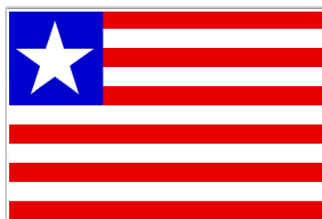


## 26. Country profile: Liberia



### 1. Development profile

Much of Liberia's current socioeconomic situation has been characterized by its recent civil war, which lasted from 1989 to 2003. The war ravaged the country's infrastructure, economy, and population leaving 50 percent of the population in abject poverty. Currently, "pipe-borne water and electricity are generally unavailable to most of the population, especially outside Monrovia, and schools, hospitals, roads, and infrastructure remain derelict."<sup>1</sup> The macro economy was also devastated, with GDP per capita dropping an estimated 90 percent from 1980 to 2005.<sup>2</sup> Almost 80 percent of Liberia's population lives below the poverty line and average life expectancy is 58 years.

The Liberian population is very young with children making up almost fifty percent of the population. The under 5 mortality rate is 13 out of 100 mostly due to easily preventable diseases such as malaria, diarrhea and acute respiratory infections.<sup>3</sup> 36 percent of these children are stunted due to malnutrition, and primary school enrolment is only 33 percent.<sup>4</sup>

In the past few years Liberia has begun the long process of rebuilding and stabilizing its fragile economy. In January 2006, Ellen Johnson Sirleaf, the first democratically elected female president in Africa, came to power, ushering in high levels of support from the international community. Liberia now has the highest ratio of direct foreign investment to GDP in the world.<sup>5</sup> Liberia is rich in natural resources such as timber, diamonds, water, fertile soil, minerals, and rubber. Recently, embargos on some of these resources were lifted, providing new revenue flows for the Government. Since Sirleaf's administration has taken power, mortality rates for children under 5 have dropped from 140 per 1,000 to 133 per 1,000. In addition, GDP growth has averaged above 7 percent, and starting a business has been made easier.<sup>6</sup>

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<sup>1</sup> *Liberia*. (2005, September). Retrieved from US Government, Department of State: <http://www.state.gov/outofdate/bgn/liberia/52718.htm>

<sup>2</sup> Ibid.

<sup>3</sup> *Cash Transfers to the Most Vulnerable Households in Liberia*. (2010, February 4). Retrieved from United Nations Children's Fund: [http://www.unicef.org/media/media\\_52699.html](http://www.unicef.org/media/media_52699.html)

<sup>4</sup> Ibid.

<sup>5</sup> *Liberia*. (2010, January 15). Retrieved from US Government, Central Intelligence Agency: <https://www.cia.gov/library/publications/the-world-factbook/geos/li.html>

<sup>6</sup> *Indicators*. (2010). Retrieved from World Bank: <http://www.worldbank.org/indicators>

Socioeconomic indicators <sup>7</sup>	
Population (millions)	3.8
GNI per capita, PPP (current USD)	300
GDP (current USD) (billions)	\$0.9
GDP growth rate (%)	7.1
% below poverty line (%)	76.0
Inflation (%)	12.8
GINI index	52.6
Adult literacy rate (%)	44.5
Life expectancy (years)	58
Child dependency ratio	78.2
Elderly dependency ratio	5.7
HIV prevalence (%)	1.7
Overseas development aid per capita (current USD)	186
Net official development assistance (USD Millions)	267.99
Remittances (millions)	883.9
2009 Human Development Index (HDI) ranking	169/182

## 2. Vulnerability analysis

### 2.1 External shocks

In spite of the global recession, Liberia is estimated to have the 7<sup>th</sup> fastest growing economy in 2010.<sup>8</sup> This growth is relative and, since economic development was stunted for so long, this trend is not surprising. Inflation remains Liberia's primary concern. From 2007 to 2008, food prices increased 22 percent as a result of rising global commodity prices, placing the already vulnerable population in an even more precarious position. Exports account for 47 percent of GDP and are comprised primarily of rubber and iron ore. In 2007, the value of rubber exports accounted for \$170.9 million USD out of a total \$184.1 million USD.<sup>9</sup>

### 2.2 HIV/AIDS

At 1.7 percent, HIV prevalence remains comparatively low to the regional average of roughly 5 percent. However, prevalence levels have been increasing in recent years. In 2000, levels were at 1.4 percent, in 2005, 1.5 percent and in 2007, 1.7 percent. While the Government has an AIDS commission, it lacks the capacity to effectively implement programmes.

<sup>7</sup> *Inidcaotrs*. World Bank.

<sup>8</sup> *GDP Growth Forecast 2010*. (2009). Retrieved from Economy Watch: <http://www.economywatch.com>

<sup>9</sup> *Liberia*. US Government, Department of State.

## 2.3 Foreign aid and remittances

Liberia has high levels of both foreign aid and remittances. Aid flows per capita are much higher than the regional average of \$36 USD, standing at \$186 USD. This extraordinary figure can be attributed to the large numbers of businesses and professional class citizens that left Liberia during the conflict and have yet to return. This also contributes to a “brain drain,” resulting in an underdeveloped working class. Unexpected drops in aid or remittances would be devastating for the country given their already precarious situation economically.

## 3. Monitoring and evaluation

M&E activities in Liberia are present but are still very much in a rebuilding state. The Ministry of Finance uses an Aid Management Programme (AMP) to track aid flows. According to USAID, “AMP collects the value of projects, start and end dates, projected disbursements and commitments, information by sector, pillar, and PRS strategic objective, etc.”<sup>10</sup> The Ministry of Education conducts a National School Census and measures the quality of Liberia’s public education system through the use of the Education Management Information System. Finally, the Liberia Institute of Statistics & Geo-Information Services “manages the LiberiaInfo database management system which is customized from Devinfo (a global application) to primarily monitor human development including monitoring outcome and impact measures for the implementation of Liberia’s Poverty Reduction Strategy.”<sup>11</sup> LiberiaInfo was launched in September 2007 and works closely with several agencies throughout government.

## 4. Social assistance programmes overview

\*All currency conversions are based on 17 February 2010 rates:

- LRD = 0.0141 USD
- 1 GBP = 1.57 USD
- 1 EUR = 1.36 USD.<sup>12</sup>

Programme# 1: in-kind transfer	Programme name	School Feeding Programme <sup>13</sup>
	Programme overview	<ul style="list-style-type: none"><li>▪ As a response to increasing rates of poverty, food insecurity and malnutrition, the government of Liberia, with the help of international organisations and NGO partners established the school feeding programme</li></ul>
	Programme components	<ul style="list-style-type: none"><li>▪ The first part of the plan covers a three-year period, 2008-2011 with a main focus on poverty reduction strategies, while the whole NCD package is a 10-year plan.</li></ul>

<sup>10</sup>Draft RFP for Comments on Liberia Monitoring and Evaluation Program. (2010, January 01). Retrieved from Agency for International Development:  
[https://www.fbo.gov/index?s=opportunity&mode=form&id=57d6eabf64fdbc7f9ccf728c2df196b&tab=core&\\_cview=1&ck=k=1&au=&ck=](https://www.fbo.gov/index?s=opportunity&mode=form&id=57d6eabf64fdbc7f9ccf728c2df196b&tab=core&_cview=1&ck=k=1&au=&ck=)

<sup>11</sup> Ibid.

<sup>12</sup> Universal Currency Converter. (2010). Retrieved from XE.com: <http://www.xe.com/ucc/full/>

<sup>13</sup> Table drawn from *Food Security and Nutrition in Liberia*. (n.d.). Retrieved from United Nations:  
<http://www.unliberia.org/doc/FSNemail.pdf>

		<ul style="list-style-type: none"> <li>mainly intended to provide an emergency response to children affected by rising food prices</li> <li>Also serves to improve access to primary education for Liberian children</li> </ul>
	<b>Programme duration</b>	<ul style="list-style-type: none"> <li>10 year plan</li> </ul>
	<b>Programme coverage</b>	<ul style="list-style-type: none"> <li>Targets 550,000 Liberian children.</li> <li>About 16% of the total population.</li> <li>About 35% of children under 15 years of age.</li> <li>The first phase benefitted about 400,000 rural school children. The second phase in September 2008, benefitted about 150,000 urban school children.</li> </ul>
	<b>Finance</b>	<ul style="list-style-type: none"> <li>Funding is about USD 18 million per annum.</li> <li>About USD 30 for each child per year.</li> <li>Current donors include the World Bank, Canada, Denmark, Germany, Ireland, Italy, Saudi Arabia and Sweden.</li> <li>The World Bank has contributed USD 4 million to the programme.</li> <li>Estimated that minimum cost per person per month is USD 8, or approximately USD 96 per annum. This implies that the total cost for 550,000 children would be USD 52.8 million.</li> <li>Thus the financing gap would be approximately USD 34.8 million.</li> </ul>
	<b>Legal framework</b>	<ul style="list-style-type: none"> <li>In 2008 the Ministry of Planning and Economic Affairs launched the National Capacity Development Strategy and Action Plan, which will serve as a platform for the emergency plan implementation and other goals such as poverty reduction and improvements in civil rights.</li> </ul>
	<b>Administrative framework</b>	<ul style="list-style-type: none"> <li>Implementation is done on a tripartite basis- WFP, the school authority, and government.</li> </ul>
	<b>Monitoring and evaluation</b>	<ul style="list-style-type: none"> <li>A team from government, mainly the Ministries of Education and Health along with the WFP monitor the programme to ensure proper implementation and safe health conditions.</li> </ul>
	<b>Programme barriers</b>	<ul style="list-style-type: none"> <li>The government is experiencing financial difficulties amidst unlimited priorities. It cannot fund such programmes without foreign assistance.</li> <li>Transfers don't always get to the targeted beneficiaries, because of corruption in the system.</li> </ul>

Programme# 2: conditional and unconditional cash transfers	Programme name	<b>Cash Transfers to Vulnerable Households<sup>14</sup></b>
	Programme objective	<ul style="list-style-type: none"> <li>▪ Cash transfer pilot scheme to help reduce poverty, hunger, and starvation in extremely poor and labour constrained households living in the pilot area and for children to realize their basic rights to education and nutrition.</li> </ul>
	Programme components	<ul style="list-style-type: none"> <li>▪ Regular money payments.</li> <li>▪ Each qualified family will receive USD 10 to USD 25 per month, depending on household size.</li> <li>▪ Those who send their children to primary and secondary school will receive a bonus of USD 6 and USD 4 respectively.</li> </ul>
	Programme duration	<ul style="list-style-type: none"> <li>▪ Pilot scheme implemented for 2 years.</li> </ul>
	Programme coverage	<ul style="list-style-type: none"> <li>▪ Families left out of the traditional poverty reduction programmes in Bomi County, one of the poorest regions.</li> </ul>
	Beneficiary determination process	<ul style="list-style-type: none"> <li>▪ The programme excludes adults who can work.</li> </ul>
	Finance	<ul style="list-style-type: none"> <li>▪ Government of Liberia with support from UNICEF, the European Commission, and the Government of Japan.</li> </ul>
	Socioeconomic impacts	<ul style="list-style-type: none"> <li>▪ The cash will increase their economic power and allow them to spend on the priorities that they will identify and provide better care and protection for their children.</li> </ul>

Programme# 3: social insurance	Programme name	<b>Old Age, Disability and Survivors<sup>15</sup></b>
	Programme components	<ul style="list-style-type: none"> <li>▪ <b>Old-age pension:</b> 25% of the average monthly earnings plus 1% of average monthly earnings for each 10-month period of contributions over 100 months.</li> <li>▪ <b>Old-age settlement:</b> amount paid equal to contributions plus interest.</li> <li>▪ <b>Old-age assistance:</b> Up to USD 350 per year.</li> <li>▪ <b>Disability pension:</b> 25% of average monthly earnings in last year plus 1% of average monthly earnings for each 10-month period of contributions over 50 months.</li> <li>▪ <b>Disability settlement:</b> amount paid equal to contributions plus interest.</li> <li>▪ <b>Disability assistance:</b> Up to USD 350 per year.</li> <li>▪ <b>Survivor Pension:</b> dependent widow or widower is given 50% of the deceased's pension.</li> <li>▪ <b>Orphan's pension:</b> Each orphan under 18 years or under 21 years if a student or at any age if disabled, receives 10% of the insured's pension; 20% for a full orphan.</li> </ul>

<sup>14</sup> Table drawn from *Cash Transfers to the Most Vulnerable Households in Liberia*. (n.d.). Retrieved from United Nations Children's Fund:

<http://www.caleidoscop.org/Members/sebiuci/martie-2010/independent-external-evaluation-of-the-bomi-pilot-social-cash-transfer-scheme-united-nations-childrens-fund-unicef-liberia>

<sup>15</sup> Table text from *Social Security Programs Throughout the World: Africa 2009*. (2009). Retrieved from US Government, Social Security Administration: <http://www.socialsecurity.gov/policy/docs/progdesc/ssptw/2008-2009/africa/index.html>

	<b>Programme coverage</b>	<ul style="list-style-type: none"> <li>▪ <b>Social Insurance:</b> <ul style="list-style-type: none"> <li>○ Employees in the public-sector or in first with five or more workers.</li> <li>○ Voluntary coverage for self-employed persons.</li> <li>○ Casual workers, family labor, household workers, armed forces personnel, Liberian diplomats, senior members of the government and courts, and persons employed on any type of boat are all excluded.</li> </ul> </li> <li>▪ <b>Social Assistance:</b> <ul style="list-style-type: none"> <li>○ Needy elderly, disabled, or unemployed persons.</li> </ul> </li> </ul>
	<b>Beneficiary determination process</b>	<ul style="list-style-type: none"> <li>▪ Old-age pension: Age 60 with at least 100 months of contributions and retired by age 65.</li> <li>▪ <b>Old-age settlement:</b> if the insured doesn't qualify for the old-age pension at 60 but has at least 12 months of contributions.</li> <li>▪ <b>Old-age assistance:</b> for those elderly who are in need but don't satisfy qualifications for social insurance old-age benefits.</li> <li>▪ <b>Disability pension:</b> Must be determined to be permanently unable to work and have contributed at least 2/3 of the time since coverage began, and have at least 50 months of contributions in the 60 months before the disability began.</li> <li>▪ <b>Disability Settlement:</b> if disabled doesn't qualify for the disability pension but has made contributions.</li> <li>▪ <b>Disability Assistance:</b> for workers with disabilities who do not satisfy the qualifying conditions for social insurance disability benefits.</li> <li>▪ <b>Survivor pension:</b> The deceased was a pensioner or had at least 50 months of contributions in the 60 months before the death.</li> </ul>
	<b>Finance</b>	<ul style="list-style-type: none"> <li>▪ <b>Social Insurance:</b> 3% of earnings from insured persons, 3% of payroll from employer.</li> <li>▪ <b>Social assistance:</b> total cost covered by the government.</li> </ul>
	<b>Legal framework</b>	<ul style="list-style-type: none"> <li>▪ Current law passed in 1988.</li> </ul>
	<b>Administrative framework</b>	<ul style="list-style-type: none"> <li>▪ Managed by a tripartite board of directors, the National Social Security and Welfare Corporation administer the program.</li> </ul>

<b>Programme# 4: social insurance</b>	<b>Programme name</b>	<b>Work Injury<sup>16</sup></b>
	<b>Programme components</b>	<ul style="list-style-type: none"> <li>▪ <b>Temporary disability benefits:</b> The benefit is equal to 65% of the insured's average monthly earnings. The benefit is paid after a 14-day waiting period (if the disability lasts longer than 14 days, the first 14 days are paid retroactively) until full recovery or certification of permanent disability. The benefit is paid for up to 1 year.</li> <li>▪ <b>Permanent disability pension:</b> If the insured is assessed with a total disability, the pension is equal to 65% of the insured's average monthly earnings. Constant-attendance allowance: If the insured requires the constant attendance of others</li> </ul>

<sup>16</sup> Ibid.

		<p>to perform daily functions, 25% of the disability pension is paid.</p> <ul style="list-style-type: none"> <li>▪ <b>Partial Disability:</b> Partial disability: A percentage of the full pension is paid depending on the assessed degree of disability, according to the schedule in law.</li> <li>▪ <b>Workers' medical benefits:</b> Benefits include reasonable expenses for medical and surgical care, hospitalization, drugs, and appliances.</li> <li>▪ <b>Survivor pension:</b> A dependent widow or a dependent, disabled widower receives 20% of the insured's average earnings.</li> <li>▪ <b>Orphan's pension:</b> Each orphan younger than age 18 (age 21 if a student, no limit if disabled) receives 6% of the insured's average earnings; 12% for a full orphan.</li> <li>▪ <b>Dependent parent's and grandparent's pension:</b> The pension is equal to 20% of the insured's average earnings. The pension is split equally if there is more than one eligible survivor.</li> <li>▪ <b>Funeral grant:</b> The cost of the burial is paid, up to USD 500.</li> </ul>
	<b>Programme coverage</b>	<ul style="list-style-type: none"> <li>▪ Employed and self-employed persons.</li> <li>▪ Exclusions: Casual workers, family labor, and household workers.</li> </ul>
	<b>Beneficiary determination process</b>	<ul style="list-style-type: none"> <li>▪ There is no minimum qualifying period.</li> </ul>
	<b>Finance</b>	<ul style="list-style-type: none"> <li>▪ <b>Employer:</b> 1.75% of payroll.</li> <li>▪ <b>Self-employed person:</b> 1.75% of declared earnings.</li> </ul>
	<b>Legal framework</b>	<ul style="list-style-type: none"> <li>▪ Current law passed in 1980.</li> </ul>
	<b>Administrative framework</b>	<ul style="list-style-type: none"> <li>▪ Managed by a tripartite board of directors, the National Social Security and Welfare Corporation administer the program.</li> </ul>

<b>Programme# 5: unconditional cash transfer</b>	<b>Programme name</b>	<b>Pilot Cash Transfer Scheme<sup>17</sup></b>
	<b>Programme overview</b>	<ul style="list-style-type: none"> <li>▪ First cash transfer programme in Liberia.</li> <li>▪ Liberia's fourteen-year civil war ended in 2003, leaving fifty percent of the population in abject poverty. The country's PRS estimates that more than 1.3 million people out of a total population of 3.5 million people are living in extreme poverty today. Like anywhere else in the world, poverty has left the greatest mark on children, especially on their health and education. Children comprise almost fifty percent of the population, and 13 out of every 100 of them are dying before they reach the age of five due to easily preventable diseases such as malaria, diarrhea and acute respiratory infections.</li> </ul>
	<b>Programme objective</b>	<ul style="list-style-type: none"> <li>▪ To help reduce poverty, hunger and starvation in extremely poor and labour constrained households living in the pilot areas and for children to realize their basic rights to education and nutrition.</li> </ul>

<sup>17</sup> Table drawn from *Cash Transfers to the Most Vulnerable Households in Liberia*. United Nations Children's Fund.

	<b>Programme components</b>	▪ Regular money payments to the most vulnerable families without any adult who can work.
	<b>Programme duration</b>	▪ Started in February 2010 will be implemented until 2012.
	<b>Programme coverage</b>	▪ The programme will cover those residing in Bomi country.
	<b>Beneficiary determination process</b>	▪ These are families who cannot fend for themselves for reasons beyond their control. Typically these households consist of people too old to work or too young or disabled or chronically sick, and child headed households. ▪ “The families targeted are usually left out from traditional poverty reduction programmes and are slow to respond to other programmes like credit or savings, public works and food security,”
	<b>Administrative framework</b>	▪ Government with support from UNICEF, the European Commission and the Government of Japan.
	<b>Socioeconomic impacts</b>	▪ The cash will increase their economic power and allow them to spend on the priorities that they will identify and provide better care and protection for their children.