumulated as a result of trainee participation would be collected by LIPA to build in sustainability to the program.

A unique feature of FIMCAB was its emphasis on monitoring and evaluation (M&E), not only of trainees after they complete the program and return to their institutions, but also of the performance of the finance departments of the state owned enterprises where GEMAP co-signatory authority had been handed over to Liberian counterparts in the previous reporting period.

The FIMCAB team began in November 2010. Its first M&E visit was conducted at the Forestry Development Authority to assess the effectiveness of the systems instituted under GEMAP. M&E visits were then made regularly to each institution whose personnel received training.

In December 2009, letters signed by the USAID Mission Director introducing the USAID GEMAP-LIPA FIMCAB were sent out to all ministers, directors-general, and managing directors of GOL institutions. The program, offering practical, classroom training in financial management to participants from the public and private sectors, was advertised widely in local press. The course schedule was finalized, with USAID GEMAP leading the curriculum development and training delivery. Eight courses were offered covering different areas of financial management, contract administration, and IT in conjunction with LIPA trainers. In December, a month before the official launching of the program, the program had generated high interest and inquiries from a high number of potential trainees.

By the end of January 2010, around 100 people picked up registration forms for the GEMAP-LIPA FIMCAB. Most of the potential registrants indicated interest in higher level courses scheduled to begin in second semester. 31 people registered for the first semester courses initially: 17 for internal audit (no females), 8 for internal controls (5 females), 3 for Microsoft PowerPoint (1 female), and 3 for Microsoft Excel (2 females). More entered after instruction had begun, bringing the total to 53. Registrants came mostly from the public sector, including

Ministry of Finance, Central Bank, Senate, Civil Service Agency, General Audit Commission, Center for National Documentation and Archives, Ministry of Public Works, Ministry of Health, and Liberia Water and Sewer Corporation. There were also registrants from the private sector and one NGO. At the time, by the end of the USAID GEMAP contract, FIMCAB was expecting to have trained between 350-500 people. Enrollment quadrupled in the second course session, with 206 enrollees, and seemed set to continue growing exponentially.

Enrollment in USAID-LIPA Training Program Quadruples

The second round of USAID GEMAP-facilitated trainings at the Liberian Institute of Public Administration (LIPA) was successfully completed in May. The results from the second cohort represent significant progress and continued momentum from the first cohort. Enrollment went up from 53 individuals in the first cohort to 206, a sign of the demand for increased accountability and proficiency in the public sector. 20% of the participants were self-supported, while 40% were sponsored by the Government and 38% by the private sector.

The second cohort also featured an increased number and array of courses over the first round of training. During the second cohort, courses offered included Internal Auditing, Procurement, Public Sector Finance, Public Sector Management, and Computer Knowledge. Computer Knowledge and Procurement were the courses with the highest enrollment, at 34% and 32% of total enrollment, respectively, followed by Public Sector Finance, Public Sector Management, and Internal Auditing, at 17%, 9%, and 8%, respectively. An analysis of questionnaires completed by trainees following program completion indicates 90% satisfaction among the trainees over facilitator knowledge, 83% satisfaction over content delivery, 88% satisfaction over the opportunity to meet other professionals, and an average of 84% general satisfaction with the program.

As part of the post co-signatory authority handover monitoring efforts at the state-owned enterprises, the FIMCAB M&E team visited the Roberts International Airport (RIA) and the Forestry Development Authority (FDA) in January 2010. Overall prognosis at the end of these visits was positive. At RIA, USAID GEMAP reported that internal controls and financial procedures as laid out in the finance manual were being adhered to.

Weaknesses were observed in the capacity of managers to supervise the automated accounting package operations. RIA was finally recruiting for an Internal Auditor, following prolonged periods of inaction in establishing an effective internal audit function (an internal audit charter had been developed by USAID GEMAP for the Board's consideration in 2008). At FDA, there were questions on the completeness of the fixed asset registry, slow frequency of bank deposits by the revenue department, and documents not being regularly reviewed by the

internal audit department. These observations were communicated to the FDA Finance Manager for management action.

The first FIMCAB training cycle was completed, and participants received their certificates at a ceremony on March 12, 2010. Director of LIPA, the USAID Deputy Mission Director, and representatives from the Executive Branch made remarks emphasizing the role of capacity building in the nation's development agenda, and LIPA's pivotal role in enhancing public sector administration capacity. The first course session trained 31 people in different areas of financial management and IT, including internal controls, internal audit. The trainees came mostly from the public sector, including Ministry of Finance, Central Bank, Senate, Civil Service Agency, General Audit Commission, Center for National Documentation and Archives, Ministry of Public Works, Ministry of Health, and Liberia Water and Sewer Corporation.



The new automated financial management system and improved employee training support the successful operation of Roberts International Airport—the primary gateway to Liberia.

The significant and rapid increase in enrollment numbers indicates the demand for cross-cutting and wide-ranging capacity building initiatives in Liberia. These types of short-term training programs, coupled with longer term training initiatives that target work force development need to be continued in the future. The capacity of LIPA needs to continue developing. The vision is to become a reputable training institution that provides state of the art training catering to the diverse needs of public sector management and administration in the country and in the region.

3.7. SHORT-TERM TECHNICAL ASSISTANCE INITIATIVES

In addition to the specialized, short-term technical assignments performed under USAID GEMAP’s long term assistance program at the MOF, GSA, MLME, NPA, and MPEA described above, in the last year of USAID GEMAP it launched two additional new initiatives, at the Ministry of Public Works (MPW) and the Monrovia City Corporation (MCC). These initiatives were in response to technical assistance requests that came to USAID Liberia directly from the GOL. While short-term in nature, these technical interventions registered significant progress in a relatively short time frame, laying the foundation for sound financial management at these institutions.

The core objective of USAID GEMAP’s technical assistance activities at the MPW was to help the Ministry to address the deficiencies noted in the General Audit Commission’s audit of the MPW’s financial systems. The GEMAP Financial Advisor to the MPW, with assistance from a Liberian Financial Advisor, worked with the leadership and management of MPW to assess financial management processes, improve internal controls, draft manuals, automate accounting systems, and build staff capacity to operate the enhanced processes. At the end of the eight month assistance period, all of the 48 GAC audit findings had been addressed, except for the completion of a fixed asset inventory, for which there were not enough resources.

At the MCC, USAID GEMAP short-term technical advisors focused on instituting systematic controls concentrating on revenue. It is anticipated that the changes will triple the institution’s revenue collections. Financial management systems have been automated with the institution of Quickbooks, and considerable staff training has taken place.

The process enhancements at the MPW and MCC have laid the groundwork for transparent and sound financial management at these institutions. The contributions of each USAID GEMAP Advisor were recognized publicly by the MPW and MCC leaders in August 2010.

USAID GEMAP also provided short-term technical assistance to the Office of the President’s overarching reform initiatives for state-owned enterprises. IBI experts worked with the offices of the Minister of State for Legal and Economic Affairs to develop Model Charters and By Laws for SOE Boards, draft a standard compensation plan for SOEs, and build the oversight capacity of the

Boards through workshops in modern corporate management practices. Announced through a letter signed by the President of Liberia, these workshops received high attendance from SOE Board members, all prominent, high-ranking officials from the Liberian public and private sectors.

4. LESSONS LEARNED

Four years of GEMAP experience have produced valuable impact and lessons. Liberia has been the setting for the birth and trial of a novel model for building economic governance in post-conflict environments.

Since its inception, GEMAP has been widely assessed as a potential model for building the requisite infrastructure for good economic governance in a post-conflict environment where public financial management is in disarray. Journalists and academic economists have covered the model, its progress, and viability, and the program has an entry on Wikipedia. There have been two program-wide external evaluations, commissioned by all donors contributing to the program, and one internal USAID evaluation, and one final program evaluation, performed in April-May 2010 by independent, outside evaluators contracted by USAID Liberia.

The major achievements of USAID GEMAP are a result of the careful and methodical implementation of a model which takes its power from participatory planning, institutionalized government-donor partnership and embedded technical assistants focused on empowering their counterparts. This has had substantial impact in gradually reducing corruption and building institutional capacity for responsible financial management. The major components of this model are outlined below.

1. Establish partnership structure between host government and international community.

Perhaps the most impressive and extraordinary feature of the GEMAP arrangement was the establishment of a solid partnership structure between GOL and the international partners. The Economic Governance Steering Committee (EGSC), cochaired by the President of Liberia and the U.S. Ambassador to Liberia, and comprising top representatives from the government and the international community, constituted a high profile medium where pressing governance issues could be discussed openly and regularly. The GEMAP Technical Team (TT), co-chaired by a GOL and US Embassy/USAID officer and composed of key GOL counterparts and donors contributing to GEMAP, provided direction and oversight to technical progress through regular weekly meetings. The priorities, issues, terms of reference and work plans were developed and reviewed through these participatory mechanisms, enabling coordination, commitment, and buy-in at highest levels of the political establishment.

2. Embed senior advisors in institutions.

The USAID GEMAP Advisors have been at the forefront of reducing corruption and building capacity. All key USAID GEMAP Advisors are senior professionals with extensive global experience in their respective technical fields. In addition to their technical expertise, they possess the professionalism and tactful diplomacy necessary to interact directly with all levels of government, ranging from political leadership to technical staff, and to gracefully manage the sensitive political nature of the GEMAP project without compromising quality and integrity. Their guiding principle has been to empower Liberian official leadership by building systems and staff capacity that allow leaders to deliver on their mandates. As such, the advisors have been instrumental in adapting international best practices to local realities, and building human capacity at all levels of government.

3. Consider the Value of Co-signatory Authority.

An interesting feature of the original GEMAP Agreement, signed between the NTGL and the international partners in 2005, was the granting of co-signatory authority on all financial transactions to internationally recruited financial controllers at key revenue generating government institutions. An emergency measure in itself, the co-signatory authority has proven extremely useful in averting detrimental spending at critical moments. It has also served well in enabling the advisors to quickly determine the key and most chronic failings of the institutions through regularly exposing the advisors to routine financial processes and paperwork.

4. Enable advisors access to board, management.

A key and distinctive characteristic of USAID GEMAP has been the ability of the advisors to access directly institutional leadership. The confidence and trust built through regular interactions between the advisors and the leadership of the institution has been instrumental in strengthening leadership in making critical policy decisions and exerting the influence necessary to undertake institutional reform.

5. Assess policies, procedures, laws, regulations, and organizational efficiency.

In virtually all USAID GEMAP-supported institutions, advisors followed a similar approach of initially completing a thorough assessment to determine the quality of processes and regulatory frameworks in place. These assessments were completed with an eye to addressing the most salient and cross-cutting issues impeding regulatory consistency and operational efficiency across GOL.

6. Identify and institute operational controls.

Identification and institution of operational controls followed these institutional assessments. The core of the advisors' work has been the design and implementation of systems and controls, and formal and on-the-job training to build staff capacity in the execution and monitoring of these systems.

7. Use IT to enhance processes and transparency.

Systematic introduction and usage of **appropriate** IT systems, including automated accounting, budget management, and mining license granting processes, have automated manual systems and brought regularity, consistency, and efficiency to processes, reduced opportunity for human error, closed major loopholes that created room for corrupt practices, and enabled accurate and effective monitoring. The systems needed to be simple adaptations of widely known and well-supported software and hardware at first. After two decades in which the country had very little electricity, there was a dearth of computer skills. GEMAP built and equipped two computer training labs, one at GSA and the other at LIPA, both of which function day and night.

8. Build capacity and professionalism through interactions between advisors and staff.

The importance of daily interactions between the advisors and the institution staff cannot be overstated. It was through these interactions and through the advisors working every day from within the ministries, agencies, and state-owned enterprises where they were assigned that staff confidence and capacity was built. The professionalism and work ethic of the advisors have been frequently praised by Liberian counterparts as having been influential in adjusting their attitudes towards work and their determination to perform. As various assistance programs were phased out during the project, every institution at which IBI worked requested that the advisors' stay on to mentor staff and/or return periodically to monitor the implementation of the systems instituted

ANNEX A: SUMMARY OF PROJECT ADMINISTRATIVE AND FINANCIAL CLOSE OUT ACTIVITIES

IBI completed all project close out activities for the GEMAP contract by September 30, 2010. Below is a summary of status on major contractual requirements.

Deliverables, such as technical services, level of effort, design, construction, goods and products

1. Systems and manuals:

The primary deliverables of the GEMAP contract were technical reports, policy and procedures manuals, and documentation on technical systems instituted. These have been compiled in an Electronic Library, catalogued per institution, and were submitted to USAID Liberia on September 29, 2010.

2. Construction:

The two major construction activities built with USAID GEMAP funding are the General Services Agency (GSA) IT Lab and Ministry of Lands, Mines, and Energy (MLME) Cadastre Building. Both projects were completed on time and budget, and branded in accordance with USAID guidelines.

3. Procurement:

The most significant procurement activity under USAID GEMAP involved the procurement of IT hardware and software for the Department of Budget (DOB), Monrovia City Corporation (MCC), and Ministry of Public Works (MPW). This equipment has been successfully procured, installed, branded, and handed over to the respective institutions, in accordance with USAID procurement and marking and branding guidelines.

4. Subcontracts:

Major sub-contracts undertaken during USAID GEMAP implementation were:

- Mining Cadastre Information Management System. This sub-contract was with Spatial Dimension, a consultancy based in South Africa, to implement an automated minerals licensing management system at the MLME to streamline licensing procedures, avoid ownership conflicts, and increase revenue. The sub-contract was completed on time and on budget. Sub-contract value: \$593,953
- SunSystems. This sub-contract was with iLanga Systems, a SunSystems service provider company based in Kenya, to upgrade and provide training on the SunSystems integrated financial management system that IBI activated at the Ministry of Finance (MOF) Department of Expenditure and Debt Management, to reduce fraud in GOL payment systems. The sub-contract was completed on time and on budget. Sub-contract value: \$32,150
- GEMAP Video. This sub-contract was with Digital Development Communications (DDC) International, a production company based in the United States, to produce a documentary on GEMAP impact and lessons learned. The sub-contract was completed on time and on budget. Sub-contract value: \$43,085

- Fixed Asset Management System. This sub-contract was with MaintStar, an information management consultancy based in the United States, to install upgrades and provide training on additional modules for the MaintStar Fixed Asset Management System at the GSA, in support of the GSA national fixed asset inventory initiative. The sub-contract was completed on time and on budget. Sub-contract value: \$82,080
- ICT Equipment procurement. The ICT equipment for DOB was procured through a sub-contract with Imagine Systems, an IT services company based in the United States. The sub-contract was completed on budget but with delays due to certain equipment not being available from the manufacturer. Sub-contract value: \$135,076
- Due Diligence on Western Cluster Mining Concession. IBI entered into a sub-contract with Deloitte & Touche South Africa for services to the MLME. The subcontractor provided due diligence research on the five short-listed mining companies that submitted proposals for this concession. The subcontract was completed on time and on budget. Sub-contract value: \$227,500
- Mineral Cadastre. IBI sub-contracted with SRK East Africa to design and install a mineral cadastre for the MLME. While initial phases of the sub-contract were completed to the Ministry's and to USAID's satisfaction, the final phase of the scope of work was not completed and IBI terminated the sub-contract at the request of the MLME and USAID. Sub-contract value: \$159,300

Required reports: draft and final performance reports, financial reports and property reports:

Per Section IX of Contract Modification 005, Reporting: The following have been completed, submitted, and approved by USAID Liberia:

1. Work plan
2. Quarterly reports
3. SOW for second year program period
4. Annual Report for 2008-09 and for 2009-2010
5. Financial Reporting
 - Quarterly Past Expenditure and Projection Report
 - Accruals
 - Annual Budget

Per MACRO II IQC Section F.8 Submission Requirements for Development Experience Documents:

Contract reports and information/intellectual products, including the assessments, evaluations, studies, technical reports and annual reports included in the Electronic Library submitted to USAID Liberia, were submitted, along with an index, to the Development Experience Information Division of the Center for Development Information and Evaluation (PPC/DCIE/DI) in the Bureau for Policy and Program Coordination by October 30, 2010.

Items or documents created by IBI that may fall under the purview of the copyright or patent provisions of the contract:

1. Payment Assurance Real-time Information System (PARIS). Usage rights to this software have been transferred to the Ministry of Finance. PARIS is a web-based system that enables commercial banks to verify the validity of Government of Liberia (GOL) checks presented at bank windows. While copyright to the software remains with IBI, an MOU between IBI and MOF provides for the GOL's ability to license it to the Central Bank of Liberia, commercial banks and other beneficiaries of the system and restricts GOL from charging usage and access fees and distributing the system outside Liberia.
2. Liberia Expenditure Control and Accounting Program (LECAP). This system was built on open source applications as a temporary measure until the IFMIS project at the MOF takes over. LECAP enables automated compilation of the National Budget and analytical reporting for decision-making. The system and its source codes are hosted on the Ministry of Finance server, and belong to the MOF.

Inventory Disposition

All inventory purchased with USAID funds under this contract has been disposed of in accordance with the IBI Inventory Disposition Plan approved by the Contracting Officer.

For more information, please visit
<http://www.ibi-usa.com>

IBI International
2101 Wilson Blvd., Suite 1110
Arlington, VA 22201 USA
Tel: (703) 525-2277
Fax: (703) 525-2211
www.ibi-usa.com

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