

CRISIS, TRANSITION, AND RECOVERY

IN

LIBERIA:

Planning USAID Responses

**Monrovia, Liberia
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EXECUTIVE SUMMARY

A team of USAID officers from the Office of Foreign Disaster Assistance, the Africa Bureau Office of Disaster Relief Coordination (DRCO), and REDSO/WCA have reviewed current conditions in Liberia with a view towards beginning planning for a transition from emergency to recovery.

Three years of civil war have forced an estimated 700,000 Liberians to flee their country and seek shelter in neighboring Guinea, Côte d'Ivoire, and Sierra Leone. Another half a million or more Liberians are internally displaced, while tens of thousands have been killed, raped, mutilated or traumatized by the atrocities committed by all sides. There is no legitimate national government administering the entire country, although two warring factions (IGNU and the NPFL) exercise nominal governmental authority in their areas of control. Nearly all social services are provided by local and international NGOs and UN agencies with funding from the United States, the European Community, and other donors.

There are rising expectations in Liberia for the forthcoming seating of the transitional government and the concomitant demobilization of the warring factions. To date, the government has not been seated largely due to the delayed arrival of the expanded ECOMOG troops whose task is to disarm the factions. Elections which were due to occur in February, 1994, seven months after the signing of the July 25 Cotonou Peace Agreement, are likely to be pushed back as a result of these delays.

The operating environment in Liberia remains unpredictable and security continues to be the primary concern of all relief workers. Bureaucratic constraints to relief operations are severe due to the division of the country into three separate military sectors and two self-proclaimed governments. Further frustrating relief efforts is the general lack of cooperation from IGNU, ULIMO, NPFL and ECOMOG, particularly for delivery of relief supplies from IGNU to NPFL areas where over half of the displaced population is located.

Planning for disarmament and demobilization is proceeding but there are rising concerns over the maintenance of law and order in the hinterlands during the process. The establishment of a police force is a topic of urgency, but is not likely to be addressed until there is a new government in Liberia. Expectations for the demobilization process are high. Failure of the program to produce quantifiable results, however small, in the short term, could destroy the peace process.

The U.S. Government's special relationship with Liberia fueled a large multi-year, multi-sectoral USAID program that began to phase down in the mid-1980s resulting from a combination of Brooke sanctions and general criticism of the Government of Liberia's lack of commitment to economic reform. Since the civil war began at the end of 1989, USAID has contributed over USD 262 million for the Liberia emergency through the Office of U.S. Foreign Disaster Assistance (OFDA) and the

Office of Food for Peace (FFP). Economic Support Fund (ESF) and other USG managed funds have been committed to the democracy/governance effort as well as for the mobilization of the expanded ECOMOG troops.

For the foreseeable future, Liberia will depend on food aid and emergency-funded humanitarian assistance. WFP estimates 1.7 million Liberians will require emergency food in 1994. There are opportunities during a transition process for more creative use of food aid such as monetization, or food for work. Provision of inputs for agricultural production has been and will continue to be a critical component of emergency food programs. Health and nutrition interventions by NGOs must continue in view of the total collapse of the national health system. The U.S. is likely to have a significant role to play in all of these sectors.

On the horizon is the urgent need to engage even a transitional government in discussions of economic issues related to parastatals, debt management and monetary policy, concession holders and natural resource policy, and assistance to small business. Liberia's debt, estimated at over USD 3 billion, will be a drag on economic recovery, just as the multi-currency economy consisting of U.S. and Liberian dollars has a negative impact on the monetary system.

As a conceptual framework for analysis and planning, the assessment team has developed several scenarios for the next two years which may serve as guides for discussion of future USAID assistance to Liberia, recognizing that no one scenario is likely to come into being exactly as described.

Scenario One: the *status quo* continues in Liberia with delayed seating of the transitional government beyond a reasonable time frame, continued disruption of the peace process by the Liberian Peace Council in the southeast, and possible renewed outbreak of fighting among factions in violation of the Cotonou Agreement.

Scenario Two: the transitional government is seated, there is some progress towards elections to be held sometime after November 1994, deployment of ECOMOG expanded forces, slow commencement of disarmament, and a sustained security situation that improves the working environment for NGOs.

Scenario Three: the Transitional Government is seated rapidly, there is aggressive tackling of the issues of state, progress towards elections to be held by November 1994, and rapid disarmament and reintegration of soldiers, refugees and displaced people. Each increasing level of intervention has staffing and administrative implications for USAID/Liberia which must be addressed. Some preliminary indications of those needs are provided in Part II of the paper under the section Program Management and Staffing. Following are the summary recommendations of the team, organized by Scenario as described above.

Scenario One

- * Continue assistance through OFDA and FFP emergency interventions;
- * Continue assistance to Carter Center in mediation and national reconciliation activities; and,
- * Develop projects for Liberians physically disabled or otherwise severely affected by war, using funds "earmarked" by Congress for such purposes.

Scenario Two

- * Scenario One interventions;
- * Support creative, developmental uses of food aid: monetization, food for work, etc, possibly through regular Title II programs;
- * Provide TDY technical assistance on food policy;
- * Explore availability of ESF or DFA funds for PVO umbrella grant to support reintegration (vocational training, agriculture, micro-enterprise, etc.);
- * Conduct assessment of health and food and agriculture sectors to analyze longer term needs;
- * Participate with other donors in policy dialogues with transitional government on monetary reform, debt management, sector policies; and,
- * Initiate internal discussions on management of Brooke-related sanctions and benchmarks that would trigger possible waiver.

Scenario Three

- * Scenario One and Two interventions;
- * Identify additional funds for support to health and agricultural recovery;
- * Participate actively in economic policy dialogue through technical assistance, and possibly NPA/Title III programs; and,
- * Pursue means to move forward with additional development assistance, including waivers on selected Brooke-related sanctions.

I. INTRODUCTION

At the request of USAID/Liberia, OFDA, and the Africa Bureau, a joint OFDA/Africa Bureau assessment team worked in Liberia from November 14-23, 1993, to review the current humanitarian assistance program to Liberia and design a framework for future USAID assistance during a transition period from relief to recovery.

The team consisted of five officers: Rachel Kempf, OFDA Action Officer for Liberia; Linda Howey, Africa Bureau Disaster Relief Coordination Officer; Robert Boncy, Regional Project Development Officer (REDSO/WCA); Glenn Rogers, Regional Economist (REDSO/WCA); and Catherine Farnsworth, Team Leader and OFDA Regional Advisor (Addis Ababa). The team worked closely with the USAID/Liberia Representative Lowell Lynch and the staff of USAID/Liberia. The overall objectives of the team's scope of work were:

"(a) to assess Liberia's needs for assistance for both immediate relief and rehabilitation activities and the identification of the modalities and institutions best suited to implement these activities;

(b) to suggest approaches for longer-term recovery, including the identification of constraints, possibly leading to a development program; and

(c) to initiate planning for the USAID program transition in Liberia, including preparation of a conceptual framework for the program."

In meeting the requirements of the scope of work, the team has written a three part report:

Part I: Part I is composed of an introduction to the study and overview of the Liberian population by location, followed by a discussion of the political and military situation as well as physical and institutional frameworks and constraints affecting program implementation. A third section describes the extent of Liberia's recovery needs as a basis for understanding the enormous challenge facing Liberians.

Part II: Part II comprises review and analysis of past and present U.S. Government assistance strategies and programs in Liberia from the pre-war phase to the humanitarian assistance program of today. This section also lays out the team's conceptual framework for USAID involvement based on three scenarios and outlines program management and staffing requirements for each. The team does not identify specific time frames for each scenario, using instead political and military benchmarks as better indicators of the Liberia situation. The overall

framework of a two-year period as specified in the scope of work can, however, be considered valid.

Part III: Part III considers possible sectors for USAID involvement based on past and present program support for Liberia and the new USAID strategy in the 1990's that focuses on democracy and governance, natural resources management, health and population, and economic reform and development of the private sector. The team recognizes the paramount importance of progress in democracy and governance issues for creating an environment favorable to the recovery process in this country. However, we defer analysis of ongoing efforts to a separate effort being carried out by a consortium of institutions (AAI, IFES, NDI, FOL) led by the Carter Center of Emory University. The team discusses in some depth the immediate humanitarian needs and requirements during the transition in the areas of food aid, agriculture, health and nutrition. The demobilization and reintegration process which forms the foundation for recovery is also reviewed and analyzed with suggestions for USAID's involvement. Finally, the importance of a sound economic policy and management framework, including natural resource management, as part of the recovery process is recognized by the team through a brief discussion of economic policy issues and USAID's interest and possible contributions in this field. In all sectors reviewed, recommendations for USAID actions are keyed to the scenarios outlined in Part II of the paper.

At the time of writing this report, the situation in Liberia remains uncertain, fragile, and fluid: the Council that will form the nucleus of the Transitional Government (LNTG) is not yet seated, the expanded ECOMOG forces have not arrived, and, at a time when plans for reintegration of displaced people and refugees are being discussed, both displaced people and refugees are being generated in different parts of the country. The team thus cautions readers that the validity of the strategies laid out herein could well change in a matter of days or weeks and therefore this paper should be only one input in the ongoing analysis of the situation.

The limited period allotted for this study was inadequate to conduct a thorough analysis of the Liberia program and the team is fully aware that many of the questions and issues that USAID/Liberia or USAID/W had in mind for this study, may not have been addressed. Obviously, there is a need for more in-depth work in all sectors as the situation in Liberia permits. In the meantime, it is hoped that this paper makes a contribution towards the general discussion and debate over relief to recovery in Liberia by providing a basic framework and identification of key issues that must be addressed.

II. POPULATION PROFILE

Accurate population figures are extremely difficult to obtain given the fluid situation existing in Liberia today. The following represents a synthesis of estimates from a number of sources, principally the World Food Program.

The total in-country population of Liberia at present is 2,025,000 with an additional 120,000 Sierra Leonean refugees. Another 700,000 Liberian refugees live outside of the country, mostly in the sub-region. While there are no firm figures, hundreds of thousands have been displaced, many of them rural dwellers who flocked to Monrovia in search of employment opportunities, relief and security.

COUNTY	PRE-WAR POPULATION	PRE-WAR PERCENTAGE RURAL (%)	PRESENT POPULATION	REACHABLE BENEFICIARIES*
Lofa	220,000	93%	115,000	80,000
Cape Mount	70,000	87%	65,000	65,000
Bomi	90,000	42%	85,000	85,000
Montserrado	660,000	13%	800,000	800,000
Margibi	250,000	8%	150,000	145,000
Grand Bassa	200,000	58%	125,000	95,000
Bong	280,000	41%	235,000	185,000
Nimba	320,000	86%	175,000	150,000
Rivercess	60,000	NA	50,000	30,000
Grand Gedeh	60,000	95%	50,000	20,000
Sinoe	60,000	87%	(Southeast Region) 175,000	100,000
Grand Kru	50,000	69%		
Maryland	110,000	60%		
TOTAL	2,430,000		2,025,000	1,755,000

* Populations accessible with current available logistic means and within areas of security.

Populations not accessible are mostly in NPFL controlled areas in Nimba and Bong, in LPC areas of the southeast and parts of ULIMO controlled areas in Lofa country.

The following table illustrates the current number and location of displaced persons, including Sierra Leonean refugees, in Liberia. It does not include data on Liberian refugees who are still in other countries. The information in the last column of the table was drawn from a resettlement survey conducted by SELF in the Monrovia area displaced centers. This table is by no means exhaustive and is merely for reference purposes. It is quite possible that the number of displaced Liberians could be considerably higher than that listed.

COUNTY	KNOWN DPS	KNOWN SIERRA LEONE REFUGEES	KNOWN INTENDED RETURNEES
Lofa	50,000	100,000	2,593
Cape Mount		(ULIMO Controlled Area)	16,699
Bomi		15,000	14,837
Montserrado - Monrovia	1,100 49,000	5,000	17,653
Margibi	76,000		3,024
Grand Bassa	83,000		255
Bong			662
Nimba	(NPFL		48
Rivercess	controlled		81
Grand Gedeh	area)		88
Sinoe			70
Grand Kru			142
Maryland	270,000		78
TOTAL	529,100	120,000	56,230

According to UNHCR, there are 665,000 Liberian refugees in Guinea and Côte d'Ivoire and 35,000 in other West African countries. It is expected that 414,000 of these refugees will wait to return from abroad until UNHCR's organized repatriation program is under way, while up to 155,000 will repatriate spontaneously as soon as they feel the internal security situation has improved sufficiently. Almost 350,000 of the refugees in Guinea and Côte d'Ivoire originally came from Nimba and Lofa Counties. Slightly more than 80,000 came from Grand Gedeh and Maryland.

Beginning in late December 1989, hundreds of thousands of Liberians crossed borders in search of safety in neighboring countries. Two years of cease-fire in 1991 and 1992 enticed more than 30,000 to return spontaneously. However, the resumption of hostilities following Operation Octopus in October, 1992 resulted in another massive displacement of Liberians, both internally and externally. The following table presents UNHCR's estimate of total Liberian refugees and their locations as of 30 September 1993.

COTE D'IVOIRE	GHANA	GUINEA	NIGERIA	SIERRA LEONE	TOTAL
250,000	15,000	415,000	4,000	16,000	700,000

The team offers the suggestion that programming of U.S. assistance to the Liberia recovery program be structured to focus in areas that will be the catchments for returning refugees and displaced, and that offer the most productive potential for food security. The Food and Agriculture section of this paper further addresses this issue.

III. OPERATING ENVIRONMENT

This section provides an overview of the operating environment in Liberia, setting the stage for analyzing the relief-to-recovery process and its constraints.

A. MILITARY AND POLITICAL ENVIRONMENT

On December 24, 1989, Liberia was plunged into civil war when rebels of the National Patriotic Front of Liberia (NPFL), under the leadership of Charles Taylor, entered Nimba County from Cote d'Ivoire. The fighting continued and reached Monrovia in early June 1990. More than a million Liberians have been displaced, injured or otherwise affected and nearly all social services have been

destroyed in the three years of civil war. The number of civilian casualties and combatants killed is estimated at more than 50,000.

On August 24, 1990, the Economic Community of West African States (ECOWAS) sent a Monitoring Group (ECOMOG) to Liberia to serve as an independent peace-keeping presence. In November 1991, the first cease-fire was declared which lasted nearly a year until the NPFL attacked Monrovia on October 15, 1992, an event known as Operation Octopus. Following Octopus, ECOMOG increasingly has been engaged in a peace-making role.

Liberia is currently divided into three zones, each occupied by a different military faction, AFL, ULIMO, and NPFL. The AFL (in tandem with ECOMOG) is deployed in Monrovia and its environs, ULIMO the western counties of Bomi, Cape Mount and parts of Lofa, and the NPFL in the rest of the country. Of the three warring factions, the AFL and NPFL are *de facto* military arms of self-proclaimed governments; the AFL for Amos Sawyer's Interim Government of National Unity (IGNU) and NPFL for Charles Taylor's National Patriotic Reconstruction Assembly Government (NPRAG), respectively.

While the factions have met numerous times during the war, a most encouraging meeting took place in mid-July 1993 in Benin, which produced the Cotonou Agreement signed by IGNU, ULIMO and the NPFL. The Agreement calls for the implementation of four steps leading to the resolution of the civil conflict: 1) a cease-fire by the warring parties; 2) disarmament and demobilization of combatants; 3) the formation of a transitional government comprised of representatives of each Liberian signatory; and, 4) the holding of national elections seven months after the cease-fire. The Agreement specifically states that the seating of the transitional government and the demobilization process are to be concomitant and that the factional lines of control will automatically disappear once it is seated. However, four months after the Cotonou Agreement, the transitional government is still not seated.

The cease-fire came into effect on August 1, 1993. It is holding but is considered extremely fragile. The emergence of a new rebel faction in the southeast region of the country, the Liberia Peace Council (LPC), which is currently engaged in skirmishes with the NPFL in areas near Grand Bassa County, presents a direct threat to the Cotonou Agreement. Rogue elements of ULIMO have carried out a campaign of banditry and harassment in Lofa County during October and November. This situation has aggravated the already tense climate of insecurity for both civilians and relief workers in the ULIMO-controlled region. There is also sporadic fighting between local units of NPFL and ULIMO, in places like eastern Lofa and upper Margibi counties. Another destabilizing factor in the Liberia crisis is the on-going civil war in Sierra Leone which is causing Sierra Leonean civilians and

Revolutionary United Front (RUF) combatants to seek refuge across the border, mainly in upper Lofa County.

A fourth actor on the scene is ECOMOG, the military arm of ECOWAS consisting of troops from Nigeria, Ghana, Guinea, Sierra Leone, Mali and the Gambia under the command of a Nigerian general. ECOMOG currently provides a *cordon sanitaire* around Monrovia and along the road to Buchanan, protecting against the forces of NPFL which it has directly fought in such operations as Octopus in October 1992. ECOMOG forces will be used to implement the demobilization process which will commence when the transitional government is seated. To this end, current force strength will be expanded using troops from Zimbabwe, Uganda, and Tanzania. Their arrival, now projected for the second half of December, will signal the start of the process of transition from war to peace in Liberia.

The United Nations Observer Mission in Liberia (UNOMIL) coordinates, through the Office of the Special Representative of the Secretary General (SRSG), all UN activities in Liberia. The military role of UNOMIL includes its participation in the Joint Ceasefire Monitoring Committee (JCMC) along with ECOMOG and representatives of all the factions, as well as monitoring the disarmament process when it commences. UNOMIL's mandate officially ceases when the Security Council decides on the basis of a recommendation by the Secretary General that sufficient progress is being made toward implementation of the Cotonou Agreement.

On the political front, as dictated by the Cotonou Agreement, the three signatories to the Agreement have named one person each to sit on the Liberian National Transitional Government (LNTG) Council of State, which is a sort of collective presidency for the caretaker regime. Two additional members were selected by a committee of eminent persons, bringing the total membership of the governing Council of State to five. The two individuals selected by this latter process are from the IGNU and ULIMO factions. The Agreement called for the seating of the LNTG (along with the concomitant launching of demobilization) to take place within one month after the signing of that agreement. As delays have persisted and momentum has waned in the installation of the LNTG and the commencement of disarmament, the political commitment of the various factions to implement the Cotonou Agreement becomes more and more dubious. For example, the NPFL would not send its representative to the informal organizational meetings of the Council, and ULIMO chose individuals from the former Doe government who allegedly were involved in mass killings to be representatives in the Transitional Legislative Assembly. Ominously, the factions have begun playing politics with the membership of the Council, beginning with the recent announcement by NPFL that the widely respected stateswoman D. Museleng Cooper was being replaced by hawkish commander Issac Moussa. IGNU then also

announced a change in their representative, substituting Philip Banks (whom an IGNU minister labelled "an insider's insider") for Bismarck Kuyon. The debate continues over these changes, suggesting that even the present composition may not be final. These kinds of machinations by all three factions raise real questions about the legitimacy and credibility of the LNTG and its ability to govern effectively and prevent renewed outbreaks of ethnic clashes.

B. PHYSICAL ENVIRONMENT

Security: Insecurity, harassment, and uncertainty characterize the operating environment for local and international relief agencies in Liberia today. Despite the signing of the Cotonou Agreement there continue to be large zones of insecurity throughout the country, in the southeast as previously noted, and in parts of ULIMO territory. Occasional skirmishes inside the various forces present unpredictable dangers to non-combatants, and a continuing state of extreme distrust between NPFL forces and ECOMOG compounds the general climate of tension in the country, particularly at the "front lines." Relations between ULIMO and ECOMOG also seem to be deteriorating.

Relief workers operating in this environment are often harassed and threatened by undisciplined, armed combatants. There are numerous reported incidents of soldiers shooting randomly at relief workers' residential compounds, threatening them with grenades and temporarily (or sometimes permanently) hijacking NGO vehicles to transport supplies the troops have looted from civilians. NGO staff have expressed the sentiment that they have little or no recourse to a higher command to effect immediate disciplining of the rogue elements. Many NGOs report that these rogue combatants are often under the influence of drugs and/or alcohol. ULIMO areas have been particularly dangerous for the NGOs in recent weeks, to the point that MSF/Belgium, the largest NGO in the area, considered evacuating its staff.

The gross human rights violations committed on all sides of the conflict best illustrate the lack of discipline and the suspected complicity at senior command levels in contributing to the insecure environment. The NPFL's use of the Small Boys Units is notorious in this regard. Reports suggest that stimulants are provided to these minors to embolden them to commit atrocities, actions that were especially widespread during the so-called "Octopus Operation" in October 1992.

ULIMO troops are reported to be torturing and killing Sierra Leonean refugees fleeing into western Liberia, apparently due to their association with the Revolutionary United Front (RUF) rebel group opposing the government of Sierra Leone. The RUF is a longstanding ally of the NPFL, thus ULIMO's targeting of suspected RUF sympathizers, including Liberian civilians. Macabre executions and

the exposure of mutilated remains to the public are among other atrocities allegedly committed by ULIMO soldiers.

The AFL's human rights record is at least as bad as that of the other factions, and probably worse. The most publicized cases are their reported perpetrations of the Harbel and Lutheran Church massacres in which some 600 civilians were brutally murdered in each incident.

Access: Access to all areas of the country is dependent on the approval of the different controlling factions. Ironically, procedures are not always made easier by a faction for the relief workers who are providing assistance in areas under its control.

The movement across factional lines of relief supplies and personnel from ECOMOG-patrolled areas to NPFL-controlled territory is perhaps the most time consuming and obstructed part of relief operations. ECOMOG and NPFL (and ULIMO, in Kakata) each have numerous checkpoints along the sections of road that they control. Due to an apparent combination of extreme distrust and alleged "boredom," troops manning the checkpoints often insist that virtually every relief vehicle completely unload and reload its contents at every checkpoint. With an estimated 26 checkpoints in ECOMOG territory and 36 in NPFL, this inspection practice can lead to a journey of up to several days in what would normally take one day or less.

In addition, ECOMOG has ordered that supplies going to NPFL areas be limited to two convoys a week of ten trucks each, or a total of about 2,500 MT per month. This quantity is grossly inadequate to meet the minimum needs of the population which are estimated in food needs alone to be 7,000 MT. This restriction on cross-line deliveries from ECOMOG-administered areas has forced the relief community to demand greater access via the more expensive cross border route from neighboring Côte d'Ivoire. WFP, other UN agencies and the NGOs, as well as, importantly, the ICRC, are all using this corridor. Cross border convoys are inspected by JCMC teams consisting of representatives of all factions, UNOMIL, and ECOMOG.

Actual cross-line road deliveries to NPFL areas during November were practically nil due to the suspension of WFP convoys following the arrest by NPFL of 10 WFP drivers/car boys. As a result of their arbitrary detention for over a month coupled by rumors that they were physically abused while held captive, no other drivers dared to cross the lines with relief cargo during this period for fear of being detained. ECOMOG further complicated matters on November 18 by declaring a "temporary" suspension of cross-line relief supply deliveries to NPFL areas. The ban continued through the end of the month. The other principal

cross-line operation, the train from Buchanan to Yekepa, was also stalled due to NPFL/LPC fighting in the LAC area.

Cross-line relief deliveries were due to recommence following the release of the car boys in late-November, however, new, seemingly arbitrary, paperwork requirements imposed by ECOMOG on the NGOs operating the convoys caused the cancellation of two convoys and does not bode well for a rapid resumption of aid to NPFL areas. Arbitrariness and general insecurity will therefore likely continue to impede cross-line deliveries until disarmament is successfully implemented.

In principle, all of the constraints noted above will be removed upon the seating of the transitional government which will mark the official dissolution of the warring factions, an erasing of all battle lines, and the consequent opening of the country for unobstructed travel by relief workers and anyone else. There is, however, considerable skepticism that this unification will be that quickly or easily achieved.

C. INSTITUTIONAL ENVIRONMENT

Capacity: As noted earlier, the absence of a legitimate national government in Liberia, combined with the collapse of the private sector and the export economy has led to an almost complete reliance on the United Nations, the International Committee of the Red Cross (ICRC) and the PVO/NGO community for the delivery of essential services to the country. All of the NGOs have drawn on the large pool of qualified professional Liberians, left unemployed as a result of the war, to implement programs ranging from agricultural seeds and tools distributions to trauma counseling for the war affected. This is one of the most positive and encouraging aspects of the operating environment, one which inspires hope in the prospects for Liberia's transition from emergency to recovery.

One of the principal challenges for the transition will be to reorient NGO programs from emergency to development activities. Many of the international NGOs currently operating will depart as their emergency mandates terminate while others (both international and national NGOs) reorient their programs to a more long term view. This will involve the hiring of staff experienced in development or the retraining of emergency staff. There is also the possibility that NGOs who departed when the emergency began, such as Plan International and the Experiment in International Living, will be enticed to return to Liberia.

Coordination: The UN's Special Representative of the Secretary General (SRSG) is the senior United Nations official in Liberia and chief of UNOMIL, the UN Observer Mission in Liberia. The specialized agencies such as UNICEF, WFP, UNHCR and UNDP report to the SRSG. UNOMIL consists of several units including administration and program management. There are three programmatic units:

Military, Electoral, and Humanitarian. In the absence of a Humanitarian Officer in the SRSG's office, the Humanitarian section is currently under the aegis of the newly arrived UNDP Resident Representative and the UNDP Emergency Unit. The Program for Reintegration is headed by a Canadian Brigadier General (retired) and reports separately to the SRSG's office. It is responsible for a combination of activities including disarmament, care for child soldiers, and community reintegration. UNDP is charged with picking up development activities where the demobilization program leaves off. Despite the existence of an organogram that describes the relationships between different branches of the UN, the team is concerned at the apparent lack of institutional coordination among UN agencies involved in this program. No single agency is in charge, leaving open the possibility that linkages will be missed and opportunities to accelerate the reintegration process will be lost.

Beyond the reintegration program, reports on the United Nations' success in coordinating the Liberian relief and rehabilitation efforts are mixed. While NGOs seem most critical of the delays incurred in the delivery of relief supplies, a problem linked most directly to ECOMOG and the NPFL, complaints were also registered regarding the UN's slow response time to humanitarian emergencies, lack of information-sharing with the NGO community, poor utilization of NGO inputs in planning certain activities and poor leadership in some technical areas.

Nevertheless, the UN system has "operationalized" the relief effort in Liberia and taken the lead in planning for its rehabilitation and recovery. It has generated a number of strategy and implementation documents which form the basis for these efforts. These documents were extremely helpful for the team in providing a framework for our analysis, both in assessing the country's needs and identifying strengths and weaknesses in the UN's structure and proposed activities. Among the many documents the team referred to were the UNDP's "Consolidated Joint Appeal and Preliminary Views on Rehabilitation and Reconstruction in Liberia", the UNHCR's "Operations Plan for Repatriation and Reintegration of Liberian Refugees", WFP's "Project Profile" and the SRSG's "Proposal for the Reintegration of Demobilized Ex-Combatants".

The team recommends that the UN should continue to play the lead role in Liberia's relief, rehabilitation and recovery efforts. Given the complexities and funding requirements of the planned reintegration program, however, the team considers that it is essential that the overall program be consolidated within one UN functional entity. Details regarding this recommendation are provided in Section VIII. on Reintegration.

The team noted an important donor coordination issue concerning support for the LNTG. There seems to be a clear consensus among donors that provision of any appreciable amounts of development assistance to Liberia must wait at least

for the installation of an elected national government. This position is presumably based on the impression, which seems to be reflected in the Cotonou Agreement, that the Transitional Government is likely to be in power for only a brief period and elections will take place expeditiously. The reality of the transition is looking more and more as if elections are likely to be delayed considerably, with some sort of caretaker government trying to rule the country for perhaps a year or more, an extended transitional period that is likely to be crucial to Liberia's fate. Given that longer time frame, a Transitional Government will be unable to put off tackling tough issues like debt management, infrastructure reconstruction, civil service reform, or rice price policy.

It would be unreasonable to expect Liberia to solve all of these problems, or even any one of them, on her own, since each solution will undoubtedly involve financial resources far beyond any amount that a Liberian government could conceivably hope to raise domestically over the next two years. If donors want the Liberian peace process to lead to national reunification and recovery, they will have to start facing up to the reality that the transition is likely to last much longer than only half a year, and they must be prepared to offer development assistance to a caretaker government, provided it passes key financial management, governance, human rights and other tests. The United States can help get that message across.

The United States is the only donor with a permanent presence in Monrovia. The other major donor, the European Community, anticipates opening an office in Monrovia sometime after the LNTG is seated, but for the time being EC funded programs are monitored through occasional visits by the Sierra Leone-based humanitarian officer. Many of the NGOs operating in Liberia are also funded by their home country governments, and the UN agencies receive support from the wider donor community through their appeal process. Liberia occasionally receives brief visits from other donor-government officials usually those based in a nearby capital such as the Japanese and Swedish aid officials who recently paid short calls on Monrovia from their embassies in Accra. There is general agreement that a donor conference on Liberia will be needed to raise support for the reintegration process when it is better defined and when political/military conditions permit implementation of the ambitious program. The US, as the only permanent donor interlocutor with the relief community in Monrovia, is well placed not only to influence UN performance, but also the humanitarian aspects of the demobilization and reintegration process, and to play an important role in generating donor support for the UN efforts.

IV. RECOVERY NEEDS

As early as the mid 1980s, well before the outbreak of civil war in 1989, Liberia's economy was in decline due to a variety of factors including, importantly, economic mismanagement and depressed world prices for the country's major exports, iron ore and rubber. The civil war accelerated that process, causing a collapse of the export economy, the destruction of social infrastructure and the dissolution of government. This section summarizes Liberia's huge recovery needs in terms of human, physical, and institutional resource constraints. The team points out that extensive assessments in all sectors will be needed over the next few years to identify more specific needs.

A. HUMAN RESOURCES

The war has taken its greatest toll in human terms. Thousands of Liberians have been killed or mutilated and many more have fled the country seeking sanctuary as refugees in neighboring countries or escaping to join family members in Europe and the United States. The gruesome torture and slaughter of combatants and civilians, and the displacement and dislocation of families have traumatized Liberian society.

To compound this state of affairs, the ethnic cleavages that have fueled the civil conflict continue to cause deep mistrust among Liberians and represent centrifugal forces that threaten national integration. Beyond the short-term efforts to respond to the special needs of war-traumatized civilians and combatants by providing them with counseling and social reintegration assistance, longer-term strategies are needed to integrate Liberian society as a whole and to build a sense of national identity that transcends the currently predominant sense of ethnic identities. The longer-term financial implications of these and community development programs to create and sustain an environment conducive to reintegration and resettlement will place heavy demand on future GOL and donor resources.

The rate of unemployment is estimated by some sources at 80 percent or more, creating a climate for crime and social disintegration that will increase with the return of displaced and refugees and the demobilization of combatants. Putting people back to work should therefore be a priority of all recovery efforts. Programs that encourage participation in reconstruction activities through food for work, cash for work are needed, as are strategies to stimulate the resumption of farming and growth of small businesses. Efforts at providing vocational training and retraining of teenagers and young adults are already underway and must be expanded. However, the investments should be productive to the fullest extent

possible and will only be possible if economic growth produces jobs for the newly trained workers.

Pre-war literacy rates in Liberia were less than 40 percent and undoubtedly have been lowered by three years of war. The resumption of primary and secondary education is therefore critical to redress the gap and to normalize the lives of children who have been exposed to, and participated in, the horrors of war. Other education opportunities must also be expanded; but more importantly, the qualified and talented pool of Liberian professionals, many of whom have been unemployed since the war, must be put back to work.

The strengthening of health, social services, and the provision of basic necessities such as clean water and food are required to support the activities to revitalize education, create jobs, and help small business. A network of international and local NGOs presently provides most social services, including all health and nutrition assistance, and counseling. Plans must be laid now to ensure a smooth transition especially when the emergency-oriented international NGOs prepare to depart. Some retraining of NGO staff who will make the transition from emergency to development work is also likely to be needed. NGOs which departed during the emergency also may consider returning and starting up their operations again if there are prospects for recovery. Even with a transition to recovery and eventually development programming, there will continue to be a need for a "safety net" to ensure that the most vulnerable are cared for. Furthermore, funds must be found to substitute for the "subsidies" provided by the NGO programs.

B. PHYSICAL RESOURCES

The extensive destruction of infrastructure -- hospitals, airports, roads and bridges, water and power utilities, schools and universities, and communication networks -- means that significant resources will eventually need to be allocated for their reconstruction. In this regard, resumption of the supply of potable water to the entire population of Monrovia, as well as a more reliable supply of electricity, will support the development of human and economic resources in the capital. In the rural areas and in other municipalities, construction, or reconstruction of schools and health clinics must go forward, building on some of the work already undertaken by NGOs.

The national road network has not been damaged to the same extent as other infrastructure have, but renewing of farm-to-market roads should be considered an important complement to efforts to stimulate the revival of the agricultural base of the economy. In this regard, provision of inputs to the agricultural sector, including seeds, tools, and fertilizers will be the basis for recovery in the food producing agricultural sector and should be undertaken in support of the transition towards recovery. Other efforts that should begin during

this period include the provision of intermediate inputs for small-scale construction, metal working, woodworking and similar projects through micro-enterprise credit programs that could in part be linked to NGO-supported vocational training programs.

Recovery of cash crop production can occur simultaneously in an emergency transition period by using food for work or other interventions to help farmers repair rubber, cocoa, and coffee plantations. Resumption of mining and forest exploitation are also among the recovery mechanisms that Liberia can employ to restart the economic engines, but will only occur, at the earliest, when the transitional government is seated and factional lines are erased.

C. INSTITUTIONAL RESOURCES

NPRAG and IGNU authorities operate as *de facto* governments in NPFL and AFL-ECOMOG controlled areas of the country but lack the resources to pay their respective civilian wage bill. However, as the section on economic reform will note, some efforts are being made to continue the work of government economists and health providers in the "ministries" of planning and health. It will nevertheless be a challenge for the new government to integrate these disparate elements of rival factions and create a new unified civil service. Programs designed to foster national reconciliation through community-based civic groups and human rights organizations must be supported as a part of the reunification effort.

The recovery effort must also address issues of economic policy and management to include monetary and fiscal policy as well as sectoral issues of forestry and land use management. Specific policies on rice must also be developed to confront the dilemma of continued food aid imports at a time when stimulating rural production is essential to the recovery process; but preventing serious hunger problems in the resettlement process is equally important. A concurrent study of the role cassava can play as an alternative to rice should also be undertaken.

Civil administration in the towns and countryside must be revived, keeping in mind pre-war economic reform objectives to retrench the civil service. Along with the reinstatement of civil administration, community based leadership structures must be encouraged to lead rural reconstruction efforts. Provision must be made for the recreation of a national police force, or locally-accountable police forces, and the reinstatement of the national legal and justice system.

Liberia will not rebound economically unless there is a renewal of private sector investment that will generate jobs and create consumer demand. For this to happen, the political and military situation will have to stabilize through measurable

progress in demobilization and expansion of a secure environment beyond the capital city.

In summary, it will be essential that the "transition" period be seized upon as an opportunity to establish a sound economic and political dialogue on economic policy, management of civil administration and governance. The lessons learned and reinforced in the course of delivering earlier assistance to Liberia provide the elements that may form the preliminary agenda for dialogue with a re-constituted national government.

V. USAID ASSISTANCE PROGRAM

U.S. interests in Liberia date to its founding in 1847. The historical and cultural ties between the two countries have been the basis of a distinct relationship that has justified continued assistance to this first modern independent nation in Africa, particularly during the past fifty years. Liberia's consistent support of U.S. positions in international fora during this period, along with important U.S. Government installations and U.S. private investment in the country have represented salient elements of that special relationship.

A. ASSISTANCE DURING THE 1980s

Following the military coup of 1980, U.S. assistance to the Government of Liberia (GOL) increased significantly from prior fiscal year levels, from about \$24 million in 1980 to about \$78 million in fiscal year 1985. In the aggregate, U.S. aid, consisting of food, economic, development and military assistance, amounted to over half a billion dollars during the decade of the 1980s. The economic security (Economic Support Fund), development (Development Assistance/Development Fund for Africa) and food assistance (P.L. 480 Title I and Title II) programs were administered by USAID.

Economic Support Fund (ESF) levels of over \$220 million represented the lion's share of USAID assistance, and were used mainly for debt relief. These levels were provided in an effort to promote economic and political stability at a time of worsening economic crisis which had both external and internal determinants. The low prices for Liberia's export commodities over the 1980s reduced potential government revenue at the very time when the post-1980 government was expanding employment and salary scales. With a poor record of revenue administration and expenditure control, the result was a period characterized by continuing deficits.

Starting in 1987, a concentrated effort was initiated to tackle the problem of revenue administration and expenditure control within the GOL with the development of the ESF-supported Economic Stabilization Program, the OPEX project. The multi-component program was intended, inter alia, to rationalize GOL revenues and expenditures for transparency and control against extra-budgetary expenditures; implement civil service reform; and provide sectoral support. A commodity import program designed to provide dollars for the import of essential commodities for both the public and private sector was closely linked with the OPEX project. This highly visible project came to represent a benchmark in the history of U.S. assistance, and its success or failure would become a determinant of future U.S. assistance to Liberia. This is briefly discussed in the section below on funding constraints.

Food aid for Liberia amounted to \$115 million during the 1980s. This assistance, in no small measure, ensured economic stability and social peace in the country. It is to be noted that in FYs 1986, 1987, and 1988 the P.L. 480 Program provided roughly 50 percent of Liberia's rice import requirements, and 100 percent for 1989. Throughout that whole period, the sale of P.L. 480 commodities generated local currencies, and counterpart funds thus generated came to represent the entirety of the GOL development budget.

Development Assistance (DA) and, later in the decade, Development Fund for Africa (DFA) programs, which totalled \$110 million, centered primarily on the following sectors: agriculture and rural development, health, education and public works. In the agriculture and rural development sector, project activities consisted of agricultural research, training and policy analysis. Health sector projects involved primary health care and child survival activities, while assistance in the education sector focused on primary education for rurally-based, economically-disadvantaged, Liberians.

Project activities within these sectors involved significant effort in infrastructural development aimed at increasing the productive and human resources base of rural Liberia. Successive road maintenance projects developed farm-to-market and feeder roads with a view towards promoting domestic agricultural food production. The construction of several radio stations in rural Liberia, which came to form the Liberian Rural Information Systems, represented a successful effort at promoting information/education/communication broadcasting in various vernacular languages.

USAID assistance for public works activities during the 1980s represented a change in strategy that would take into greater account the targeting of the poor majority, along with appropriate criteria for sustainability. This shift in strategy de-emphasized therefore our prior involvement in major capital development projects, notwithstanding the fact that during the past 50 years, the U.S. had been a constant partner through its involvement in the construction of the country's infrastructural base -- Roberts International Airport, White Plains Water Treatment Plant, John F. Kennedy Hospital, Free Port of Monrovia.

Another important element in the change of strategy put forth during the latter part of the decade was a greater reliance on PVOs and NGOs as direct implementors of USAID-funded activities. This was therefore a shift away from excessive reliance on GOL to an increasing reliance on private sector approaches. The rationale for this shift was to increase employment and improve productivity while making the most efficient use of available resources where government mechanisms are needed to meet basic human needs.

Towards the end of the 1980s the USAID mission, while well aware of and taking into account the major economic and policy constraints extant in the country, defined an assistance strategy that would offer the prospect for meaningful improvement in the lives of Liberians. It envisioned project activities that would:

- ◆ Provide credit and services essential to emerging small-scale businesses and support to small farmers and agriculture-related enterprise; and,
- ◆ Address the need for improvement of social service delivery by (a) expanding on developed health systems which incorporate improved and affordable GOL delivery mechanisms tied to cost recovery efforts, (b) building on private sector organizations to expand family planning understanding and service availability, using the Liberian Rural Information Systems to cut across several sectors providing via radio broadcasting valuable information on farming, health, sanitation, family planning and education.

A PVO co-financing umbrella project would fund NGO efforts which support the objectives of that strategy in primary health care coverage, privately-run basic education programs and small enterprise development.

The imposition of Brooke-related sanctions during this period also triggered the development of a phase-out plan of the bilateral program that would preserve only the PVO umbrella project and the food aid program. By November, 1989, USAID/W had approved the phase-out plan, but, as civil war rapidly escalated resulting in the evacuation of USAID personnel in June 1990, the phase-out plan was supplanted by a decision to terminate all DFA-funded programs by the end of fiscal year 1990.

B. THE LIBERIA EMERGENCY

During the three years since the outbreak of civil war and the closure of the development assistance program, the U.S. has provided considerable levels of financial and food assistance resources to: (1) address the dire nutritional and health emergencies brought on by the civil conflict and (2) facilitate a return to civil order and the establishment of a democratic electoral process in Liberia.

Under the current U.S. policy which does not recognize an official government of Liberia, the strategy is to provide non-partisan humanitarian assistance to affected populations in all areas of the country through the United Nations, the ICRC, and the international and local non-governmental organizations. Funding is provided through the Office of U.S. Foreign Disaster Assistance in the

form of grants to these organizations. Most activities are emergency in nature and focus on health, water and sanitation, seeds and tools programs although a few cross over into rehabilitation, such as the LOIC vocational training project. For the FY 90 - FY 93 period, non-food emergency assistance totalling \$19.5 million has been provided by OFDA.

Food aid is largely provided through a contribution to the World Food Program appeal, in addition to a PL 480 Title II emergency food aid transfer to Catholic Relief Services. U.S. assistance comprises \$242.5 million in food assistance from the Food for Peace Bureau which has programmed a total 434,901 MT of food commodities for the Liberia emergency from FY 90 to FY 94. From FY 90 through FY 93, the Refugee Programs Bureau has earmarked over \$22.6 million for assistance to Liberian and Sierra Leonean refugees and displaced persons.

In addition, USAID has obtained a waiver on Brooke-related sanctions to provide \$1.8 million in ESF funds to support democracy/governance programs coordinated by the Carter Center of Emory University (\$0.5 million of which has not yet been obligated), and has made a substantial contribution of ESF monies towards an overall U.S. commitment of \$19.8 million for the expanded ECOMOG troops.

The Liberia emergency has cultivated an able and responsive relief community, both international and local, which has dramatically reversed the health and malnutrition crises caused by the civil conflict. The UN continues to play a vital coordination role in the international response to the emergency, not least of which is facilitating the restoration of peace in Liberia. In all these efforts, U.S. assistance has made a critical difference. The following table provides a synopsis of current activities supported by the U.S.

<u>ORGANIZATION</u>	<u>ACTIVITY/SECTOR</u>	<u>AREA</u>	<u>DOLLARS</u>
Catholic Relief Services (CRS) OFDA FUNDING	Food Distribution, Agricultural Programs	Country-Wide	1,084,493
Africare OFDA FUNDING	Agricultural Rehabilitation	Grand Cape Mount and Nimba Counties	424,283
Médecins Sans Frontières/Belgium (MSF/B) OFDA FUNDING	Health and Nutrition (including airlift costs)	Upper Lofa County	490,000
American Friends of Action Internationale Contre la Faim (AF of AICF) OFDA FUNDING	Health, Water/Sanitation	Monrovia, Buchanan, and Maryland County	750,677
American Red Cross (AmCross) OFDA FUNDING	Blanket Distribution	Monrovia, Kakata	147,250
Liberian Opportunities Industrialization Center (LOIC) OFDA FUNDING	Rehabilitation and Training of Former Combatants	Monrovia	695,665
UNDP OFDA FUNDING	Emergency Logistics Support Unit	Country-Wide	499,500
UNICEF OFDA FUNDING	Health and Nutrition	Margibi, Grand Bassa, Bong, Grand Cape Mount, Bomi, Lower Lofa Counties	1,000,000
CARTER CENTER ESF (Brooke waiver)	Democracy/Governance	Countrywide	1,300,000
UN Trust Fund ESF and other sources	Expanded ECOMOG Troops Support	Liberia	19,800,000

C. U.S. FUNDING CONSTRAINTS

For any consideration of future USAID assistance to Liberia, it is worth noting in this document the various constraints, legislative, policy and programmatic that must be addressed. At the outset, the pursuit of good governance, the holding of free and fair elections and the demonstration of respect for human rights in this war-torn country will play a significant role on the appropriateness and timing of future USAID assistance as far as policy constraints are concerned. The democratic process, however much facilitated by international agencies, remains essentially in the hands of Liberians.

Before the onset of military insurgency in December 1989, the decision was made to phase out USAID development assistance to Liberia. The decision to do so was provoked by the full enforcement of Congressionally-mandated Brooke sanctions resulting from the non-payment by the GOL of its debt arrears.

The size of GOL debt arrears has only increased in the interval, and for the foreseeable future Liberia will be in no position to manage its debt without donors' assistance. This issue will remain at the forefront of any consideration for development assistance, and must therefore be part of the agenda in initial discussions with a re-constituted government of Liberia.

Other major factors pertaining to conditions in Liberia reinforced the USAID decision to phase out its assistance program, in particular program activities implemented by the GOL. Those factors were evidenced by the continued lack of political commitment on the part of the GOL under the OPEX project to: (a) implement agreed-upon necessary reforms which would re-establish economic stability through the balancing of the national budget; (b) promote fiscal transparency and reduce extra-budgetary expenditures; and (c) refrain from involvement in human rights violations.

The earlier discontinuance of direct support from the World Bank and the International Monetary Fund had reaffirmed the crisis state of the Liberian economy and the concomitant need for the GOL to implement urgent reforms. In the wake of the civil war, these issues regarding the need for government reforms, financial and political, remain more valid than ever.

Therefore, an assessment of the political will and capability of a re-constituted Liberian Government to manage the recovery process must be a priority element of any consideration for USAID development assistance. This assessment exercise will take into account, inter alia, the status of eventual agreements re-negotiated with the World Bank and the IMF.

During the course of the on-going civil war, U.S. assistance to the people of Liberia has been of an emergency kind, implemented through international PVOs and outside GOL channels. This is in light of the fact that no government of Liberia is currently recognized as such by the U.S. While emergency assistance programs are likely to be needed during part of, if not all of, the transition period, additional sources of funding will need to be made available to effect a program shift to recovery and development assistance activities. Such funding will necessarily be considered against established priorities of the Africa Bureau.

In addition, the limitations on USAID/Monrovia staffing, along with the downsizing of the Agency, will determine the scale of any bilateral assistance program and the location of the management structure. Finally, the Africa Bureau's policy directive to emphasize a sectoral focus in the development of country programs will present a formidable challenge for implementation in a country where basic infrastructure in all sectors has been so devastated. The challenge retains some poignancy when considered in the context of the special relationship that has historically existed between the U.S. and Liberia, and the leadership role we have played among other donors in the modernization of this African country.

D. POST-WAR SCENARIOS FOR RECOVERY

The assessment team recognizes the precariousness of its mandate in the attempt to design scenarios of further assistance to Liberia while in the midst of a tenuous cease-fire and in view of the legislative, political and financial constraints within USAID that will affect future interventions. Nevertheless, the team proposes various USAID interventions in the framework of three possible scenarios. The team has made particular effort to identify first and foremost those constant elements that should be addressed by USAID to meet the basic, life-saving needs of the people.

The effort, beyond that, has been to broaden the scope of those elements, depending on the level and extent of security, political development, and economic revival achieved in a post-civil war Liberia. The three following scenarios are thus not constrained to a particular time frame (even though the planning perspective was roughly a two-year period), but are adaptable to the fluid conditions prevalent in the country.

Scenario One: If the currently constrained environment characterized by pronounced insecurity and the fragmentation of the country remains or worsens, the following intervention strategy is recommended:

- ◆ Continue OFDA funded activities in health, sanitation and nutrition, agricultural rehabilitation, logistics, limited vocational training for voluntary ex-combatants;
- ◆ Continue PL 480 Title II emergency food aid, possibly including a monetization component;
- ◆ Provide assistance for the rehabilitation of child soldiers and for counseling of victimized women through the Congressionally-mandated special "earmark" funds; and,
- ◆ Provide assistance for national reconciliation and transition towards democracy through programs implemented by the Carter Center of Emory University (the "Carter Center").

Scenario Two: If the climate of insecurity persists along with a slow pace in the demobilization and national reunification process, but there is limited progress towards community reintegration and the holding of democratic elections, the following mode of assistance is recommended:

- ◆ Continue activities under Scenario One;
- ◆ Design a PVO umbrella project targeted at reintegration and recovery (enabled by a specific waiver of Brooke-related sanctions);
- ◆ Expand food assistance programs to include increased monetization, possibly through a regular Title II program, along with review of food policy issues; and,
- ◆ Expand support for Carter Center in election preparations.

Scenario Three: If rapid disarmament and reintegration of ex-combatants, and resettlement of displaced persons commences, movement toward return of refugees within one year takes place, and prospects are promising for elections by November 1994 in an improved security climate, then the following mode of assistance can be considered:

- ◆ Implement activities under Scenario One and Two; in addition to,
- ◆ Prepare for and; at least in some cases, conduct, thorough sector studies in areas of interest to USAID;
- ◆ Formalize dialogue on economic reform issues with the transitional government including retrenchment of the civil service, privatization of

parastatals, debt management, fiscal and monetary policy and natural resource management;

- ◆ Move on waiver of Brooke-related sanctions, or other debt relief measures, to expand areas of assistance; and,
- ◆ Pursue Development of an NPA/Title III program.

E. PROGRAM MANAGEMENT CONSIDERATIONS

The above scenarios have implications for USAID/Liberia's staffing pattern and must be considered in conjunction with the possibility of increasing staff including direct hire, USPSC, FSNs and local PSCs. The staffing patterns briefly described below are only a rough indication of what the requirements might be. Obviously USAID/Liberia is better equipped to make these projections itself as the situation on the ground evolves.

USAID/Liberia currently consists of one direct hire and 4 Liberian FSN-PSC staff. Should Scenario One, or the status quo, persist, this level of staffing might be adequate to implement the U.S. assistance program. However, if the program is expanded to include activities funded by war victims "earmark" money, the Mission will need another FSN-PSC project manager. Similarly, if relief programs have to expand, either because a faltering peace process causes conditions to deteriorate or other emergency needs arise, the Mission will need another program PSC, presumably OFDA-funded, who could be an FSN or a non-Liberian hired locally. Occasional support from REDSO/WCA particularly in food and economic policy issues will also be needed as will TDYs from representatives of the war victims fund, OFDA, FFP and possibly other USAID/W offices.

Under Scenario Two, USAID will require an additional direct hire (or possibly a PSC) to act as deputy to the A.I.D. Representative and manage the umbrella grant with increased assistance on food aid policy and economic issues either from REDSO/WCA or from USAID/W. Two additional full-time FSN-PSCs would also be required as the Mission expands its contacts with a transitional government and takes on more administrative and OYB financial management burdens.

Scenario Three would require at least one additional direct hire to assist in the development and management of a country program, including the conduct of dialogue with government on a broad range of economic reform issues. Another PSC with food and emergency program experience would be needed to manage the humanitarian and recovery activities with the PVOs and the UN agencies.

Program expansions and staffing increases under Scenario One, and especially Two, clearly would have major implications for other resources

requirements for USAID/Liberia, such as office space and equipment, other non-expendable property, vehicles, and housing. It would be premature to discuss these implications and requirements in any detail now, but it is worth noting that almost any growth in USAID/Liberia would mean an increase in the O.E. budget. For example, the Mission has virtually no room to expand in its present office space, which is situated on the Embassy Compound. If the Mission were to move off the Compound, as might well be indicated for program reasons, the O.E. budget would have to be increased to cover rent, utilities and other costs connected with running a USAID operation in a facility separated physically from the Embassy.

VI. FOOD AND AGRICULTURE

A. BACKGROUND

This section presents food production and food assistance trends as the background to a review and projection of food aid and agricultural recovery needs in 1994 and beyond. The section further describes some of the agricultural policy and program issues that must be considered as Liberia moves into recovery. It is not a comprehensive analysis of food and agriculture in Liberia and should not be taken as such - that will be the work of a more focussed mission to be fielded, preferably, in early 1994. This and other recommendations at the end of the section are keyed to the scenarios presented in Part II of this paper¹.

Food Production: Agriculture is the dominant sector of the Liberian economy, employing most of the economically active population and providing livelihood for about 70 percent of the population. Agriculture contributes 35 percent of GDP and has been the second largest export earning sector after mining. The critical role of agriculture has been particularly noticeable in recent years when despite a serious economic decline which culminated in almost a total collapse of the economy, this sector's performance, especially traditional farming, more or less kept pace with demographic increases at about 2.5 percent per annum.

Liberian agriculture operates as a dualistic economy in which a modern plantation sector, mainly foreign-owned rubber concessions with out-growers, exists along side a relatively neglected and underdeveloped traditional smallholder farming sector. It was estimated in 1988 that some 155,180 rural households were engaged in the cultivation of mainly two basic staples, rice and cassava. In addition, there were about 9000 Liberian-owned commercial farms which, like smallholders, produced coffee, cocoa, rice, vegetables, besides their concentration in rubber, oil palm, poultry, eggs and pigs.

In 1988, over 86 percent of all agricultural units produced rice as one of their crops. Average area planted by farm household is 3 hectares. The principal rice producing counties are Nimba, Bong, and Lofa, which in 1988 accounted for 56.6 percent of all rice produced in Liberia. Rice production has never met national requirements despite a steady increase in area under production and the introduction of more advanced agricultural technologies. Liberian Ministry of Agriculture pre-war reports indicate that during the period 1978 to 1988, paddy rice production increased from an estimated 244,000 MT to 298,600 MT with area planted increasing from 485,000 acres to 582,320 acres. Final milled rice

¹Agricultural production data for the 1989-1990 war period are unreliable, and statistics cited here should be considered only as an order of magnitude of production. Pre-1989 data were obtained from MOA documents.

yields after estimating losses, seed requirements and milling extraction rates were 128,000 MT in 1978 and 152,200 MT in 1988.

Production of cassava, the other main dietary staple more than doubled during the same period totaling 243,825 MT of raw cassava yielding 73,148 MT of dry cassava in 1988 compared to 113,445 MT raw cassava or 34,033 MT dry cassava in 1978. The major cassava producing areas in 1988 were Nimba, Bong, Grand Gedeh and Lofa counties, which accounted for 51.4 percent of national production. Data on area planted under cassava are not available for the same period but farm size did not increase over the decade, indicating that a growth in the number of farmers cultivating cassava most likely accounted for the increase. This evidence supports the theory that there has been a significant trend away from rice consumption in favor of cassava during the 1978-1988 period.

While further research is necessary to understand the factors that contributed to this phenomenon of increased cassava production compared to rice, it is likely that the trend continued during the war. It is well known that cassava is considered a famine food and is frequently cultivated during times of food stress. Moreover, the importance of cassava as a survival food during war should not be underestimated. During times when large displacements of people were occurring, the availability of cassava on abandoned farms no doubt provided a major source of food. Also, as cassava can be planted easily around a homestead and requires little care and maintenance, it likely to be favored over rice which requires workers to venture into the bush and away from the relative security of a village.

During the two periods of full scale civil war (early 1990 to late 1991 and late 1992 to mid 1993) food production in rural areas virtually stopped in areas of hostilities and may have fallen by at least 30 percent in all areas of the country. Of note during the 1990-1993 time period was a time of stability in 1992 which brought about an agricultural recovery that resulted in food crop production reaching nearly 70 percent of the 1989 level. The experience of 1992 suggests that agricultural production could recover quickly, given minimal security in rural areas and reestablished access to the Monrovia and other urban markets.

However, Liberian traditional agriculture faces major constraints, hampering its evolution to a modern sector. These constraints range, among other things, from inappropriate government policy which has underestimated the vital role of this sector to the lack of appropriate incentives, market roads, agricultural credit, improved seeds and planting materials, chemical inputs and improved husbandry practices.

Although the main staple commodity is rice, low yields (514 kg/acre) and producer prices have prevented the attainment of self-sufficiency. Consequently,

domestic production has always fallen short of consumption requirements, by as much as 40 percent.

Despite the constraints, there is evidence that 1993 agricultural production has recovered in secure areas as shown by the fact that up to 75 percent of farmers in Bong County are now more willing to sell rice than to participate in a rice seed exchange program. Though there is still a large need for seed rice so farmers can expand their planted areas, the rice crop just harvested was sufficient to cause the price of clean rice to drop from USD 0.28 to USD 0.05 per pound in at least five Bong County rural districts during October 1993.

B. GEOGRAPHIC FOOD MARKETING AREAS

In planning for reintegration, it is useful to look at the agricultural sector in terms of four geographic food marketing areas: Monrovia and its current market area, Nimba and Bong Counties which are potentially part of the Monrovia market area, low density forest areas, and high density population areas linked economically to neighboring countries.

The following analysis examines past production in these areas in an attempt to project their potential and agricultural assistance needs during the transition period. The numbers of agricultural households and production statistics used are from the Liberian Ministry of Agriculture 1988 publications. Consumption requirements are based on 500 grams per person/day with no attempt made to specify the rice-cassava mix in the estimated consumption patterns. Total population figures for each area are based on the pre-war data in the section "Target Populations," Section II of this report.

Monrovia Market Area: The Robertsport-Monrovia-Buchanan stretch of coastal area including Montserrado, Margibi, Bomi, Grand Cape Mount, and Grand Bassa counties currently makes up the agricultural market area of Monrovia and in 1988 supported a population of 1,270,000. In 1988, the 50,000 agricultural households in this area produced roughly 28,696 MT of milled rice (estimated at 51 percent of paddy production after factoring in losses, seed requirements, and milling extraction rates) and 42,240 MT of dry cassava (estimated at 30 percent of harvest weight). Consumption needs were roughly 231,775 MT, leaving a deficit of 161,416 MT.

Today the estimated population of the area is 1,225,000 including over 200,000 displaced people, many of whom are former Firestone Rubber employees or farmers from the "Monrovia Market Area." Many of the farmers in the displaced population have indicated their willingness to return to their farms as soon as the expanded ECOMOG forces arrive and disarmament commences. Moreover, should

Firestone restart operations, there would be an additional 8,000 salaried individuals who would place demand on the agricultural system and stimulate production.

NGOs are already assisting farmers who remained on their land through the war and those few who have returned ahead of the "trigger events" described above. Programs of seed rice distribution, promotion of chicken raising and vegetable gardening are among the principal activities underway. As reintegration takes place on a larger scale, this market area could be assisted to meet more of the consumption needs of the urban and semi-urban population by expanding on what has been done to date under the emergency programs and addressing some of the longer term issues of rice policy (including pricing policy), market networks, and improved technologies.

High Production Areas: High production areas which could be reintegrated into the Monrovia agricultural market areas when peace is achieved are Bong and Nimba Counties. The 68,000 agricultural households in these areas produced roughly 70,002 MT of milled rice and 42,000 MT of cassava in 1988, which together nearly at 112,000 MT fell short of the estimated 125,000 MT needed for a total population of 600,000 people. Despite the deficit, the scale of rice production is worth noting however for the two counties combined produced over 41 percent of all rice grown in Liberia in 1988, and, as previously mentioned, Bong and Nimba form part of the highest producing cassava areas in the country.

With good soils and high potential, Nimba and Bong could produce a surplus and export rice/cassava to other regions of the country. However, past government imposed marketing constraints and the high percentage of the population engaged in non-food crop production such as rubber and mining has worked against these favorable environmental factors. The slowing and cessation of rubber and mining activities due to the war has brought more labor into the agricultural sector thus offering prospects for growth in the short term. This area is appropriately being targeted for a major campaign of seed rice distribution in early 1994. A successful distribution of seed and a good growing season could yield a surplus in this area by late 1994.

Once demobilization commences, it is reasonable to project that the displaced population from these areas (difficult if not impossible to estimate but is part of the overall figure of 270,000 for NPFL areas), who are largely huddled near the "front lines" where they can receive relief, are likely to return to their land. Additional seeds and tools distributions in 1994 targeted at this group as well as at returning ex-combatants and, possibly, complemented by improved access to markets and sound price policies instituted by a transitional government, could produce significant rice surpluses in this area by the end of 1995. The importance of cassava in this region must also be considered as part of an overall food strategy.

Low Population Density Forest Areas: Eastern Liberia, which comprises River Cress, Sinoe, Grand Gedeh, Grand Kru and Maryland counties, is characterized by low population density and heavy forest. The major cash employment opportunity is timber. Before the war, the 36,000 agricultural households in this area produced roughly 37,260 MT of milled rice and 34,000 MT of cassava for the population of 340,000, compared to total annual requirement of 62,112 MT.

During the war a large portion of the population of Grand Gedeh, the most important agricultural area of the zone, fled to the Côte d'Ivoire or further north into NPFL held areas. It is reasonable to project that a return to peace will attract some of the internally displaced back to the area, and, eventually, the refugees, especially if timber activities resume at pre-war levels, creating both employment and demand for agricultural products. In addition, the extensive land base available to this population to resume production suggests that after an initial infusion of seeds and tools, this particular geographic zone will be able to approach self-sufficiency rather quickly and will not likely be receptive to any new technologies that might be introduced through agricultural projects during recovery.

High Population Density Forest Areas: Lofa County falls into a fourth category characterized by high population density and important linkages to neighboring countries. In 1988, the 27,500 agricultural households produced roughly 24,500 MT of milled rice and 9,000 MT of cassava, compared to needs of 40,000 MT for a population of 220,000. In the decade before the war roughly half of the farmers in Lofa County engaged in non-food crop production for market, including cocoa, coffee and citrus fruit, a trend encouraged by the Lofa Country Agricultural Development Program (partially funded by USAID) which promoted swamp rice production to keep upland areas clear for cash crops. Labor constraints to this intensive agricultural system were filled using migrant labor from Guinea.

The above-average concentration on cash crop production in this area and the lack of local self sufficiency in food crop production partly explains why food availability within the county was more disrupted by the civil war than in other counties. A large percentage of the agricultural households are now absent as refugees in Guinea and Sierra Leone and even though the presence of refugees from Sierra Leone provides labor for the remaining farmers, this area is likely to have a food deficit for the next several years.

Summary: Based on current projections of 1994-1995 rice and cassava production, the Lofa and Monrovia areas defined above will remain food deficit zones and may require more focused agricultural marketing development. The rest of the country, especially Bong and Nimba counties, could become surplus producing areas by the end of 1994.

C. THE GROWTH OF FOOD AID

Food Consumption: Using an estimate of basic consumption requirements for cereals/root of 500 grams/person/day, the 1988 population of 2,430,000 required 430,000 MT of rice. (Note: The 500 gram yardstick is more of a normative nutritional standard than an effective demand-derived baseline.) With production of only 152,200 MT of milled rice, import requirements were 278,000. Actual rice imports were recorded at 98,200 MT, causing actual rice available per capita for consumption to be around 273 grams per person per day. The consumption gap was probably filled to a large part by cassava which by 1988 had reached an annual production level of 73,148 MT.

Statistics on rice production from the period 1989-1993 are unreliable but some rough production estimates are useful in drawing some general conclusions about food consumption in Liberia over the last few years. Further study of this should be part of a more detailed assessment recommended by this team.

In 1990, rice production fell rapidly due to fighting although production may have been as high as 193,000 MT. At the same time total consumption requirements decreased from 430,000 MT to 319,000 MT due to an exodus of 700,000 Liberians to neighboring countries. Then, as war intensified, actual consumption of rice declined as massive unemployment caused by the closing of plantations and the collapse of government structures resulted in a dramatic loss of purchasing power within the Liberian population. Rates of malnutrition began to rise leading to the commencement of food aid shipments and special feeding programs instituted by the PVOs.

Food aid imports began in 1991 with shipments of 110,000 MT, largely through the World Food Program. Domestic rice production rebounded somewhat in 1991 to 225,000 MT reflecting the temporary calming of hostilities, but food aid in 1992 declined to 54,000 MT still not covering the food gap. Cassava likely also filled a large part of the food gap at the family level, although inadequate availability of other protein-rich foods with the increasingly cassava-based diet probably contributed to the high prevalence of kwashiorkor among the malnourished population.

Renewed hostilities, beginning in October 1992 and continuing into 1993, disrupted the fall harvest and caused a reduction in area planted in the spring of 1993. No estimates are available, but it is certain that the food gap has probably increased as food requirements of 370,000 MT for the estimated population of 2 million are being met with food aid levels of only 88,000 MT, of which 58,000 MT arrived during the first three quarters of 1993.

In 1994 it is proposed to increase food aid to at least 123,000 MT reflecting the assumed decline in food crop production in 1993 and the increase in demand that will result from the anticipated repatriation of some of the 700,000 Liberian refugees. If displaced persons are able to return to their homes early enough in 1994 for the agricultural season, then food aid needs could remain the same in 1995 as in 1994, with declines in subsequent years as rice production resumes with vigor. If displaced persons return to their villages too late to take full advantage of the 1994 cropping season and refugees return late in 1994, food aid needs for 1995 could be double those of 1994.

Food Aid Programs: The U.S. has been the primary food aid donor, with approvals of 49,250 MT in FY 90, 132,710 MT in FY 91, 89,332 MT in FY 92 and 106,773 MT in FY 93. In addition, the U.S. provided 1,264 MT or 1.25 million Meals-Ready-to-Eat in 1992 for school feeding programs. WFP states that between November 1990 and September 1993 only 3,000 MT of rice have been commercially imported and that Liberia has received approximately 230,000 MT of food aid.

Current food aid programs include distributions to the general population, vulnerable groups, refugees and displaced persons, and school children, as well as food for work and monetization programs. Distribution figures by individual beneficiary are unavailable but it is clear that the on-going civil war has prevented food aid from reaching many persons in need.

Food aid shipments are consigned to WFP and CRS who, with several implementing partners are moving food cross-border from Côte d'Ivoire and from the free port of Monrovia to all areas of the country. More than 80 percent of food aid shipments come to the free port. Among the implementing partners of WFP and CRS are SELF in IGNU controlled areas, LIURD and LWS in ULIMO areas, and LWS, SCF/UK, and LUSH, as well as the ICRC in NPFL areas.

D. FOOD AID ISSUES

Access: Despite the provision in the Cotonou Agreement that all parties to the conflict will facilitate the flow of humanitarian aid, lack of access to persons in need continues to be a critical constraint in the delivery of food. The climate of extraordinary distrust between the ECOMOG peacekeeping forces and NPFL troops has resulted in numerous checkpoints and subsequent delays in the delivery of commodities to "Taylorland." The railway from Buchanan to Yekepa has been inoperative recently due primarily to the unresolved differences mentioned above and NPRAG suspicions that other factions will use the train to gain access to NPFL areas. The Liberian Peace Council, a new faction based inside NPFL-controlled territory and engaged in active combat with NPFL troops, has prevented food aid deliveries and other assistance to certain areas in central and eastern Liberia. Even

in territories under the control of one faction, such as ULIMO-controlled Lofa County, random acts of violence by rogue troops has created an insecure atmosphere for NGOs operating in the area.

The cross-border food aid route from Côte d'Ivoire, at one time prohibited by ECOWAS, has resumed. While cross-border deliveries are more costly, the route is essential given the continuing constraints facing "cross-line" assistance deliveries within Liberia. Presently the border is open two days a week for an unlimited number of trucks. Food trucks are inspected by JCMC teams at the point of loading in Danané in Côte d'Ivoire which greatly expedites the cross-border movements.

Due to impassable roads and continuing insecurity, airdrops and an airlift have been instituted in the upper region of Lofa County in northwestern Liberia, an area with an estimated beneficiary population of 150,000 persons. The objective is to position sufficient food and other commodities in the area within the next few months, thereby ensuring that distributions to outlying areas can continue uninterrupted.

Transportation and Logistics: Insufficient transport capacity is another constraint to meeting relief needs in Liberia. WFP's monthly target for deliveries throughout the country is 10,000 MT of which 4,000 MT are distributed in the Monrovia environs. To meet the 6,000 MT delivery target to rural areas, WFP uses a combination of truck and train transport. Local truck capacity is limited in quality and quantity, however, and the train, which could handle up to 3,000 MT per month, is very unreliable for reasons noted above. The airdrops have enabled the re-deployment of contract trucks to other areas of the country, but this is only a temporary solution to the trucking constraint. WFP is planning to obtain trucks from neighboring countries to fill the gap. Some agencies, such as MSF/Holland and UNHCR, have resorted to importation of trucks from Europe to increase their transportation capacity.

A WFP Senior Logistics Advisor visited Liberia in August 1993 to assess the transportation and logistics situation. In recognition of the issues described above, WFP has issued an appeal to donors for an additional USD 2.7 million above the outstanding FY 93 request of USD 2 million.

Distribution System: According to the WFP Operations Director in Monrovia, the principle of food distributions by structure (or dwelling), as opposed to heads of families or individuals, was instituted to expedite food aid deliveries. WFP maintains that when population influxes occur, adjustments are made in the estimated number of persons per structure.

Some NGO field implementors object to the system, however, noting that it leads to major disparities in food aid distributions and the hoarding of commodities by landlords. In addition, the decision to adopt this system of beneficiary identification, as opposed to the traditional survey of individuals within an affected population group, has resulted in a lack of valuable data on individuals for NGO service providers.

The local NGO SELF, as WFP's principal partner in food distributions in Monrovia, has developed and maintained a computerized distribution system based on elected neighborhood committees. The data bank created for this "structural" distribution system is already complete for the greater Monrovia area and could be extremely useful for future community development and electoral activities. It could presumably be expanded to include individual beneficiary information as well.

Transition: Food aid has enabled all but a few geographic areas of the country to avoid massive starvation, although reduced quantity and quality of food intake has increased susceptibility to disease, caused rates of malnutrition to rise precipitously, and decreased the capacity of the rural population to participate in heavy agricultural labor.

Economic and physical recovery in Liberia will depend on the revitalization of agricultural production. Already, the agricultural sector has demonstrated its capacity to quickly recover previous food production levels. Food aid rice must be carefully managed so as not to retard recovery by reducing rice prices and dampening farmer incentives to produce. Moreover, the national shift in production and consumption patterns of rice and cassava must be considered in current and future food aid assistance assessments or needs projections to avoid potentially serious overestimates of food aid requirements in specific geographic markets as the reintegration of displaced persons progresses.

One of the elements that should be investigated in a food aid strategy review is the introduction of a lesser valued commodity instead of rice to improve targeting of food aid and to avoid competing with rice farmers as they move back to their land. It would also be useful to consider the merit of integrating the rehabilitation needs of rural areas with food aid through food for work or other creative uses of food aid.

Lastly, using monetization as a price stabilization mechanism as has been the policy to date, should be reexamined in light of the overall rice policy that must be developed during the transition. The possibility of introducing another commodity in addition to rice for monetization should also be considered.

E. OUTLOOK FOR 1994

Based on WFP's current food aid programming practices, it estimates that in 1994 roughly 1.75 million persons in Liberia, including refugees from Sierra Leone, will be in need of food aid. WFP's original food aid estimates for 1994 totalled 123,000 MT, but the WFP assessment team recently in Liberia advised that they expect to revise their 1994 figures upwards. This revision is in anticipation of population increases which are expected to occur when reintegration begins, i.e., in addition to the existing beneficiaries of food aid, ex-combatants and Liberian refugees returning home who will also require food aid. Current planning calls for the "reintegrated population" to receive food aid for one year.

For FY-94, USAID food aid approvals to date total approximately 15,000 MT (valued at about \$8.0 million) in support of a CRS request of 31,000 MT (valued at approximately \$15.7 million.) It is the team's understanding that approval of the remaining 16,000 MT requested by CRS is still under consideration. At the time of drafting this report, WFP's 1994 appeal through its four-country regional program (Sierra Leone, Guinea, Côte d'Ivoire and Liberia) had not been issued.

F. RECOMMENDATIONS

Scenario One:

- Continue support to the UN and NGOs to ensure that Liberia's food aid needs in the coming year are met;
- Continue support of agricultural rehabilitation programs providing seeds (rice and vegetables), tools and other inputs such as day-old chicks;
- Encourage a review of WFP's food distribution system by structure to determine how effectively it captures all potential needy people during the reintegration process;
- Promote and support a food security assessment, perhaps in conjunction with WFP in the early part of 1994 to examine, *inter alia*, the linkages between food aid, food aid monetization, food prices, and stimulation of the agricultural sector;
- Encourage an NGO inventory and intervention database that will help plan and integrate emergency and recovery activities, especially in the area of food aid and agriculture;
- Support data analysis for food aid targeting through the NGOs to purchase computer mapping software, geographic positioning system receivers, a

printer, and base maps of Liberia and associated training for use by SELF or other NGOs. A geographic mapping approach should be adopted which allows pooling of data from the numerous NGO field teams involved and generation of customized maps for these same NGOs to better implement their interventions;

- Review and recommend a commitment of food aid in support of the demobilization program; and,
- Encourage FAO to coordinate a food crop assessment of the 1993 crop year, and later, the 1994 season.

Scenario Two

- Continue Scenario One recommendations;
- Support and provide input to developmental food programs such as expanded monetization and food for work;
- Support reintegration programs in agriculture that focus on assisting those areas where the majority of the returnees or displaced will be resettling and where agriculture projects will yield the greatest economic benefit;
- Consider introduction of regular PL 480 Title II programs with a focus on monetization;
- Participate in a dialogue with other donors, the UN and the transitional government regarding rice policy specifically and stimulation of agricultural production and marketing through pricing and marketing systems generally; and,
- Promote and support a study that analyzes the requirements for immediate inputs for the rural sector.

Scenario Three

- Continue Scenario One and Two recommendations;
- Increase efforts to support the transitional government to develop sound food policies;
- Consider additional support in the agricultural sector through use of DFA or ESF funds, should constraints on U.S. development assistance to a new government be overcome;

- Consider developing a PL 480 Title III program; and,
- Consider supporting programs that would promote the re-start up of small business, particularly those with good track records before the war.

VII. HEALTH AND NUTRITION

A. BACKGROUND

The pre-war health system in Liberia largely was dependent on a network of private religious institutions and plantation-owned hospitals and clinics. The Ministry of Health (MOH) system was generally considered to be ineffective and the drug supply system corrupt, despite heavy donor involvement in both health delivery and management. USAID in particular was a major contributor to efforts in primary health care, malaria control, diarrheal disease control and health systems management.

The war caused the total collapse of both the public and private systems. Many hospitals and clinics were looted, and staff fled along with the waves of refugees and displaced people seeking safety in neighboring countries or in displaced persons camps. The displacement of the general population created conditions for outbreaks of epidemic diseases and the lack of health care resulted in soaring rates of malaria, acute respiratory infections, diarrheal disease, skin infections, parasites and anemia. As access to food became critical for the displaced, prevalence of malnutrition increased to over 40 percent in some areas, requiring intensive interventions by international agencies.

The international response to the health and nutrition crisis in Liberia has been effective and timely. Through close collaboration and coordination, NGOs have rehabilitated and staffed many of the former MOH clinics and plantation structures and, in some areas such as Lofa County, services provided today are actually better than before the war. The health and nutrition crisis still exists, however, with high morbidity from common diseases such as malaria, respiratory infections and diarrhea, and rates of malnutrition as high as 45 percent in some areas. NGOs have concentrated some of their efforts in the development of a health and nutritional surveillance system which has increased significantly their ability to identify and respond to emergencies as they occur. Along these lines, a comprehensive countrywide nutritional assessment is being undertaken by the NGOs and the International Committee of the Red Cross (ICRC).

Up until Operation Octopus in 1992, the relief community had made progress in revitalizing the capacity of the health care delivery system and conducting Expanded Programs of Immunization (EPI). But the massive influx of over 100,000 displaced persons into Monrovia following the NPFL attack, and the dislocation to health care work in NPFL controlled areas, refocused health efforts on emergency care. Events since that time suggest that NGOs will continue to allocate significant resources to emergency response until disarmament is achieved.

Security and access will be the primary constraints to NGO operations during this period as evidenced by current efforts to reach a newly displaced population of 80,000 in NPFL-held areas who have fled fighting between the NPFL and LPC. NGOs must use an indirect route which takes two days in order to avoid the fighting and to respect ECOMOG restrictions on cross-line movements into NPFL territory from nearby Buchanan.

The number of displaced children receiving special feeding in NPFL areas is higher than should be the case; this is due in large part to the inadequate delivery of general rations which makes it impossible to discharge children from supplementary feeding when they reach 85 percent weight for height. The restrictions on cross-line movements into NPFL areas is the major cause for this continuing nutritional emergency. As mentioned previously, even the NPFL which stands to gain from the relief inputs is not always cooperative, this further exacerbates the problems caused by ECOMOG and ULIMO restrictions. NGOs in the health sector, as in the food sector, are subjected to tedious checkpoints that slow down their emergency activities.

B. CURRENT OPERATIONS

Despite the nominal existence of ministries of health in both IGNU- and NPFL-controlled territory, the NGOs are assuming this role *de facto* in terms of health delivery throughout the country. Operational areas are divided among Médecins sans Frontières/Belgium (MSF/B), Médecins sans Frontières/Holland (MSF/H), Médecins sans Frontières/France (MSF/F), Médecins sans Frontières/Luxembourg (MSF/L) and Action Internationale Contre la Faim (AICF). The Liberian Red Cross, with the support of the International Committee of the Red Cross (ICRC) and the International Federation of Red Cross and Red Crescent Societies (IFRC), and other local NGOs such as MERCI and CHAL also are involved but on a smaller scale than the international PVOs.

Upper Lofa County which borders Sierra Leone currently hosts over 100,000 refugees from that country. That region is covered by MSF/B which runs the largest health and nutrition program in the country. There, MSF/B provides primary health care and referral services as well as supplementary and therapeutic feeding to a population of 130,000, including the refugees, out of the total 150,000 estimated population of the area. OFDA is supporting an MSF/B-managed airlift since October to deliver medicines and medical supplies, commodities for special feeding programs, and health care personnel to Vahun and Yandahun in upper Lofa. MSF/B presently is constructing an airstrip in Yandahun and expects to begin deliveries in the very near future. In neighboring Grand Cape Mount County, MSF/H is running eleven clinics and a small supplementary feeding program, along with assisting in the management of a 40-bed referral hospital at the B.F. Goodrich plantation in Bomi County. Save the Children Fund/UK (SCF/UK) supports ten

clinics in Bomi and five clinics in lower Lofa. These areas are all currently under ULIMO control.

Areas of upper Margibi, Bong, Grand Bassa, Nimba, River Cess, Sinoe, Grand Gedeh, Grand Kru and Maryland Counties, currently under NPFL control, have an estimated total population of 670,000 and a displaced population of 270,000. Health and nutrition programs are divided among MSF/B, MSF/H, MSF/F, MSF/L and AICF working in concert with the NPRAG health apparatus. MSF/B covers all of Nimba county and, due to the relative security which prevails there, has been able to rehabilitate 21 of 35 clinics and achieve an EPI coverage rate of 80 percent. MSF/B also provides assistance in upper Margibi, lower Bong and Grand Bassa Counties, the Ganta hospital and the ex-LIMCO hospital at Yekepa. MSF/H works in upper Bong and lower Margibi Counties running ten therapeutic and dry supplementary feeding centers for about 2,000 and 5,000 children, respectively. MSF/H also runs six clinics in the area and for a considerable time, along with MSF/B, provided medical supplies to the NPRAG-run Phebe Hospital in Bong County. MSF/F recently has arrived in country and will be covering portions of Grand Bassa and Bong Counties. MSF/L plans to assume the present MSF/B operations in upper Margibi and lower Bong Counties. AICF provides health care services in the southeast area of the country under a grant from OFDA and is the only NGO working in the region. While it is prepared to cover the entire region, its activities are limited to Maryland County at present due to security problems. AICF's program focuses on the repair and replacement of water pumps as well as EPI and nutrition programs.

Health services in Monrovia and its environs are generally good; the proximity of the displaced population to NGO services ensures that emerging health problems are quickly identified and addressed. The nutritional status of the displaced population also is believed to be good because food deliveries are more regular than elsewhere in the country; a survey is now underway to test that assumption. Due to overcrowded conditions, sanitation in Monrovia's camps for displaced persons is more serious than elsewhere. AICF, with a grant from OFDA, is one of several NGOs working to improve those conditions. The displaced people recognize the problem and have organized into work crews to clean the camps and set up sanitary facilities.

C. WATER AND SANITATION

The control of diarrheal and other water-borne diseases is more difficult since they are related to poor sanitation and water quality, particularly in the cities. In Monrovia, an estimated 90 percent of the population was dependent on the White Plains Water Treatment Plant before the war. The plant was seriously damaged during the fighting in Monrovia, forcing increased reliance on traditional wells and pumps and the initiation of an emergency water tankering operation.

UNICEF and MSF/B financed the first phase of the repair and maintenance of the White Plains Plant which now delivers 2.4 million gallons of water per day to Bushrod Island where about one third of Monrovia's population lives. A second phase, which would supply piped water to the remainder of Monrovia, has yet to be implemented due to a lack of funds. For the time being the water tankering operation run by UNICEF and MSF/B continues and will have to continue until the second phase of repair at White Plains is complete. Parallel to the tankering program are continued efforts to improve and repair traditional wells throughout the city.

The provision of potable water is also a top priority for rural areas. Much of the extensive rural water network of pumps has been neglected during the war and urgently needs repair. UNICEF has begun a repair and maintenance program that will have to be extended as reintegration occurs.

D. SPECIAL HEALTH ISSUES

Outbreaks of epidemic diseases, especially measles, have occurred throughout the period of the war. The most recent measles outbreak occurred in September 1993 in the southern part of upper Lofa where the disease rate increased from 55 to 90 new cases per day during one month. EPI forms the basis of all NGO health interventions, with UNICEF supplying cold chain equipment and supplies, vaccines and, in some cases, vehicles to transport vaccination teams and supplies. OFDA has recently provided a \$1 million grant to UNICEF to continue these programs.

Malaria, including strains of chloroquine resistant malaria remains a critical health problem, constituting 43 percent of Liberia's morbidity; it is a major cause of childhood mortality. Efforts to control the disease to date have been focussed on treatment, but should security improve more rigorous information campaigns to promote prevention and control might be instituted.

Finally, HIV/AIDS also is an increasing problem but available statistical data do not allow for a national profile. The national AIDS control program, working through WHO, is disseminating AIDS awareness information and distributing condoms but there is general agreement that the prevalence of HIV/AIDS probably is increasing with the displacement of the population and the presence of foreign troops.

E. TRANSITION ISSUES

The nominal IGNU and NPRAG ministries of health continue to coordinate with NGOs regarding interventions in their respective areas, but without any resources or staff, their role is insignificant. A transition from emergency to

recovery in Liberia will signal the operational end for most of the health-related NGOs such as the MSF family and AICF. The transition will thus present the need for other development-oriented NGOs and eventually government entities to carry on and expand health care beyond emergency services. MSF/B has created a climate in which some of these actions can take place in the absence of government by creating three entities to deal with health care, traumatized children and drug supply.

MERCI, consisting of a group of private Liberian medical doctors, has become the principal emergency response NGO for the greater Monrovia area. Children Assistance Program (CAP), an offshoot of an MSF/B program for abandoned and orphaned children, and comprised of former MSF/B staff, has become one of the principal NGOs dealing with vocational training, re-integration, family tracing and counseling for children under 15. The National Drug Service (NDS), formerly a government agency but now an NGO with new staff, is managed by an executive council consisting of representatives from UNICEF, WHO, MSF/B and other major health-related international and local NGOs and appropriate IGNU authorities. NDS manages a central pharmacy and handles all drug requests and deliveries to clinics and hospitals. NDS likely will be reintegrated into a new MOH, hopefully maintaining the much improved standards of accountability installed by MSF/B.

An important partner in the delivery of health care is the local NGO, Christian Health Assistance of Liberia (CHAL) which has been in existence since 1977. Before the war, CHAL supported a church-affiliated network of seven hospitals and 60 clinics that reached 47 percent of in-patients and 23 percent of outpatients in Liberia. Throughout the war, CHAL continued to support the units that were accessible and, with the assistance of CRS, opened supplementary feeding centers as extensions to the medical units. OFDA funds have supported CHAL's work over the last three years, including a rehabilitation needs assessment conducted in 1991-1992. The 1994 CRS request to OFDA on behalf of CHAL includes support for special feeding and the rehabilitation of medical units in the most vulnerable areas of the country.

Upon the seating of the LNTG, the health system administration set up in IGNU and NPFL areas will cease to exist, and work will begin to rebuild a national health structure. The work of the international and some local NGOs (such as CAP and NDS) on all sides of the conflict, and their dialogues with health officials in both Monrovia and Gbanga, have served to link, indirectly, health programs throughout the country. This commonality of program design and implementation, followed by the MSF family in particular, will be an important contribution during the reconstruction of the national ministry of health.

The importance of maintaining and even expanding rural health services cannot be overemphasized during the transition period, which will feature a return to rural areas of displaced people in cities and in camps on the plantations as well as a refugee population that is dominated by rural farmers. As a general rule, priority for the rehabilitation of health units should be based on the likely destinations of the majority of the displaced persons, ex-combatants, and refugees as part of a rural revival effort that will ease the reintegration process. The costs associated with this level of activity will be significant, but without health care (among many other components of rural life), the incentive of ex-combatants or displaced people to return to rural areas will be dimmed.

However, this will be only the beginning of a long process to retrain veteran health workers and hire new ones, encourage the return of those health specialists who fled the country, conduct an inventory of the health system and its needs, and design a new national health policy covering, *inter alia*, cost recovery issues. Moving back to a revolving drug fund approach to health care and away from the free care policy of the emergency period will also have to be a part of the recovery effort and will have to be linked to other interventions that stimulate economic growth and recovery at all levels of society. In effect, the importance of creating a climate of optimism in the rural areas is so critical to the survival of the transition government and the entire peace process, that failure to provide for the minimum needs of a rural population could provide sufficient ammunition for one of the factions to drag Liberia back into war.

The considerable role that the U.S. has played in the health sector of Liberia both before the war through bilateral assistance programs and during the emergency period through the NGOs and UNICEF, gives USAID a comparative advantage in addressing recovery needs in this sector.

F. RECOMMENDATIONS

Scenario One

- Continue OFDA emergency support for health and nutrition programs exclusively through NGOs and the UN system; and,
- Support the Liberia AIDS program through centrally-funded or regional mechanisms.

Scenario Two

- Continue Scenario One recommendations;
- Conduct a formal assessment to analyze the status of prevalent conditions and longer-term needs in the sector, and where donor resources might be used most effectively;
- Support NGOs engaged in recovery activities through a DFA or ESF-funded PVO umbrella grant; and,
- Support planning for a coordinated effort to develop community-based health service delivery based on cost-recovery and fee for service.

Scenario Three

- Continue Scenario One and Two recommendations; and,
- Consider further USAID support to the health sector using DFA funds.

VIII. REINTEGRATION

A. BACKGROUND

As indicated throughout this paper, the Liberian civil war has shattered the country's economy and much of its basic infrastructure and displaced hundreds of thousands of persons. Basic social services are unavailable in many parts of the country and the capital of Monrovia, occasionally at the center of the conflict, has suffered extensive damage. The country is essentially governed by three separate entities, none of which are capable of rendering services normally provided by government agencies. Virtually every Liberian citizen has been affected by the war, either through displacement, the loss of a family member and/or as a victim of the well-documented atrocities committed by all parties to the conflict.

As previously noted, Liberia's pre-war population is estimated at 2.4 million persons. The current population is estimated at two million but with a significantly changed demographics profile - over 500,000 Liberians may be displaced within their own country, with some 120,000 refugees from Sierra Leone living in Liberia. An estimated 60,000 - 150,000 Liberians residing in the country are either former or current combatants in the civil war. An additional 700,000 Liberians fled the country during the war and are living in Guinea, Cote d'Ivoire and other neighboring countries. In sum, the war has produced a situation wherein up to 54 percent of Liberia's pre-war population, or 1.3 million persons, could be requiring some kind of reintegration support.

B. POLITICAL LINKAGE

The signing of the Cotonou Agreement in July of 1993 has prompted hope among Liberians and the international community that Liberia can begin its long-awaited process of national reconciliation, paving the way for the transition from relief assistance to rehabilitation and the country's eventual recovery.

According to the Agreement, one of the first steps in the process, after the seating of a five person Council of State, is to demobilize the combatants. It is generally assumed that the repatriation of displaced persons will take place after demobilization, and that Liberians residing outside the country will be the last to return home. Ironically, the complicated and comprehensive process of initial reintegration is expected to take place over a relatively short period of time, in principle commencing immediately upon the arrival in Liberia of an expanded ECOMOG force and concluding before the planned elections in late March 1994. Although many observers doubt that elections will take place within this time frame (which is specified in the Cotonou Agreement), there is no question but that rapid reintegration will be considered a political imperative once the expanded ECOMOG arrives.

C. GUIDELINES

The UN Demobilization Office was quick to recognize the need to address the conditions of local communities prior to and after the return of the ex-combatants. The UNHCR, operating under special guidelines which authorize it to provide services to displaced persons as well as refugees, has also recognized this need. Numerous planning documents, including the UN's demobilization proposal and the UNHCR operations strategy, incorporate plans for community-based rehabilitation and reconstruction projects.

UNHCR notes that it will "in cooperation with other UN agencies and NGOs, assist in a program of rehabilitation and restoration of basic services in priority counties where large numbers of refugees are expected to return..." It highlights the need to increase the absorption capacity in areas of return, emphasizing the following prerequisites for the success of a reintegration program:

- ◆ Availability of food and water;
- ◆ Accessibility to rural areas/road and bridge rehabilitation; and,
- ◆ Restoration of basic health and community services.

The UN Office of the Special Representative of the Secretary General (SRSG) Demobilization Office recognizes these same general categories, emphasizing that activities should originate from within the communities, be labor intensive and quickly implemented, with a priority given to those which are "developmentally oriented and sustainable." The UNHCR also refers to quick implementation at the community level, utilizing the "Quick Impact Projects" (QUIPS) model.

In general, UN agencies and the NGO community agree on the following guidelines for reintegration activities:

- ◆ address the needs of all affected populations: ex-combatants, displaced, refugees and local inhabitants;
- ◆ emphasize income-generation components;
- ◆ utilize local communities and the NGOs in project design and implementation;
- ◆ provide vocational training;
- ◆ serve the special needs of child soldiers, the war-traumatized and victimized women;

- ◆ restore basic physical and social infrastructures, including health, education and agricultural sectors; and,
- ◆ enable/anticipate a transition to medium and longer-term rehabilitation projects.

Although the UNHCR operational plan states that it "will cooperate with UNDP in the development of a comprehensive inter-agency plan for all these [returnee] groups to ensure that they are integrated into long-term reconstruction and development programs," no such plan exists. Indeed, despite a recognition among relevant UN agencies and the NGO community of the interrelationships and shared objectives within this complicated reintegration program, no single UN functional entity is charged with overseeing the entire process.

D. PRIORITIES

In addition to addressing short-term issues such as logistics and the standardization of assistance packages provided to all returnees, such a coordinating body would also be charged with viewing reintegration efforts and their linkages to longer term development as a whole. The following issues, raised elsewhere in this paper, would be primary among this body's planning priorities:

- ◆ revival of agriculture production in cash and food crops and linkages to agricultural pricing policies;
- ◆ rebuilding of the national health structure transferring some of the responsibility from NGOs who will likely depart when the emergency is over;
- ◆ the spread of AIDs and the need for expanded coverage, including education throughout the country;
- ◆ the re-establishment of the school structure to bring about a return to normal life; and,
- ◆ the re-establishment of appropriate civil administration arrangements, particularly at the local level.

To a great extent, many of the relief activities that UN agencies and NGOs have been carrying out in Liberia could simply be encompassed in the reintegration program. In fact, the focus of the humanitarian assistance effort in the country should shift to the community rehabilitation and reconstruction component of the national reintegration program. Health care services that NGOs had been providing

in displaced persons shelters and other concentrations of populations dislocated by the fighting would be redirected to the communities to which those persons and population groups were returning. Similarly, the well-drilling and latrine construction programs for cities and towns would be refocussed on the villages receiving returnees. Of course, these basic services programs would have to be supplemented by more rehabilitation-oriented programs, such as support for village-level food processing or other micro-enterprise activities.

Perhaps the main issue confronting reintegration program planning is provision of the necessary management services for what is a highly ambitious undertaking. The UN's "Consolidated Joint Appeal for Humanitarian Assistance to Liberia (September 1993 - December 1994)", which was still in draft and had not yet been issued as of the end of November, totals over \$130 million. Most of the activities for which the Appeal seeks funding relate to the reintegration program. So the stakes are high in monetary terms alone.

The reintegration program if properly implemented could be the cutting edge for community based development in Liberia. By the same token, if mismanaged it could lead to further ethnic-based, inequitable power grabs in the countryside, abet continued corruption in officialdom with all its pernicious cynicism and other negative consequences for civil society, and retard the healing of individual, communal and societal psychological wounds from the civil war. An enormous amount of work still needs to be done to see that the highly complex and crucial reintegration program is properly developed and implemented.

In sectors such as health, nutrition, water, sanitation, agriculture and vocational training, and care for children in especially difficult circumstances, NGOS providing basic emergency relief services in Liberia have already laid the groundwork for reintegration activities. USAID is currently supporting NGO programs in all of these areas under disaster assistance funding. USAID's development assistance prior to the war centered on agriculture and rural development, health, education, and public works. USAID's planning for the critical transition period facing Liberia should capitalize on the fact that the sectors most in need are those with which USAID is most familiar.

E. RECOMMENDATIONS

Scenario One

- Provide, using disaster assistance funds, selected support to programs that will lay the groundwork for the reintegration process; and,
- Encourage the United Nations to identify a UN entity with overall and continuing responsibility for the reintegration process.

Scenario Two

- Implement Scenario One;
- Begin discussions to create a PVO umbrella project using DFA or ESF funds to support reintegration activities. The project might address a certain area of reintegration, or cover a broad range of activities;
- Support the development of a community development self help framework for reintegration; and,
- Begin appropriate sectoral assessments to determine appropriate directions for future USAID programming.

Scenario Three

- Implement Scenarios One and Two;
- Move to address Brooke-related sanctions issues to make funds available to support a wide-scale reintegration program.

X. ECONOMIC POLICY

A. BACKGROUND

The economy of Liberia, which was already in serious trouble in the latter part of the 1980s, has been nearly devastated by the civil war. Although the devastation is not as total as popular opinion may have it, the damage to both the resource base and management capacity is nonetheless so great that the economic reconstruction and recovery challenge the country faces is daunting.

The Liberian economy has been based on the export of primary commodities largely produced and managed by expatriate transnational corporations. Real GDP growth was negative between 1975 and 1985 reflecting declining world market prices for these products (timber, iron ore, rubber) and the increasing mismanagement of domestic resources. Moreover, the existence of a multi-currency economy that includes two Liberian dollar issues and the US dollar has had important implications for Liberia's macroeconomic position.

Since the 1989 outbreak of civil war, Liberian GDP has not recovered its pre-war level. The splitting of the country into two nominal governments has not only caused disintegration of the economy but also made accurate estimates of any national economic indicators virtually impossible and an analysis of any income obtained by either side through exports or other sources highly suspect. Nevertheless there is some evidence that exports of iron ore, some minerals, rubber, and timber, virtually all from NPFL-controlled territory, occurred in 1991 and 1992, as reflected in a sharp jump in GDP figures recorded by the IMF:

GDP growth by year²:

1987	1.3
1988	3.1
1989	-10.8
1990	0.3
1991	2.9
1992	1.9

Since control of the Buchanan port switched from NPFL to IGNU in late 1992, these exports have ceased, except for some reported timber exports probably through Harper across the border into Côte d'Ivoire.

B. ECONOMIC POLICY AND MANAGEMENT

²Source: IMF, World Economic Outlook; May 1993. The 1989-93 figures, albeit very suspect, provide at least an indication of the level of export activity that occurred during the war years.

There are many aspects of economic policy and management that need to be addressed as part of the recovery process. Fortunately, UNDP has already initiated some preliminary steps by assembling a team of three Liberians to prepare a UNDP recovery planning project for Liberia. It is likely that most of the economic policy and management issues will be dealt with, in the UNDP planning project. Nevertheless many of the issues are of particular interest to the U.S. in light of previous economic dialogue which occurred in the 1980's and are highlighted below.

Monetary policy: Until 1983, the Liberian economy operated exclusively with US dollars. In 1983, the Liberian dollar was introduced with an infusion of 5 million dollars at a one to one rate of exchange rate with the US dollar. Since its issuance, the Liberian dollar has fallen steadily against the US dollar on the parallel market while the official rate remains one to one. In November, 1993, one US dollar buys 50 Liberian dollars on the streets of Monrovia, all in the 5 dollar denominations issued by the Bank of Liberia in 1992. The pre-1992 notes are still used in NPFL territory and are called the "JJ" dollar. In October 1992 the exchange rate of the "JJ" was 6.5 to one US dollar. Since August 1993 to the present, the rate has depreciated rapidly from 13.5 to 21 Liberian dollars to one US dollar. One of the most urgent topics for discussion during the recovery period will obviously be monetary policy and specifically whether to retain a multi currency or switch exclusively to the Liberian or US dollar.

Debt management: Even before the war, the US and other donors expressed alarm over the mismanagement of government funds, the burden of inefficient parastatals and the burgeoning size of the civil service which created progressively larger claims on the central government. Between 1980 and 1985 alone most salary levels were doubled and the number of public employees grew from 18,000 to 56,000. Claims on central government were 73 percent of total domestic credit between 1981 and 1985. This growth in government expenditure and the rise of the Liberian debt to over \$1,000 per capita captures the enormity of the problem.

The management of the external debt will therefore be among the primary concern of a new government, and the ability of Liberia to devise an effective policy will depend in part on the position the United States will take regarding Brooke sanctions, specifically, and with respect to Liberia's debt overhang generally. The Transitional Government will have great difficulty maintaining power and legitimacy if it cannot work out some arrangement with the Multilateral Development Banks and major donors for managing the debt problem so that aid for recovery can begin to flow.

Export Sector and Natural Resource Management: The export sector in Liberia is dominated by the exploitation of rubber, timber, iron ore, and other

minerals, by transnational corporations. The production of these commodities represented consistently over one-third of Gross Domestic Product in the late 1980s despite registering negative growth caused by capital flight, disinvestment, and depletion of iron ore. Smallholder agriculture contributes to the smaller yet profitable exports of coffee, cacao and palm kernels. Discussion in this section is limited to rubber, timber, and small holder agriculture with only the comment that iron ore and precious metal mining is also likely to resume, once peace is restored to Liberia.

Rubber. The rubber industry plays a significant role in the planning for Liberia's recovery because of its impact on employment and the redevelopment of smallholder plantations. The Firestone Rubber Plantation, now host to over 30,000 displaced people, is the largest rubber plantation in the world and employed 8,000 workers before the war. The Liberian Agriculture Corporation (LAC) plantation, located in now disputed territory and currently providing sanctuary for 30,000 displaced persons, formerly employed some 6,000 people. Firestone has already indicated interest in returning its plantation to production and has approached the United Nations for advice on relocating, or resettling, as conditions dictate, the displaced people to make way for a return of the 8,000 workers and a contingent of ECOMOG security forces. LAC will require far less reinvestment to revive its production and might be encouraged to take such a financial risk should Firestone lead the way. The revival of the plantations will not only provide employment to former workers but will have a spinoff effect of encouraging the smallholders to rehabilitate their own rubber trees.

Timber. The timber industry is a pure enclave economic system with few ties to the rest of the economy and less than five percent of the FOB selling price for timber remaining in the region in which it was harvested. The most serious long term economic problem stemming from the present forest management policy is the rapid depletion of the forest. Despite reforestation regulations that were passed in the late 1970s requiring the logging companies to replant or pay a reforestation fee, by the early 1980s harvesting was outstripping estimates of sustainable yield for high value tree species by a three to one rate. At this rate, it is expected that in the 1990s these species will be exhausted. Throughout much of the war some logging has continued but at rapidly decreasing rates to the point where now it is no more than a trickle. This may have deferred the timber crisis, but the lack of government control over logging suggests environmentally unsound practices may be occurring. It will be imperative for the new government to very quickly establish sound forest management and reforestation policies that strike the right balance between containing the rapid depletion of this important natural resource and reviving an economic activity that earns foreign exchange.

Smallholder agriculture. As previously discussed, smallholder agriculture for domestic consumption is dominated by the production of cassava, rice, sugar

cane, fruit, and palm oil, but some coffee, cacao, and palm kernel are produced for export. Economic activity in production of these commodities is likely to rebound should security improve. Evidence that 1992 production rebounded to nearly 85 percent of its 1980 level, prior to Octopus in October of that year suggests that this sector will be highly responsive to peace efforts. Should credit be made available to this smallholder sector, even more rapid recovery might be achieved.

Management of the Economy: While war has raged throughout the country since 1989 causing massive devastation to the human, physical, and institutional resources of Liberia, there has been continued work by economists attached to the IGNU to prepare for a resumption of normal life. A "National Planning Coordinating Committee (NPCC)" was convened in 1990, drawing on various experts in the IGNU regime as well as other professionals and technicians. Their mission was to develop a plan of action for economic recovery, including repatriation and resettlement and the reactivation of key sectors of the economy. Similarly a meeting in Monrovia in July, 1993 hosted by the National Bank of Liberia brought together a number of Liberian economists and outside experts to discuss monetary policy and debt management.

While the team fully recognizes that work undertaken by IGNU does not carry national legitimacy, the meetings and planning sessions mentioned here serve to illustrate that there is already some consideration by Liberian experts of the complex economic issues that must be addressed in the future. The team was not able to visit NPFL (NPRAG) controlled areas during its brief visit, but suspects that similar work may have been undertaken at the NPRAG headquarters in Gbarnga.

Other economic issues that should be on the table for discussion include the problem of revenue administration and expenditure control, including civil service reform and the privatization of parastatals.

C. RECOMMENDATIONS

Scenario One

- No policy dialogue.

Scenario Two

- Explore opportunities for rural credit schemes through the PVO umbrella mechanism;
- Conduct an evaluation of the merits of the present monetary system against opting for a single Liberian currency should be undertaken during the

transition period. The US can be supportive of this effort which is likely to be led by UNDP, through regular consultations with visiting UN economists;

- Initiate internal discussions within USG position regarding debt relief for Liberia, including consideration to whole or partial waiver of Brooke sanctions, provided the country passes certain political, governance, human rights, and other key tests. As a start, the US might help by providing assistance to evaluate the total debt of the GOL in preparation for negotiations with bi-lateral and multi-lateral donor organizations; and,

Scenario Three

- Continue Scenario Two recommendations;
- Participate energetically, with other donors, in counseling the transitional (and eventually the elected government) in tackling the broad as well as the specific economic issues. This might be accomplished through technical assistance in specific sectors using (for example) PD&S funds as feasible, or, through policy reform opportunities offered by a DFA-funded NPA activity or a Title III program;
- Consider what role the US can and wants to play in advising Liberia on preservation and sound management of its natural resources, specifically the forest; and,
- Promote the recovery of the private sector, possibly in the framework of a commodity import program (CIP).

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ACRONYMS

AFL	Armed Forces of Liberia
AICF	Action International Contre la Faim
CAP	Children Assistance Program, Inc.
CCC	Christian Concern Community
CEDC	Children in Especially Difficult Circumstances
CHAL	Christian Health Assistance of Liberia
CRS	Catholic Relief Services
DA	Development Assistance
DFA	Development Fund for Africa
ECOMOG	ECOWAS Cease-Fire Monitoring Group
ECOWAS	Economic Community of West African States
ESF	Economic Support Fund
FFP	Food for Peace
GOL	Government of Liberia
ICRC	International Committee of the Red Cross
IFRC	International Federation of Red Cross and Red Crescent Societies
IGNU	Interim Government of National Unity
IMF	International Monetary Fund
INPFL	Independent National Patriotic Front of Liberia
JCMC	Joint Cease-Fire Monitoring Commission
LAC	Liberian Agriculture Corporation
LICHICO	Liberian Children Concern
LIMCO	Liberian Mining Corporation
LIURD	Liberia Islammic Union for Rural Development
LOIC	Liberian Opportunities Industrialization Center
LPC	Liberia Peace Council
LRRRC	Liberian Refugees Resettlement and Reintegration Commission
LUSH	Liberians United to Serve Humanity
MDB	Multilateral Development Bank
MERCI	Medical Emergency Relief Committee, Inc.
MOA	Ministry of Agriculture
MOH	Ministry of Health
MPEA	Ministry of Planning and Economic Affairs
MSF/B	Médecins sans Frontières/Belgium
MSF/F	Médecins sans Frontières/France
MSF/H	Médecins sans Frontières/Holland
MSF/L	Médecins sans Frontières/Luxembourg
MT	Metric ton
MUAC	Middle-Upper Arm Circumference
NARDA	New African Research and Development Agency

NCRDP	Nimba Country Rural Development Project
NGO	Non-Governmental Organization
NPFL	National Patriotic Front of Liberia
NPRAG	National Progressive Reconstruction Assembly Government
NRC	National Readjustment Commission
NRRC	National Repatriation and Resettlement Commission
OAU	Organization of African Unity
OFDA	Office of U.S. Foreign Disaster Assistance
PD&S	Project Development and Support
PVO	Private Voluntary Organization
RDF	Revolving Drug Fund
REDSO	Regional Economic Development Support Office
SELF	Special Emergency Life Food
SF	Supplementary Feeding
TF	Therapeutic Feeding
UNICEF	United Nations Childrens' Fund
ULIMO	United Liberian Movement for Democracy in Liberia
UNDP	United Nations Development Programme
UNOMIL	United Nations Observer Mission in Liberia
USAID	United States Agency for International Development
USD	U.S. Dollar
WFP	World Food Programme
WHO	World Health Organization