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Final Evaluation of USAID GEMAP Activities (Governance and Economic Management Assistance Program)

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**An Evaluation of USAID/Liberia's
GEMAP Activities**
(The Governance and Economic Management Assistance Program)

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CONTENTS

EXECUTIVE SUMMARY	i
PART ONE: INTRODUCTION AND BACKGROUND	1
A. Purpose and Objectives	1
B. General Background	1
1. A Context of Widespread Poverty	1
2. Enabling Environment	2
3. Governance	2
4. Factors of Production	2
5. Financial Sector	3
6. The GOL's Fiscal Situation	3
C. GOL Development Strategy	3
D. USAID Program	4
E. Evaluation Methodology	4
PART TWO: USAID GEMAP ACTIVITIES	6
A. Ministries and Agencies	6
1. Ministry of Finance	6
2. Bureau/Department of the Budget	7
3. Ministry of Lands, Mines and Energy (MLME)	8
4. General Services Agency	9
B. State Owned Enterprises (SOEs)	10
C. Recently Begun Activities	16
1. Ministry of Planning and Economic Affairs	16
2. Ministry of Public Works	18
3. Monrovia City Corporation (MCC)	18
PART THREE: COMMON ISSUES	20
A. Human Resource Activities	20
B. Corruption	21
C. Improved Governance	24
D. Improved Enabling Environment	25
E. The USAID GEMAP Model	25
F. Gender	26
G. Project Management – A Full-Time COP	27
H. Monitoring	28
I. Coordination between Donors and Contractors	30
PART FOUR: LESSONS LEARNED AND RECOMMENDATIONS	33
A. Lessons Learned	33
B. Recommendations for Follow-on Work	35
ANNEXES	38
Annex A: People Interviewed	38
Annex B: Statement of Work	40
Annex C: Work Schedule – GEMAP Evaluation Team	44
Annex D: Work Plan for the Evaluation of USAID's GEMAP Activities	47
Annex E: Documents Consulted	49
Annex F: List of Acronyms	54
Annex G: Evaluation Methodology	56
Annex H: Economic Governance Donor Matrix	58
Annex I: Note on Cost Benefit Analysis	64

EXECUTIVE SUMMARY

Introduction

Between 1990 and 2003, Liberia suffered through a civil war that decimated its people and institutions. After peace was restored, and as the country began the long process of recovery, the transition government, the bilateral donors and multilateral lenders became alarmed at the corruption in government, particularly the loss of revenues and exploding illegal procurements. In 2006, with the strong public support for broad reform on the part of Liberia's President, USAID's GEMAP became the core of efforts to address these issues. Four years later, Liberia scores at best mediocre on various corruption and transparency indices, and clearly much further work remains to be done to improve government expenditure, financial and asset control processes. Nonetheless, Liberia has made remarkable progress since its initial starting point in these areas, largely thanks to the work of GEMAP.

Purpose of the Program

GEMAP was created to assist the GOL to create and institutionalize effective financial and asset management policies and procedures, contain corruption, and improve overall economic governance. The key components of the program were, and remain: 1. securing Liberia's revenue base; 2. ensuring improved budgeting and expenditure management; 3. improved procurement practices and granting of natural resource concessions; 4. establishing effective processes to control corruption; 5. support the central institutions of government; and, 6. foster cross-cutting capacity building.

The program originally targeted the Ministry of Finance (MOF); the Bureau of the Budget (BOB); the Ministry of Lands, Mines, and Energy (MLME); the General Services Administration (GSA); and four state-owned enterprises – the National Port Authority (NPA), Roberts International Airport (RIA); the Liberia Petroleum Refining Company (LPRC), and the Forestry Development Authority (FDA). The Ministry of Public Works (MPW), the Ministry of Planning and Economic Affairs (MPEA), and the Monrovia City Corporation (MCC) were added later.

USAID GEMAP Activities

USAID assistance to the GOL under the GEMAP umbrella encompasses eleven institutions, and, arguably three different functional categories of activity, and one category that is a combination. Financial management is targeted in assistance to the MOF and the BOB/DOB. Asset management is targeted in assistance to the GSA and the MLME, though in the latter case revenue raising mining concessions is critical. In the four SOEs and the MCC the emphasis is on both revenue raising and financial management, and at MPW and MPEA the emphasis is on asset management and development infrastructure, whether physical or institutional. This structure presents management, monitoring, and description problems. In all cases, however, cross-cutting themes include capacity building, minimizing corruption, transparency and accountability, and more effective government.

Ministry of Finance, Bureau/Department of the Budget

With the object of protecting and increasing revenues, and getting control of the procurement process through an improved budget process, GEMAP assistance to the MOF and BOB began in 2006. Revenues increased by 37 percent in the first year through the introduction of a bank payment-slip process. Cash management and a voucher payment system reduced the opportunities for corruption. Processing of vouchers now takes days, not weeks, and voucher making has been directly linked to check writing. The MOF's present automated system will be replaced when the World Bank's IFMIS system comes on-line. BOB developed a budget process that has



resulted in budgets being prepared on time for the last two years. The budget provides the baseline for monthly allotments of funds to line ministries.

The BOB merged with the MOF in 2008, and the BOB is now the Department of the Budget (DOB) within the MOF. Co-signatory authority for the advisor ended in October 2009, and passed to a Liberian counterpart. There has been no perceptible backsliding. GEMAP assistance resulted in rules and regulations governing allotments and transfers, revising and reviewing budget guidelines, and ensuring more transparent and accountable budget execution. The budget can now be explained in program terms rather than by line-item, the budget is now presented on time, and is now in line with law and in accordance with the cash management plan. GEMAP activities have now moved on to providing policy and advisory functions related to preparation and execution of the budget.

Ministry of Lands, Mines, and Energy

Mining concessions are expected to be Liberia's largest source of economic growth, largest export earner, and largest source of GOL revenues. The first GEMAP mining concessions advisor arrived at the MLME in May 2006. Co-signatory authority was considered, but dropped because the advisor's role was to be different from the financial advisors in other GOL agencies. To clarify property rights and reduce mining claims conflicts, the mining cadastre was computerized and linked to the land registry and conservation area delineations. Contracting and concession processes and approvals were brought up toward professional and world-class standards with the intention that concession awards are as transparent and competitive as possible. According to the GEMAP advisor, the granting of recent concessions has been on favorable terms for Liberia, especially the just signed \$2.6 billion Bong Iron Ore Mine concession with China (keeping in mind the impact of the current world economic recession on dampening the price of iron ore). Liberia's equity in the various mines has been increased; tax holidays have been eliminated; annual mining company payments for community development have been established; and an annual revenue stream of \$300 million from the mines at full production is projected. While the transparency of concession processes will remain an issue of concern for the foreseeable future, significant progress in this area has been achieved.

General Services Administration

Under previous administrations the GSA was known for corruption and misuse of government assets. The current government decided that most procurement and property cost-management decisions will remain in the various agencies, but that GSA would concentrate on maintenance and repair of public buildings, vehicles, and other fixed assets – that is, management of all public assets. The GSA sets procurement standards and procedures for ministries and agencies.

With the GEMAP advisor's help, GSA restructured and reduced its workforce from 590 to 375, established a business plan, developed procedures for managing and monitoring real property, public building management, and established a GSA website. GSA has developed procedures to reduce the abuse of vehicle procurement through misuse or inadequate maintenance, as well as for controlling fuel use. Monitoring fuel purchases saved the GOL an estimated \$9.5 million in 2009, and planned policy and monitoring changes are expected to save an additional \$12 million in 2010. An inventory of all GOL fixed assets has been completed, and bar-coding of those assets is underway. All government assets will be inventoried each year, with loss or abuse to be made the responsibility of the relevant office director.

State Owned Enterprises (SOEs)

At the beginning of GEMAP all four of the major revenue producing SOEs faced a breakdown of institutions, processes, and procedures. There was a lack of human capital, effectiveness and trust. There was widespread looting of funds and assets. In response, the transitional government placed internationally recruited financial controllers with co-signatory authority into the SOEs to stem the hemorrhaging of money and assets.

Because of their **co-signatory authority** the controllers were able to require payments to be based on vouchers. They stopped payment of staff salaries in cash, shifting to payment by check into bank accounts, drastically narrowing the scope for corruption and skimming, and reducing the number of ghost workers. They were able to gain control of tendering and purchases by refusing to sign for payments not made according to rules and procedures or not within a budget. The controllers' co-signatory authority over expenditures gave them the authority to establish rules and procedures, codify procurement and personnel policies, and set up training programs.

Control over **financial management** was the core of the controllers' work. A paper trail had to be established with verifiable vouchers and budget constraints. After gaining some semblance of control over spending, the controllers were then able to develop budgets to guide that spending. For each activity the IRFC developed manuals for how operations were to be conducted. The new computer systems with staff trained in how the system worked resulted in the conversion from an individual making decision process often based on cash payments without receipts to a rules and process based system. What followed were internal controls, internal audit processes, transparent procurement procedures, and billing and collection systems. Because of co-signatory requirements, the controllers could insist that the rules be followed, which reduced the scope for corruption.

Improving the SOEs' **asset management** was as critical as improving their financial management, and for much the same reasons – to protect their value and their functioning, and to maintain the GOL's revenue flows. This was done differently at each SOE. The GEMAP controller helped in developing and approving the terms for privatization of the port operations which had been operated badly by the NPA. This process has been completed, and privatization was scheduled for completion in April 2010.

The "One-Stop-Shop" establishes an efficient customs payment system at the NPA through an ICT system allowing quicker and safer payment of customs fees to be sent directly to the MOF. This system has reduced corruption, speeded processing time, and increased revenues. A GEMAP contractor oversaw the procurement and delivery of airport ground support equipment to RIA so that RIA could meet minimum international standards. While there were problems with this process, the upgrades in airport equipment have improved ground operations, passenger and cargo services.

Much of the early **training** was done in-house by the controllers themselves. The focus was on getting new systems in place, and on stemming the loss of revenue and the high levels of corruption. Training was identified in interviews as a need that was not adequately met. This is due in part to much of the early training was one-on-one, on-the-job training. The perception of Liberians was that training referred to off-site or out of country training. The training GEMAP did was critical to improving institutional capacity. The in-house training efforts have been successful, and the recently developed Financial Management Capacity Building Program (FIMCAB) has proven popular and is developing a close working relationship with the Liberia Institute of Public Administration (LIPA) to offer courses to address SOE and GOL needs. The SOE controllers sometimes collaborated on computers, training and the development of manuals but often they worked separately, resulting in lost synergies and incompatible processes and systems.

In September/October 2009 the **co-signatory authority** of the GEMAP controllers was transferred to their Liberian counterpart controllers. These new controllers have excellent formal training and extensive experience as professional controllers. There has been post-transfer monitoring with no evidence of slippage in controls or procedures during the six months since the transfer of co-signatory authority..

As noted at the beginning of this section, GEMAP assistance to MPEA, MPW, and MCC began only in the last year, and will likely end in August 2010. The emphasis at MPEA and MPW is on asset management and institutional or physical infrastructure. At the MCC the emphasis is on revenue raising and financial management.

Ministry of Planning and Economic Affairs

At the MPEA the GEMAT advisor is focused on drafting ICT policy legislation, working on draft regulations, and working with the private sector and GOL leadership to get Liberia to buy into an offshore cable system being laid from Europe to South Africa. While progress is impressive and GOL interest is very high, the advisor's SOW did not call for a counterpart. Thus, with time so short, an effective hand-over, and sustainability of the effort are in doubt.

GEMAP recently began for MPEA a study of the growth potential along Liberia's transportation corridors linking ports to mines and potentially to neighboring countries. This effort has the potential to form the basis of a comprehensive economic development plan. There is insufficient time and no funds to continue this work under the current project; there is probability of a gap between advisors with a loss of momentum and USAID influence on the planning process.

Ministry of Public Works

Presently the MPW receives over 10 percent of the GOL budget. The ministry has a history of major fraud in the management of its finances and of the government's physical assets. Manuals have been created and introduced to improve cash management, procurement procedures, enhance reporting and strengthen internal controls. The capacity of the internal audit department has been strengthened through improved record keeping to detect and

stop fraud. The GEMAP advisor has provided computer training and software to improve procedures and reporting consistent with the GOL Auditor General's recommendations.

Monrovia City Corporation

Although the MCC has potential revenue sources, there is no system in place to capture them. There are no organized database of taxpayers and no credible financial records that meet audit standards. City workers frequently under-report revenue collected. The city buys in the market with cash without tendering or agreed specifications. The GEMAP advisor who had arrived in February 2010, just before the evaluation team began work, left Liberia permanently in mid-April. USAID GEMAP is searching for a successor. USAID/Liberia and IBI, the contractor, did not feel he was the appropriate person for the work required. There was insufficient time in the ex-advisor's contract to make substantial and sustainable changes and thus even less time for any new advisor. Unless there is an immediate follow-on activity, there will be a significant gap between advisors that may allow the MCC to lapse back to its earlier chaotic and dysfunctional state.

Lessons Learned/Conclusions

Overall GEMAP worked – GEMAP did not eliminate corruption, but it instituted processes that made corrupt practices more difficult. GEMAP raised the visibility of the issue, improved accuracy of the budget, provided a clearer picture of the government's uses of resources, protected revenues, and exerted central control over governmental processes. An over-arching factor or event, such as an economic crisis, can be used to drive far reaching policy and program changes.

Leadership and ownership are crucial – According to a wide range of informants from the public, private, academic and NGO sectors, a central factor in the success of GEMAP was the President of Liberia's public "blessing" of the program and its mission, as well as her support at many critical times (although there also were instances where she was reluctant to intervene for political reasons). There was a sense among some interviewed that future GEMAPs need to be more host-country inspired and managed.

High level of professionalism – Many of the GEMAP advisors were exceptional professionals in technical areas of financial control, who worked under difficult circumstances, and deserve credit for the success of the program.

Co-signatory authority worked, but it is not a guarantee – Co-signatory authority was important to GEMAP's success. It gave the advisors leverage, changed the way financial processes were viewed, was critical to reining in uncontrolled procurement, and regularized budget procedures. It brought a measure of transparency and accountability.

Reforms came before capacity – The widespread view is that formal capacity building did not begin early enough in the program. This criticism misses the point that advisors mentored their counterparts from the very beginning. While some formal training programs are in place, ministries still appear to be overwhelmed and lack adequately trained staff.

Too many different computer systems/software – Computer systems took GEMAP entities from paper-based, individual thinking to process-based institutional thinking. Codification and verification promoted transparency, opaque activities were hindered, and processes were made formal and predictable. Nonetheless, different off-the-shelf and proprietary computer systems were put in place resulting in different training efforts, hindered cross-fertilization and communication between systems and institutions, and added to GEMAP's IT costs.

Unfinished business – The end of GEMAP in August 2010 will be too soon to complete recently begun systems and procedures, or ensure proper implementation and sustainability.

Monitoring and evaluation that insufficiently focused on impact – Contractors developed workplans and had benchmarks, but indicators focused mostly on project outputs rather than impact, and the results of the workplans were not closely monitored. USAID commissioned the development of a PMP, but ended up focusing on monitoring four "F" indicators which provided minimal useful information of GEMAP impact. What are needed are indicators of accomplishment that measure real impact and change, and provide insight into the sustainability of the activity.

Recommendations, Next Steps

There was strong consensus that any GEMAP extension beyond 2010 should encompass other government ministries, and create short courses for the Legislature and Judiciary to better understand financial accounts, the

budget and asset management. There was a recurring theme among informants for expanded training, for full audits of ministries and SOEs, and for the completion and institutionalization of last year activities, such as the Ministry of Planning's "Corridors for Development" and ICT reform efforts. Work with the MCC cannot be completed in time if at all: it needs to be rethought.

Future GEMAPs, in Liberia or elsewhere, should launch only with the real, convincing, and open support of the most senior political leaders. Nonetheless, one informant warned that as GEMAP matures, and is even extended to other parts of the government, the GOL must be on guard for the likelihood of state capture. Future GEMAP-type efforts need to be seen as locally owned. Future GEMAPs should consider including an up-front training strategy and mechanism for delivery that links training to institutional development, as the Liberia Institute for Public Administration has begun doing, and, where appropriate, coordinating computer systems, their installation and the necessary training.

In future GEMAPs, SOWs, benchmarks, indicators, and reforms need to better focus on project impact rather than just outputs, and need to be better aligned with the time to accomplish them in a verifiable and sustainable way. Should GEMAP become a model for other reform programs in war-torn, transitional countries, the basis for monitoring and evaluation should be firmer, the specifications for progress and sustainability tighter. Whatever system for monitoring is used needs to be regularly reviewed to guide management and project implementation. It has to monitor successes and failures to learn how to improve operations.

PART ONE: INTRODUCTION AND BACKGROUND

A. Purpose and Objectives¹

“The US Mission in Liberia seeks to gain better understanding of how well current GEMAP initiatives implemented by the United States Government (USG) contribute to increasing government revenues and reducing corruption in seven GOL Ministries and Agencies.

The findings and conclusions from this evaluation are intended to assist the US Mission in Liberia formulate more effective economic governance strategies to increase impact based on experience gained and lessons learned from the GEMAP programming.

This evaluation seeks to achieve the following:

- Determine the effectiveness, progress, impact and sustainability of US Government funded GEMAP assistance implemented by USAID contractors: IBI, SEGURA IP3 and TRAWOCO
- Determine the level of reform being achieved in GOL institutions that have participated/benefited from GEMAP as of April 2006 to present
- Identify the various factors and conditions in the region and country that have enhanced or limited the effectiveness and impact of GEMAP assistance in Liberia; and
- Carefully examine IBI LIBAM Project, SEGURA IP3 and TRAWOCO and determine whether or not deliverables outlined in their work plans have been achieved.... [V]isit and inspect projects undertaken by all contractors mentioned supra.”²

Objectives are as follows:

- Evaluate the progress made by Segura, IBI, TRAWOCO based on established benchmarks.
- Focus on gathering data indicative of the success or failure of specific USG funded GEMAP activities, both in terms of accomplishing their immediate objectives as well as impact on the economic governance as a whole
- Provide a basic donor mapping matrix of economic governance programs in Liberia, for all stakeholders (not only USG). This must include program title, program objectives, sources and levels of funding, program periods, geographic coverage, partner organizations and summary of results
- Assess performance monitoring systems in place, including performance of SOEs after co-signatory authority hand-over
- Provide any recommendations for follow-on programming for USAID in the economic governance area, and highlight opportunities for continued assistance

B. General Background

1. A Context of Widespread Poverty

Liberia is a poor country. How poor may not be fully understood. GDP at market prices in U.S. dollars was estimated by the IMF to be \$850 million in 2008, \$880 million in 2009, \$936 million in 2010, and \$1.03 billion in 2011. Reliable data are a problem in Liberia, but the population is variously estimated to be 3.8 million. Nominal GDP per capita was estimated to be \$216 in 2008, \$213 in 2009, \$217 in 2010, and is projected to be \$231 in 2011. In real terms, Liberia’s per capita income is projected to grow from \$129 in 2008 to \$141 in 2011. It does not need emphasizing that in both nominal and real dollars this is less than one dollar a day, placing Liberia among the very poorest of the nations of the world.

¹ This section and the objectives come from the RFTOP. The SOW for the RFTOP is reproduced in Annex B.

² USAID/Liberia Request for Task Order Proposal (RFTOP) GEMAP Evaluation, page 4, 2010

2. Enabling Environment

The need to fix the economic and governmental enabling environment, to fix the GOL's core institutional infrastructure, brought GEMAP into being, and is why GEMAP proved so important. For economic and political stability to have a chance, for development to have a chance, governmental corruption had to be contained, and the GOL's revenue flows assured and increased. A corrupt and undisciplined culture had to be changed. To these ends, GEMAP targeted the core fiscal, monetary, and procurement activities of the GOL, as well as the GOL's major revenue earning entities – mining and timber, airport and seaport tariff collections, and petroleum storage fees.

GEMAP in effect became a central pillar of the enabling environment, acting on the institutional infrastructure as well as becoming a part of it. In fostering transparency and accountability, putting in place systems, procedures, and checks-and-balances, GEMAP was able to gradually impose a semblance of order on the GOL's fiscal, monetary, and procurement activities. For example, a national budget was formulated on time in 2009 and 2010 for the first time in decades. The USAID GEMAP system for doing budget allotments and ensuring that expenditure line items matched the budget were improvements in the process. Effective financial controls are lacking in all government ministries. In those areas, GEMAP lessened the opportunities for corruption, and made it possible for the GOL to protect and increase its revenues as well as tighten control on the budget process and expenditures. While only a beginning, GEMAP showed that, while Liberia was one of the most corrupt countries when GEMAP started it was able to substantially reduce corruption. Liberia is now just slightly below the median in the perception of corruption. The country was not powerless and was able to do something of substance about its corruption problems, as evidenced by the decrease in corruption levels from when GEMAP first began.

3. Governance

Governance may be defined in different ways, but in essence it is the quality of government, the effectiveness of government, and the ease of dealing with government. Arguably one of the most significant factors in improving governance in Liberia was President Ellen Johnson Sirleaf's strong public endorsement and subsequent support for GEMAP (even if sometimes her willingness to intervene on behalf of GEMAP wavered), and for reforms to trigger the prospective HIPC completion point. Another major step to improve governance, certainly regarding the resulting dollar impact, was the Ministry of Lands, Mines, and Energy's embracing of the GEMAP supported technical assistance over several years, with the objective of bringing the government's mining concession processes into the open, and raising them toward worldwide professional standards. GEMAP's advisor at the MLME believes that the Ministry has made great strides in this area.

Other governance efforts include the Liberia Extractive Industry Transparency Initiative, the creation of the Public Procurement and Concession Commission, strengthening of the General Auditing Commission, and the establishment of the Liberia Anti-Corruption Commission. In addition, the government has actively engaged civil society and the private sector by involving them in decision-making groups to ensure broad participation in the design and implementation of social and economic reforms

4. Factors of Production

In its simplest terms, Liberia's factors of production are its resources, primarily natural resources, its labor or human capital, and investment. Liberia is rich in natural resources, primarily iron ore, gems, some bauxite, large stands of hardwood timber, and its soils and weather are ideal for small-holder agriculture as well as such plantation crops as rubber, cocoa, and palm oil. According to the IMF in 2007 agriculture accounted for 57 percent of GDP. Today that figure is 50 percent and is projected to decline to 39 percent by 2014. In contrast, mining's share of GDP, less than 1 percent in 2007, is expected to grow to just over 21 percent of GDP in 2014. The recent \$2.6 billion iron mining concession to China will contribute to this large growth in the share of mining.

Liberia's educational institutions were decimated by the civil war, and the country's human capital base greatly reduced in both numbers and skills. The return of many from the diaspora is helping, but unemployment is epidemic, variously estimated at 60-80 percent of the workforce. Schools were destroyed and there is not enough money to train and pay the needed teachers. USAID is providing significant support in this area, particularly for teacher training. Restoring Liberia's public infrastructure

depends on what the GOL decides to devote to this effort, and on grants or loans from external sources. Domestic saving is low as is domestic investment.

Foreign direct investment (FDI) was expected to rise but is sensitive to perceptions of a country's corruption level and the business climate. Because of GEMAP and other strenuous efforts by the GOL, Liberia is seen to have improved dramatically on both counts in just the last few years. FDI, overwhelmingly in the extractive industries, was as low as \$153 million in 2007, but is projected by the IMF to be \$758 million in 2012. Should development take place along the transportation corridors between the mines and plantations and the ports, FDI could grow beyond the extractive industries and into business services as well as small manufacturing. With luck, with continued growth in the world economy and the demand for commodities, and with continued stability and prudent government in Liberia, its prospects may continue to brighten.

5. Financial Sector

The performance of the banking sector is strong and the sector continues to expand. Currently there are eight banks (two new banks in 2009) of which only one is domestically owned. The Central Bank of Liberia has taken measures to strengthen risk management practices and internal controls to maintain financial soundness. The result is that capital adequacy has risen from 21.9 percent in 2008 to 28.4 per cent in 2009 and the ratio of non-performing loans to total loans has fallen from 17.4 percent in 2008 to 13.8 percent in 2009. Minimum capital requirement was increased from \$2 million in 2008 to \$8 million in 2009³.

Banking services are expanding their reach in the country with the number of branch networks increasing from 28 in 2008 to 56 in 2009, covering 9 of the country's 15 counties. New financial innovations such as ATMs and credit cards have been introduced.

Bank's assets grew 33.1 percent in 2009 with loans increasing 43.8 percent and advances by 34.7 percent. Deposits grew by 32.9 percent, reflecting increased public confidence in the banking system. The lending rate has been relatively stable at 14.3 percent over the last three years. Microfinance lending in rural areas is encouraged by the Central Bank and donors.

6. The GOL's Fiscal Situation

The GOL's fiscal anchor is a balanced cash-based budget policy. According to the most recent IMF data, in 2008/09 total revenue and grants were \$234.9 million (27 percent of GDP), and total expenditures were \$248.9 million (29 percent of GDP). The shortfall of \$14.0 million was an enviable 1.6 percent of GDP, and covered primarily by a drawdown of GOL balances at the central bank. The 2009/10 total revenue and grants were \$309.3 million (34 percent of GDP), while total expenditures were \$301.0 million (33 percent of GDP), yielding a surplus of \$8.3 million (0.9 percent of GDP). To put these numbers in some context, 2008 GDP at market prices was \$849.6 million, and estimated by the IMF to be \$879.6 million in 2009, and \$935.9 million in 2010.

The growth rates for the last two years were 3.5 percent and 6.4 percent. If economic growth continues, and as revenues grow with mining and timber concessions, and with some fiscal discipline, the GOL's budget balance should remain positive, though, overall, the budget will, for some time, remain inadequate for Liberia's needs. Just as important for Liberia's fiscal health and its development agenda is the finalization of HIPC (Heavily Indebted Poor Country) debt relief, lowering Liberia's international debt from \$4.1 billion in 2009 to \$135 million in 2010, or whenever HIPC completion is reached. Liberia has not been servicing this debt, so the fiscal impact of a reduction in the debt will be minimal. Dealing with the problem in an orderly and prudent manner, however, ensures full and enthusiastic support by the bilateral and multilateral donors for the country's Poverty Reduction Strategy, continued grant support for other economic development activities, and is likely to increase private investment.

C. GOL Development Strategy

Shortly after the current government took office it adopted an ambitious agenda of tasks and reforms, an IMF staff-monitored program, and, in 2008, a full Poverty Reduction Strategy (PRS) that is the basis of the government's development strategy. Oversight is provided by the Liberia Reconstruction and

³ CBL Annual Report 2009

Development Committee, chaired by the President. Given that a major cause of the civil war was that the vast majority of the people were excluded from the benefits of Liberia's economic growth, the GOL's development strategy is intended to lay the foundation for shared, inclusive, and sustainable growth, reduce poverty, and promote human development.

The strategy is anchored in what the GOL calls its four "intervention pillars". These are security, economic revitalization, governance and rule of law, and restoring infrastructure and basic social services. Implementation of these pillars addresses a wide range of problems, including economic mismanagement of resources, weak public sector capacity, low agricultural productivity, a poor human rights record, a weak justice system, a lack of basic physical infrastructure, and poor delivery of basic social services.

Domestic resources are insufficient to implement the PRS, requiring major donor and lender assistance. The estimated three-year cost of the strategy is \$1.6 billion. The GOL is contributing \$510 million, with the balance financed by Liberia's international partners. Liberia received \$408 million in donor assistance in 2009.

D. USAID Program

In the Herculean tasks described in Section C, above, the GOL is relying on sustained assistance from the international community, of which the U.S. is Liberia's largest bilateral donor. To put USAID's role in perspective, Liberia's 2009 GDP was estimated by the IMF to be about \$880 million, and \$936 million in 2010, while USAID assistance to the country amounted to \$80.3 million in FY2008, \$114.4 million in FY2009, and a projected \$202.9 million in FY2010.

USAID's goals in Liberia are predicated on the GOL's Poverty Reduction Strategy and its four "pillars" for development – consolidate peace and security, revitalize the economy, strengthen governance and the rule of law, and rehabilitate infrastructure. In this context, USAID/Liberia's assistance goals cover four areas, plus some cross-cutting themes – Governing Justly and Democratically, Health, Education, and Economic Growth. The cross-cutting themes include access to clean water, climate change, gender, youth, anti-corruption, and information and communication technology (ICT), thus giving the Mission the flexibility to respond to unforeseen, but developmentally important, targets of opportunity. The unifying factors, and the important cross-cutting themes of USAID's over-all program, are human capacity building and institutional development.

Under the Governing Justly goal, USAID contributions to the rule of law and economic governance help create the necessary conditions for the economy to grow and complement other U.S. support for judicial sector reform. The Governance and Economic Management Assistance Program (GEMAP) builds the Liberian government's capacity in financial and asset management and accountability, procurement practices, granting mining and timber concessions, and effective processes that can reduce corruption.

USAID's Health goal addresses the fact that Liberia has some of the world's worst health indicators, particularly for maternal and child health. In Education, USAID supports basic education, vocational and higher education, and teacher training. In the Economic Growth area the emphases are on enabling policies for greater private sector investment, renewable energy technologies, sustainable agriculture, and developing skills necessary for infrastructure development.

E. Evaluation Methodology

The evaluation team was comprised of five members: two international experts and three Liberian specialists. The team grouped into two to be able to cover the large number of interviews plus focus group discussions. In this way the team could meet with a large number of people and ensure quality and balance as an international expert and a Liberian specialist paired in each group while the third Liberian staff managed logistics, scheduling of meetings and other administrative issues plus participating in some field work.

The team worked out its strategy and reviewed GEMAP related documents first, held interviews and focus group discussion, and then conducted field observations to verify information gathered through the desktop review, key informant interviews and discussions. The team developed daily work sheets and weekly work sheet which helped to understand how the pieces would fit together. Field observations were intended to verify the delivery of equipment and their current condition, plus checking how financial management systems were functioning since the end of co-signatory authority.

In a post conflict situation where institutions have just begun to get organized and ICT is still a nightmare, data unavailability is obvious. More time should have been allocated for data collection and analysis. If annual reports were available, outcome indicators could have been generated from them. Performance monitoring systems are being put into place but not fully functional yet. These systems have not started to use independently verifiable information. A more organized monitoring and evaluation framework at the beginning of the GEMAP program, preferably using a logical framework matrix approach, would have eased the evaluation process immeasurably.

A more detailed discussion of the evaluation methodology is in Annex G: Evaluation Methodology.

PART TWO: USAID GEMAP ACTIVITIES

A. Ministries and Agencies

1. Ministry of Finance

Background

USAID began assistance in the fiscal operation of the government under the GEMAP program in 2006 with the intent of improving the budget process, and securing and stabilizing expenditure management. The initial effort at the Ministry of Finance was in the revenue department, where activities helped develop the bank payment slip process that assures full revenue collection. The bank payment slip system was developed through a USAID/US Treasury collaboration in which a local IT company (TRAWOCO) was hired to develop the program while the network was done by another contractor. This, among other measures, led to the increase of revenue in 2006 by 37 percent.

This effort was later complemented by the establishment of a “one-stop” clearing house with automated record-keeping and control capabilities at the NPA to improve custom services as well as consolidate the gains made so far to reduce corruption. Since then, tax revenue has risen from US\$139.8 million in 2007 to US\$190 million in 2009. With progress made in securing and stabilizing revenue, the USAID GEMAP assistance to the Ministry shifted to improving cash management programs and regular operations to enhance the payment system through capacity building to reduce corruption, duplication, and increase documentation, especially in the voucher payment system. The latest effort emerged as a result of the ministry requesting USAID GEMAP assistance to put into place risk mitigation measures against the duplication of checks while awaiting the inauguration of the World Bank’s IFMIS.

Under IBI, the GEMAP advisor has helped set up an automated accounting software system called the SUN System in the Bureau of General Accounting (BGA), Department of Expenditure. The SUN System tracks the processing of vouchers in the payment system when the approved allotment for a vendor comes to the BGA for voucher making and subsequently for check payment. It is believed that voucher manipulation resulting to the duplication of checks mainly occurs between the BGA and the check writing section. When the allotments are received by the BGA, they are processed as vouchers and entered into the accounting software system to be finally processed as checks. The accounting software system keeps track of the vouchers (vendor and payroll payments) as they moved from the BGA to the Cash Management Committee (CMC), where they are thoroughly reviewed for proper documentation. Once approved for payment, they are sent to the check writing section under the Comptroller General. In the check writing section when the value of a voucher is not consistent with the value of the check entered, the system rejects the entry. It also rejects duplication of checks.

Results

The SUN System has replaced the manual processing of vouchers usually based on Microsoft Excel. Processing time was reduced from weeks to a few days, and fraud in check writing (duplications) especially for U.S. dollar checks eliminated. The system has effectively linked voucher making with check writing. Capacity of staff has been strengthened and the quality of work improved to handle double entry reporting (monthly, quarterly analysis of expenditure). Human error and corruption in check writing have been reduced.

Sustainability

This is an intermediary package that has been adequate for the needs of the Ministry at present and for the near future. The system is to be replaced eventually by IFMIS. The training received so far will be a useful foundation on which to build in the future for training staff to use IFMIS.

2 Bureau/Department of the Budget

Background

USAID GEMAP has been engaged with the Department of the Budget (DOB) since 2006 when it was outside of the Ministry of Finance as an agency under the President (at that time named a Bureau). The Bureau of the Budget was merged with the Ministry of Finance in 2008 and re-named the Department of the Budget, with the head of the DOB serving as Deputy Minister of the Ministry of Finance. Co-signature authority for the GEMAP advisor ended in October 2009, and passed to the Liberian counterpart. The GEMAP activities moved on to providing policy and advisory functions relating to the preparation and execution of the budget, supervision over the automation of budget procedures through the implementation of a comprehensive IT upgrade, developed by an IBI IT short term contractor, and mentoring staff during the allotment process. The automated budget process started in 2008 and by 2009 was fully installed through the implementation of the Liberia Expenditure Control and Accounting Program (LECAP).

USAID GEMAP provided assistance in drafting rules and regulations governing allotments and transfers, revising and reviewing budget guidelines, improving budget execution, and ensuring that budget execution is more transparent and accountable. The ability to explain the budget in program terms, rather than by line-item, as well as preparing budget reports for legislators increased their knowledge about the national budget's preparation and the country's budget priorities.

Results and Issues

Marked improvement has taken place through GEMAP in the budgetary process, including on-time presentation of the budget, budget planning, preparation and execution. GEMAP assistance has made the budget process faster and more accurate. It brought spending in line with laws and in accordance with the cash management plan. Co-signatory authority assigned to the GEMAP advisor, coupled with the commitment of the President played a significant role in the successes. This was achieved by eliminating discretionary allotments and transfers, institutional capacity building through training, and deepening the transfer of knowledge through on-the-job training.

Systems, manuals, and guidelines have been developed covering the following:

1. A functional and an economic budget classification consistent with the IMF GFS 2001 standards;
2. Objects of expenditure glossary;
3. Budget guidelines;
4. Allotment procedures;
5. Budget transfers code;
6. Automated Liberia Expenditure Control and Accounting Program (LECAP); and,
7. Training handbook-Introduction to hardware and software.

Staff analytical skills improved, budget preparation and completion time was improved, and staff developed more confidence through capacity building. LECAP has become an effective tracking system, providing relatively easy access to budget information through its network.

Recommendations

As the country moves towards long-term development planning, GEMAP assistance will be required to help in multi-year planning. Staff at the DOB has already requested GEMAP assistance in multi-year programming of the National Budget. Department capacity to monitor and do impact assessments is weak and will continue to need advisory support. Continuous capacity building will be required, including programming skill development in LECAP before the departure of IBI/IT Advisor.

Sustainability

The department has both human and institutional capacity to operate the system in place, as is evident by the success in transferring the co-signature authority to a Liberian counterpart with no perceptible backsliding to date.

3. Ministry of Lands, Mines and Energy (MLME)

Background

In the past Liberia's export sector was driven mostly by iron ore mining, but growth in the sector did not trigger development to improve the lot of the majority of the population. In the 1980s iron mining was the second largest source of GDP growth after agriculture and largest contributor to export earnings. Corruption in this process and exclusion of the majority of the population from the wealth created by the mining sector contributed measurably to the civil war. Fixing the sector so that the population at large would benefit was a paramount concern of the international community in its efforts to improve economic governance through the USAID GEMAP framework.

The first resident GEMAP Mining Concessions Expert arrived in May 2006. Co-signatory authority was instituted but then soon eliminated because the government did not think it necessary since the government mineral negotiation team comprised of many sector ministries and agencies, and there was not the direct handling of cash and checks as in the SOEs and the MOF. The USAID GEMAP advisor assisted with the following:

- Review contracts and concessions that had been awarded (during the NTGL period) for exploration or mining for mineral and energy resources;
- Develop future tenders and participate in the evaluation of bids to insure that new mining concessions would be competitively and transparently awarded.
- Assist the ministry with development of legislative proposals (and any necessary follow-up enabling activities) to strengthen the existing mining law and strengthen the legal and regulatory framework for petroleum exploration and production; and,
- Computerization of the mining cadastre, its linkage to land registry and conservation area delineations, and its posting on the Internet. These actions were to clarify property rights and reduce conflicts over mining claims.

Results and Issues

The following were achieved:

- All mineral development and exploration agreements signed under the National Transitional Government of Liberia (NTGL) were reviewed according to international standards. From the review exercise, five of the 44 contracts or licenses were cancelled.
- The \$1.3 billion Arcelor Mittal agreement was successfully renegotiated, and, according to the USAID GEMAP advisor, in line with industry standards on terms more favorable to Liberia.
- Due diligence was applied to the tenders for the \$1.4 billion Western Cluster iron deposits. This was instrumental in initiating a re-bid.
- An improved bid process was instituted to provide advantages to the government such as upfront payment to the government, favorable tax rates, and requirements related to proposed production schedules, infrastructure investments, contributions to community development, and the quantification of technical and financial capability.
- The largest concession in Liberia's history, the \$2.6 billion Chinese Bong Mines concession, was, according to GEMAP's advisor and very senior officials at the MLME, successfully renegotiated on terms more favorable to Liberia (particularly given the context of diminished prices on world markets for such products during the current world economic recession).
- The Mining Cadastre Information Management System (MCIMS) is nearing completion, a crucial step in enhancing transparency, efficiency, and accuracy in mineral rights management.

As a result of renegotiation of the Arcelor Mittal iron ore mining concession, government equity in the mine increased to 30 percent, a five-year tax holiday was eliminated; a US\$15 million one-time payment to government was made and \$3 million will be provided annually for community development. An estimated annual revenue stream of \$300 million is expected at full production from the Bong Mines and

Western Cluster concessions, providing the greatest growth among the sources that contribute to the government revenue base. As a result of the GEMAP advisor participating in decisions to award concessions, and through referencing international best practices and the PPCC Act, GEMAP contributed to the reform process by enhancing professionalism and transparency in the concession decision-making process. While the concession processes have been improved immeasurably by the GEMAP advisors, the recent public announcement of a large concession tentatively being awarded without proper or complete due-diligence should be a reality-check. Thus, more information is needed on the concessions before drawing overly robust conclusions.

Separately, Global Witness noted on 21 May 2010 (after the completion of this evaluation) that the General Auditing Commission felt there were “unaccountable expenditures and that [large] mining concessions were being awarded in worryingly non-transparent ways.”⁴ The lack of a GEMAP-style financial management system at the Ministry of Lands, Mines and Energy might explain the first part of the GAC complaint. The latter, which differs from statements by the GEMAP advisor, ought to be investigated further.

Recommendations

- The Ministry of Lands, Mines and Energy needs assistance to develop its inspectorate.
- Mineral geologists are needed especially in the petroleum area.
- The ministry will need specialized legal advice to continue the harmonization of current mineral laws and the PPCC Act.

4. General Services Agency

Background

The General Services Agency under previous administrations was characterized by misuse of public assets and corruption. The current government resolved that most procurement and cost-management decisions will remain with individual ministries, while GSA would concentrate on maintenance and repair of public buildings, vehicles, and other fixed assets.

GSA, because it is responsible for public asset management, can set standards and procedures for procurement for ministries and agencies and thus minimize waste, fraud, and abuse. GEMAP assistance was intended to set standards and support the processes for bulk procurement by government for vehicles, fuel, information technology, and office equipment. Initial work helped management carry out administrative structuring and reorganization to restore credibility. One important intervention led GSA to procure and implement the MaintStar computerized fixed asset management system.

The objectives of assistance to the GSA were:

- Make GSA more efficient through organizational restructuring.
- Undertake change management by identifying weaknesses, inefficiency and bottlenecks in processes.
- Improve business processes in asset management.
- Carry out staff training to improve competence.
- Develop and implement operating standards, processes and procedures to directly address waste, fraud and abuse.

Results and Issues

With assistance from the GEMAP advisor, GSA was restructured and the workforce reduced by more than a third, from 590 to 375. A business plan for 2007-2009 containing 61 identified change management business processes that were approved. Policies and procedures were developed on handling and monitoring real property, public building management, and standards for public websites. A fixed

⁴http://www.globalwitness.org/media_library_detail.php/972/en/liberian_president_ellen_johnson_sirleaf_must_get Global Witness does not provide support for statements in this public press release.

asset management system, MaintStar, was introduced, a manual for its use was developed and staff was trained in using the program.

The GEMAP advisor helped GSA identify and develop plans for controlling abuse of vehicle procurement, vehicle use and maintenance; generator procurement and maintenance; and procurement and monitoring of fuel use. The inventory of all government assets from 2006 was completed with data entry going on in tandem with bar-coding of fixed assets. The advisor conducted workshops for ministry/agency and county coordinators on generator and vehicle policy, conducted training in computer use and in MaintStar.

The impact of the assistance was:

- An effective MIS training center benefiting many government agencies with 2-3 month computer courses in MS Word, Excel, Access and PowerPoint.
- Development of a database on public assets.
- Tracking wastage in fuel distribution showed abuse of gasoline distribution, which saved over US\$9.5 million in FY 2008-2009 alone. The planned implementation in 2010 of GSA fuel stations will save US\$12 million.
- Bar-coding will provide an effective tracking mechanism for internal control by GSA and regular audits of government property by GAC. Each ministry, agency, department and office will be accountable for the equipment which they signed for.

The restoration of capacity at GSA has also resulted in government insisting that ministries and agencies can only purchase assets with GSA concurrence. All GOL purchases of equipment and vehicles must be approved by GSA before procurement and before payment. Government has agreed for GSA to distribute fuel to Executive branch vehicles in 2010/2011 budget. It is expected that this will be expanded to the National Legislature and the Judiciary.

The challenges are:

- Government agencies are resisting GSA's standardization of vehicles and equipment as well as requiring GSA's concurrence on purchases. Cabinet has not yet approved these changes.
- Building a consensus on the types and models of vehicles has been difficult: this will reduce the current 143 different models to less than ten.
- Establishing web based information on public assets detailing status of government properties, where those vehicles are and who is responsible for the vehicle.

Recommendations

There is a need for continued capacity building to strengthen the capacity of GSA and the responsible people at other ministries on how to monitor their public assets and how to retain good staff.

The inventory process should continue with mylar bar-coding, holding those responsible for the asset by charging for misuse.

B. State Owned Enterprises (SOEs)

Background

At the outset of the Project, GEMAP faced a breakdown of institutions, processes and procedures, and a lack of human capital. For example, many of the SOEs operated heavily on a cash basis, particularly for small, petty cash expenses. There often were no vouchers or paper trail. Sometimes payments were on a net basis where the payment reflected the net amount owed (voucher payment less fees or charges). These made a budget meaningless and opened the door to widespread corruption. The breakdown of the system and the widespread looting of funds and assets made it obvious that there was a serious problem and that something had to be done.

There was not a debate on the needs, but there were disagreements as to the appropriate process. People who were still in high positions in SOEs and had benefited from the system were loath to make changes that would reduce their income.

The agreement reached with the NTGL was to place Internationally Recruited Financial Controllers (IRFCs) with co-signatory authority as controllers into the middle of almost all State Owned Enterprises (SOEs) that collected significant revenue. Specifically, the SOEs that participated in this program are:

- The Forestry Development Authority (FDA)
- The Liberian Petroleum Refining Company (LPRC)
- The National Ports Authority (NPA)
- Roberts International Airport (RIA)

While in the previous section discussion was organized entity by entity, in this section discussion is organized topic by topic since there are important commonalities in the experiences in each SOE.

Co-signatory authority as the power to effect change

The actual co-signatory authority was considered by the IRFCs as less important than their work establishing rules and procedures, writing manuals for procedures, codifying procurement and personnel policies. However, the co-signatory authority provided them with power to intervene in these other areas. They would not have been able to make the other changes without the base of power as a co-signer. For instance, the IRFCs refused to allow as much money into petty cash, insisting this was only to be for small amounts. They required other payments to be made based on vouchers with fees or charges being paid into the SOE separately. The co-signatory authority allowed IRFCs to stop the payment of staff in cash, which was a practice with many opportunities for corruption, shifting to payment by check into a bank account. This also helped reduce the number of ghost workers as each validated worker had a number and an account. Getting control of tendering and major purchases also became possible because of the IRFC's ability to refuse to sign for payments that were not made according to a manual of rules and procedures.

Each of these, and other, changes by the IRFCs meant that they locked horns with senior management in the state enterprises. Some of the IRFCs found these situations difficult and the power of the MDs sometimes resulted in replacement of the IRFC. But most of the time the strong support from the President provided a back-up that either led to a face saving solution where both the IRFC and the MD were removed, or simply a reassignment of the MD as it was widely felt that many MDs were corrupt. The regular meetings of the ECSC and TT provided an opportunity to present the problem and get senior officials in the GoL and the donor community to agree on a solution. Fortunately for the SOEs, the new MDs proved to be more supportive of the GEMAP objectives.

Financial Management

The core work of the IRFCs was to establish control over financial management. The lack of a formal process made the creation of such a process to require a paper trail, properly signed and verified vouchers plus congruence to a budget. As there were not any operational budgets this work as made harder. Thus the initial work was just being sure the vouchers were for valid work with sufficient documentation, within the budget, reasonable or complied with policy. Most SOEs required prior approval by the controller, but RIA did not require prior approval until later than other SOEs.

After gaining some semblance of control over spending, the IRFCs could develop budgets to guide spending. Where there were computers, the initial system could operate using Microsoft Excel as the data entry system. (Liberian officials refer to this system as the "manual" system but that term is more accurately used for situations where there were insufficient computers which required a manual ledger.)

To make this basic system operational required sufficient networked computers with Microsoft Excel (plus Microsoft Word for reports). To do this an early activity was doing a needs assessment and then job descriptions which listed what skills were needed and not sufficiently available. This formed the basis of the training plan.

This in-house training usually had to be done by the IRFC as there were insufficient funds for outside training and security concerns dictated doing this by the IRFC. It would have made more sense for the IRFCs to collaborate on approaches and manuals and thus saved time and duplication of efforts. Sometimes the team of IRFCs functioned as a team, learning from each other, but most times they

worked separately. Segura ought to have imposed some coordination and discipline, or the TT ought to have done so for the entire GEMAP.

A concomitant step was developing a manual to guide people as to how the process operated and the requirements of each person in the chain such as what constituted valid proof that a payment ought to be approved, how to verify that data was entered correctly, how to do regular reconciliations between bank statements and internal books. Developing manuals for each part of the financial management system was a major activity for the IRFCs. They helped convert the system from an individual making decisions to a rules and process based system.

Other aspects of financial control that needed to be established included internal controls, an internal audit process, procurement procedures (in compliance with the PPCA), billing and collection systems. For each the IRFC had to assess the problem, develop a process, write a manual on the approach, train people and implement the new process. While the manuals made the processes known to all, and established accountability, there was also a need for public financial statements which were auditable and reports on what the financial statements showed, procurements and how the systems were operating. The IRFCs established regular reporting systems on their accomplishments and the financial condition of the state enterprise.

Because of co-signatory authority requirements the IFRCs could insist that the rules be followed and therefore they immediately began to reduce the scope for corruption.

There remain problems, for example in the April-June 2009 quarterly report it is noted that at FDA “weaknesses remain...that deserve the close attention of the Board and management. These weaknesses have typically centered on the tone at the top for irregularities and, in some cases, improprieties concerning logging concessions.”⁵

Software

At different times each SOE was ready to move to dedicated financial management software which provided the type of reports needed and made verification and reconciliation more accurate. FDA moved first on this when the Liberia Forestry Initiative provided them with Pastel Accounting software in July 2007. This was installed and run in parallel with the manual Excel system until the IRFC was sure the staff understood the process and it was an improvement in financial control. The other SOEs took much more time to get software installed and operating.

It would have made sense for all the SOEs to use the same software so as to learn from each other and make all their systems compatible. The training and development of manuals would have been easier, but this order was not imposed. Instead initially each IRFC did their own assessment of software and were in the process of going their own way. Segura was asked to determine which of the alternatives was best and thus the remaining three would use that one. Segura’s research suggested the South African program Sage Accpac.

Unfortunately two major problems emerged. NPA and RIA went to Ghana for training and purchase of the software while LPRC went to South Africa. As there was no local dealer any future training was going to be expensive. LPRC decided to take a potential local dealer with them for the training on the software. It was felt that the LPRC IRFC had a conflict of interests in going to South Africa and that there was a breach of procedures by taking along a potential local dealer. This was embarrassing for GEMAP and appeared likely to lead to a court case. The IRFC left before the end of his contract rather than face possible legal charges. Segura ought to have fired him or ensured he stood trial rather than allowing him to just leave.

NPA and RIA found that the system requirements of Accpac was more than their computers could handle and the cost of the software plus annual license fees and annual training costs were higher than what was affordable. This reflects badly on the process used by Segura to select the software.

At this time the SOE IRFCs were being transferred to IBI as the Segura contract was coming to an early end. IBI did a needs assessment and recommended Intuit QuickBooks which already had a history within Liberia, was simple, affordable and could do the job required at the time. It was purchased, installed,

⁵ IBI International: Third Quarterly Report (April 2009 – September 2009), Monrovia, page five.

training took place and it quickly proved up to the tasks required. It was disappointing that it took so much time to get in usable software which proved its value quickly. This suggests a very flawed decision making strategy on the software. As the need for appropriate software was recognized early on, it is disappointing that it took so long.

It is likely that each SOE will move on to more dedicated software. For example, RIA expects within a few years to a specific airport software which will be tailed to their needs and provide the specific reports usually needed by airports.

Asset Management

Asset management at the SOEs was as necessary, and for the same reasons, as the work at GSA on GoL asset management. As the GSA system is only now being completed, it was not an option to learn from them. However, this work could be done easily with either the new QuickBooks software, on Excel or Microsoft Access. This was done differently at each SOE which is unfortunate as the needs are similar (and required). However, in all cases it was done.

The GEMAP controller helped in developing and approving the terms for the privatization of the operation of the port which had been operated by NPA. The manual that was developed was agreed to by the president, government and legislature. This process has been completed and it is expected that privatization will be completed in April 2010. GEMAP will provide advisors to help on the changes in NPA that will occur due to privatization including personnel, oversight and how to effectively manage the remaining activities of NPA.

Equipment

USAID-GEMAP Segura contract modification #3 included the procurement and delivery of airport ground support equipment to the RIA. This equipment was needed to ensure that the RIA met minimum international standards. Under this arrangement, Segura procured and delivered most of the equipment almost on time except for the airport passenger bus which suffered damages while being transported from the port to RIA. The bus is at RIA but is not in use and has not been officially turned over. The equipment delivered includes:

1. Universal loaders and spares
2. Aircraft belt loader and spares
3. Baggage truck and spares
4. Ground power unit truck and spares
5. Pallet truck and spares
6. Forklift truck and spares

The contractor has agreed to repair the airport passenger bus before the formal turn over.

Segura could not deliver the lavatory service truck and spares and the aircraft passenger stairs (with canopy) and spares within in the project period. Failure to deliver this equipment happened because the sub-contractor was unable to secure funding to purchase the items and be reimbursed later. Segura had expressed concerns early in the process about its inability to procure these items (technical and financial) because of its lack of procurement personnel and funds to undertake the procurement.

Technical support was provided through a later contract modification. Segura sub-contracted with the Crown Agents to procure the items. USAID has committed to sub-contracting the procurement and delivery of the remaining equipment by a host country contract through the RIA.

The GEMAP advisor at the RIA participated fully in the specification, procurement processes and delivery of the equipment. Training in the use of the equipment was conducted and maintenance schedules were developed based on the equipment manual. USAID has been following up as well on the usage of the equipment. This equipment is being serviced regularly and used efficiently. It has reduced the logistical challenges that were faced by the RIA. Despite these improvements, the lack of a lavatory truck is posing a major challenge for the RIA. RIA staffs are discharging sewage from the aircraft manually which is at times unbearable.

Outstanding equipment to enhance service delivery at the RIA should be provided. These include the repair of the damaged passenger bus and the procurement and delivery of the lavatory truck. Sub-contractors capacity to deliver should be assessed vigorously before an agreement is entered into.

The new equipment has increased airline safety and improved ground operation services, making RIA a better value for airlines. As the major international airport in Liberia, RIA is extremely important to economic growth and trade; these upgrades in airport equipment capacity will facilitate passenger service, tourism and air cargo.

The American-based company Lockheed Martin has been hired to provide management consultancy services to the RIA. This arrangement commenced when GEMAP's activities at RIA were concluding.

The One-Stop-Shop was a contract between USAID and TRAWOCO, a Liberian information technology firm. The contract, completed in August 2009, provided for the establishment of an efficient customs payment system at the National Port Authority through the setting up an ICT system that allows payments to be made at one place for customs fees with payment information sent directly to the Ministry of Finance. TRAWOCO wrote the software linking NPA and the Ministry of Finance and had the transmission tower built. This contract was completed on time and has expedited the customs handling process at NPA and the MoF. Because of the concurrent upgrading of customs valuation to the ASYCUDA system the process is much faster than the previous system of going physically between Customs, the Central Bank, the vendor's bank and the Ministry of Finance.

The Evaluation Team saw the One-Stop-Shop operating smoothly in March and verified that it was still working well when we left in mid-April.

Port authorities and customs brokers who are prime users of the facility have reported increases in revenue generation, reduction in corruption due to the automated system of processing customs documents which has reduced the number of steps required previously for handling documentation. In addition there is a reduction in the time for processing documents from seven days to under two days.

Concessions

Under the NTGL many timber harvesting concessions were granted illegally and fees were not paid for the logging that took place. An international ban on buying Liberian wood reduced the effect of these illegal concessions but there were instances of illegal exports. The FDA voided all concessions (both small and large). The GEMAP controller helped put together the tender documents and evaluation procedures. He helped determine pre-qualification requirements and did the due diligence on the firms bidding for small concessions. Due diligence on large concessions was done externally.

The requests for concessions and all supporting documents were publicly available. There was a simplified process for small concessions which were only available to Liberians and a more complex process for large concessions. The president and the legislature have to approve each large concession. All the concessions have been approved and payments are being received. Revenue from concessions and fees were \$551,000 in 2008/09 but are on track to be \$12 million in 2009/2010. These funds go directly to the national treasury.

Global Witness issued a press release on 21 May 2010 which complained that the new small timber concession holders lacked the funds to operate and were not paying taxes.⁶ As these concessions were only recently issued there might not be a conflict with the observations of the USAID co-signatory controller, or FIMCAB's post turnover observations. This needs additional monitoring.

Training

Training was frequently identified by interviewees as a need that was not adequately met. This is partly because government workers felt that training meant going outside the country, or at least away from the office. On-the-job training was not considered training. GEMAP's training requirements were such that training was needed immediately for specific people within each organization and that training needed to be tightly focused. There was considerable in-house training but very little outside the country (and, as

⁶http://www.globalwitness.org/media_library_detail.php/972/en, liberian president ellen johnson sirleaf must get forest and mining reforms back on track.

mentioned earlier, computer training in Ghana and South Africa ended up being a waste of money as that software package was ultimately rejected).

However, there will be a constant requirement for training as staff move to other jobs within or outside the organization and the requirements of the enterprise change. With the end of co-signatory authority at all the SOEs and the transfer of responsibility for oversight to IBI, the RIA IRFC's assignment changed from RIA to developing FIMCAB.

FIMCAB has developed an excellent relationship the LIPA to offer many courses that frequently mirror the needs that were faced by the SOEs. These courses range from very short term courses to longer two month programs (and some are being developed which will go longer). Packaging short term courses to lead to certificates, and certificates that could lead to university degrees could be a focus of work in a follow-on project.

Standardizing the courses improves the overall program as there will be a common base of knowledge that anyone who takes these courses will have. This will make people more mobile to help in different places in or outside government. This is especially important as financial controls move to more offices in government. Most of LIPA's courses are not full time which allows the people to attend classes and also do their work. The new non-GEMAP controllers can send their staff to these courses and have them return with skills that just need tweaking for the specific needs of the SOE. This offers a sustainable solution to the training problem. The courses are subsidized, but not free. The cost and will have to be included in the budget.

The FDA financial department complained that they could not afford the courses due to the lack of training money in their budget from the GoL. They do not keep any of the concession money they receive.

Transfer of Co-Signatory Authority

The co-signatory authority of the IRFC was transferred in September/October 2009 to Liberian controllers (one of the IRFC was an internationally recruited Liberian) some of whom were from the Liberian diaspora. In each case there were steps to the verification process during the transfer to be sure that it would be effective. In some cases there was only a short overlap with the IRFC but because all the new controllers had extensive experience and controller skills

The departing IRFC felt that the new people could handle the work. In every instance there was post-transfer monitoring (some of which was verified by the evaluation team) of the transfer and that procedures were being followed and extended. Some IRFCs said that some processes have changed slightly but they were still fully effective and the changes merely reflected different approaches to doing the work.

The USAID GEMAP contractor IBI did a study⁷ for USAID/Liberia assessing what has happened in all USAID GEMAP assisted activities since the end of co-signatory authority in September/October 2009. At FDA they note the problems caused by the promotion of the head of procurement but also that FDA is actively recruiting a replacement. There was also concern that deposits were not being made fast enough. Other than that the USAID IBI contractor did not find any problems. At RIA, the USAID IBI contractor found that all "internal controls and financial procedures as laid out in the finance manual were being adhered to. Automated accounting systems were functional, staff fully trained and capable of operating the system. Monthly financial reports were being produced using the system." They did note that there were weaknesses in the capacity of managers to supervise computer operations and that the fixed asset registry had not been finalized. An Internal Auditor was being recruited and an effective internal audit function had finally been developed.

At NPA, it had been agreed at the time of turnover that USAID GEMAP would continue to provide long and short term advisory support to address process mapping, fixed asset valuation, human resources management capacity bldg, and policy and procedure development and implementation. "No major flaws or weaknesses have been noted in these areas."

⁷ GEMAP Co-Signatory Authority Termination: Process and Impact, April 2010, Monrovia.

No major weaknesses were noted at LPRC that would have a detrimental impact on the effectiveness of financial management. However, job descriptions were not completed and the Finance/Internal Controls Manual would not be completed until the end of 2010. The Audit Department had not prepared its “Risk Assessment Report” for 2009. The fixed assets register is not up to date.

None of these problems suggest any serious problems or backsliding.

There was concern expressed by CSO personnel, World Bank and other donors that USAID did not coordinate the transfer process with them, the ECSC or the TT.

C. Recently Begun Activities

1. Ministry of Planning and Economic Affairs

Background

The GEMAP work with MPEA came about after the GOL expressed a need and USAID’s response combined with GEMAP’s flexibility gave rise to two recently begun planning activities at MPEA. One, having to do with Information and Communication Technology (ICT) policy got underway in August 2009 with the arrival of an ICT advisor at MPEA. The second activity related to a potential development plan along major Liberian and regional transport corridors.

Both activities may be described as not in the “usual” GEMAP’s emphasis on financial or asset management, and were begun too late to become institutionalized and sustainable before the end of GEMAP. Any statements made at this time about measurable success are tenuous at best. They reflect, nonetheless, the positive side of the flexibility of USAID’s GEMAP. But the down-side of that flexibility is that there is likely to be a lack of sustainability in the new activities unless there is a follow-on program that can build on these successes seamlessly. It currently appears unlikely that a new contractor can be in place before the current contract ends.

ICT

By mid-April 2010 Liberia had no ICT policy formally adopted and in place, no broad-band, no Liberian-hosted servers, no domain name, no ICT “apex” group to make policy decisions, and only some awareness in the country of what ICT can do for development and good governance. Nonetheless, considerable discussion on ICT issues among a select group of policymakers and donors had taken place, to a considerable extent at the initiation of the GEMAP ICT advisor. The ICT advisor was expecting that a policy would be in place in May 2010. In mid-June, 2010, he again informed the evaluation team that the ICT policy has been vetted by within government and is currently on its way to the Cabinet for the President’s signature. While there has been a delay, the fact that the policy is currently on the verge of getting approved shows a promising future for ICT in Liberia.

On these issues the MPEA advisor described himself as something of a “Lone Ranger,” and as a “think tank” inside the GOL, working on ICT policy issues, developing regulations, and drafting legislation almost exclusively – a catalyst and coordinator. The ICT advisor was tasked with drafting ICT policy legislation and regulations, but will not be there to develop or implement the new rules and regulations, nor help implement the new approaches.

The advisor sees the SOW as primarily about policy development, and putting necessary laws and regulations in place. He does not see it as about capacity building or sustainability. The advisor’s efforts are potentially very valuable to Liberia, but it can be argued that they would have been more valuable and more assuredly lasting if he had been working with, and mentoring a Liberian counterpart or teaching a group of Liberians about the importance of ICT and alternative approaches to implementing ICT policy. The lack of a counterpart diminishes the sustainability of the ICT policy initiatives especially in light of the fact that the project will end soon.

With private sector participation and GOL leadership, Liberia is buying into the offshore cable system **Africa Cable Europe**, and is expected to have broad-band access within 18 months. A Liberian cable consortium is evolving. The advisor believes that in addition to GOL leadership, a viable public-private partnership is crucial for Liberia’s ICT future. For overall ICT oversight, an “apex” development and decision-making body with a steering committee will be set up with the advisor’s guidance.

Before the advisor departs in August 2010, he will attempt to initiate an e-government policy and assist Chief Information Officers (CIO) in government. In this regard, Liberia has started the construction of an inner Monrovia Fiber Optic Ring that is needed to link up Government, tertiary education, NGOs, MFIs, businesses and civil society and pave the way for e-Governance. He is also working on the TOR for establishing a CIO Regime which needs to get approved by the ICT4D Steering Committee, after which the selection, recruitment and training process of CIOs begins. The advisor expressed concerns about the project ending well before these goals are met.

He anticipates working on the ICT enabling environment, policies, networks, security systems, etc.. Much of what the advisor is putting in place, however, is transient, coming together and maturing well after he leaves Liberia. Whether follow-on TA will be available has yet to be discussed thus making a smooth transition to follow-on work and sustainability unlikely. It is doubtful that there will be any technicians or senior officials with sufficient knowledge of ICT policy options by the end of the current Project. Additional technical assistance with considerable local training will be necessary to ensure sound policy and programs as well as sustainability of the ICT policy.

Corridors for Development

The GOL has long seen the need to better identify points of growth potential in the country. Transportation corridors offer a possible approach. A corridor will cover economic resources in the areas (such as agricultural or mineral), population skills, training, and health facilities. This will identify potential and problems in each economic area which can become the analytical base for an integrated development plan.

The GOL's interest here is not just the transfer of a template from somewhere else, but something comprehensive and Liberia specific. USAID was able to respond, through IBI, to the MPEA's request for assistance which would show how a corridors approach could form the basis for a development plan.

A subsequent development project in Liberia could, if properly designed, minimize stranded investments and increase market access for farmers. Investors could know where growth activities and population shifts were expected to happen, or were anticipated, and the GOL could be in better position to target its own development activities, transportation plans, etc.. The synergies of the overall economy with agricultural growth and an expanded mining sector are obvious.

An IBI presentation of its analysis in Liberia was given to senior Liberian government officials by IBI's Liberian staff. The draft plan and maps were then presented at an MPEA forum, hosted by the Minister, for other ministers and government leaders on March 29, 2010. After the forum, and assuming acceptance by the Liberian cabinet, then ground-truthing of the mapping and development plan can be initiated.

At the same time, the World Bank is attempting to obtain mining plans from other countries in the region, in part because of their transportation linkages to Liberia. The UNDP is doing a study of an "Economic Triangle", anchored by Monrovia, which could complement the GOL's IBI transportation corridor plan. This effort under GEMAP's umbrella has begun very late, and it is not clear what resources might be required to bring it to fruition and to embed it in the development policy and project processes of the GOL and the donors. The Corridors Program could form a foundation for a development plan, but there has not been time to train people to understand how to use the data in developing a plan or analyzing options. It could be counterproductive to start such a project and then lack the ability to assist in using the results effectively.

Corridors for Development offers USAID an enormous opportunity but unless a follow-on activity is in place very soon, the benefits will wilt.

Results and Issues

Criticisms of the ICT and Corridors activities notwithstanding, they are both potentially very important to Liberia's future if they are completed. These activities are not based on the GEMAP model for financial or asset management and thus do not build on existing successes but pulled USAID GEMAP in a new, and potentially useful direction. If all of the MPEA advisor's efforts are successful, Liberia could leap-frog its neighbors, and the country would finally have access to 21st century information and communication technology, greatly enhancing the business and investment environment.

Should the Corridors project go forward, it could be a key building block in the GOL's evolution of a development strategy, reinforce the shifts in sectoral GDP growth noted in the "Factors of Production" section of the "General Background" chapter, and materially increase investment and employment opportunities. Development policy that works is as often as much luck as it is analysis and implementation, and in these two cases, USAID, the GOL, and GEMAP are arguably counting on luck to avoid the problems of disembodied analysis and proposals that just gather dust.

2. Ministry of Public Works

Background

The Ministry of Public Works is one of the largest users of central government resources receiving over 10 percent of the total budget in FY 2009/2010. Past audit "investigative reports" suggest there is considerable fraud in the management of financial and physical assets. The USAID GEMAP intervention posted financial advisors to address institutional weaknesses and recommend corrective measures. The reports identified fraud in payment for bulk purchases, classification and control over assets, contracts, and payments. These became the core of the advisor's work.

The GEMAP plus Liberian advisors have worked on bank reconciliation, getting control over petty cash transactions, and vouchers—all aspects of improving financial management. Based on this, work manuals have been designed for petty cash transactions, procurement, handling of gasoline vouchers and bank reconciliation to strengthen internal controls and enhance reporting. The advisors provide computer training and software to improve procedures and reporting consistent with GAC recommendations. The system is working but there is little time and much remains to be done to assure sustainability.

Results

Record keeping, particularly for fuel distribution, has improved which has reduced the selling of warrants privately and thus reduced fraud in the GOL's fuel bill. Internal financial controls are in place and the requirement of adequate documentation and signed receipts before payments are made is bearing fruit. For example, petty cash transactions without adequate documentation are not paid. The capacity of the internal Audit Department has been strengthened through improved record keeping in detecting and stopping fraud.

Despite some improvement in asset management and control (mainly gasoline and petty-cash), challenges still exist in completing manuals on bulk purchases, asset classification and contracts. There are gaps in human and logistical capacity across the entire ministry. With limited time left until the end of GEMAP assistance to the ministry training cannot extend beyond procurement, fuel management and accounting functions. There will be much left undone in creating a viable system.

Issues

Internal manuals should be consistent with the PPCC and PFM Acts Templates for these manuals can be gotten from other ministries or SOEs where GEMAP controllers worked.

- Manuals should be developed to address bulk purchase, asset classification, awarding contracts, and financial control.
- Computer training should extend to all departments including project managers in the Counties.

Sustainability

Because of the training and new manuals combined with functioning internal controls, the results appear to be sustainable. This is supported by FIMCAB's March 2010 review. There is time for one additional review of performance which will better enable an understanding of sustainability.

3. Monrovia City Corporation (MCC)

Background

The corporation is one of most recent institutions benefiting from GEMAP. Although the MCC has potential revenue sources, there is no system in place to capture them. The culture of corruption within the MCC is pervasive.

The first advisor had worked at the FDA previously. He only remained until the end of his existing contract and laid out a plan for proceeding. The next advisor arrived nearly three weeks prior to the start of the evaluation. There is no organized database of taxpayers and limited computers on which to develop a system. No credible financial records exist that would meet audit standards. Workers under-report revenue collections owed to the Monrovia City Corporation.

The GEMAP advisor wanted to establish a financial reporting system that would be comprehensive and that could capture all revenue accruing to the city corporation as well as establish control over spending. New sources of revenue that he had identified included the use of business registration information from the Ministries of Finance and Commerce will identify businesses subject to taxes, outstanding arrears from fees on billboards will be pursued through private revenue collector. Revenue from billboards were expected to generate over \$60,000 in the first year which would not make much of a difference in reducing MCC's deficit.

Results and Issues

The advisor said that employees were resisting identifying new sources of revenue collection; securing a consensus on outsourcing collection of arrears also proved difficult. The procurement process has many problems as the MCC buys in the market without tendering or providing specifications. The paper payment vouchers make corruption more likely.

There were questions raised about the appropriateness of the advisor given the job requirements. A new advisor will be contracted. There will not be sufficient time to accomplish the tasks before the end of the contract and a seamless transfer to a new contract is unlikely. It would have made more sense to cancel the activity when the previous advisor left and leave this as a high priority activity for the follow-on project. The problems at the MCC were beyond the capabilities of the advisor to resolve. The advisor did not involve officials at the MCC in developing a plan to resolve the problems nor approve the proposed approaches. The support of the mayor was insufficient to overcome these problems. USAID, IBI and the advisor decided that it would be advantageous to seek a new advisor. The old advisor has left Liberia.

Given the few months that are left in the USAID GEMAP contract, some of the same problems faced by the previous advisor will be even more severe. There is even less time to establish financial and asset management systems. It would have made more sense not to begin work on changing MCC but rather to prepare the ground for work under the GEMAP follow-on activity and ensure that an advisor with the right skills is secured early.

PART THREE: COMMON ISSUES

A. Human Resource Activities

One result of the “no peace, no war, no development” situation that had existed essentially from 1980 to 2003 has been a loss of skills. Education from elementary school through university and including vocational training went into decline. Those who were able to leave Liberia did and pursued educational opportunities in the diaspora. The long period of upheaval meant that these people established a life outside the country. When GEMAP started, there were too few well educated people with financial and asset management skills to allow GEMAP to establish a functioning financial system in government or in state enterprises. Every step in the process of creating financial controls required intensive training.

The breakdown of people trained in each institution by the USAID GEMAP project is provided in the text box. All but the people trained at LIPA and a few people from RIA, LPRC and NPA were trained on-the-job. LIPA training funded by USAID GEMAP only began in the last quarter of 2009 and has involved 21 public and private sector institutions most of whom were not directly involved in USAID’s GEMAP activities.

USAID/GEMAP Training (IBI and Segura/IP3) 2006-1/2010	
Institution	Number Trained
FDA	123
GSA	527
LIPA	35
LPRC	91
MLME	30
MOF/DOB/BOB	742
MPW	6
NPA	143
RIA	110
TOTAL	1,807

Data supplied by IBI/Liberia

For example, a manual based (using Microsoft Excel) system of financial accounts required training on using a computer and using Excel. Beyond that is required training in accounting. Developing a budget required staff training in the concepts of what a budget is and how to formulate and use a budget for allotments and verification that actual spending matches budget approvals. Procurement systems require training in the entire process and how to evaluate proposals.

The lack of private or public training programs necessitated that the GEMAP controllers do on-job-training that was tightly focused. Staff expressed frequently that they wanted training that would help them secure a better job, but the controllers needed people who could do the job immediately.

It is only in the last year of USAID’s GEMAP that attention is being paid to offsite training. This improves the sustainability of training and financial management. New hires can attend these courses and get the basics, thus allowing for a steady stream of new people as the existing people use their advanced knowledge to move to more senior positions.

The USAID mission had the foresight to push for FIMCAB to work collaboratively with LIPA to develop a modularized set of programs which could teach the basics of computers, use of computer software, procurement, internal auditing, etc.. With this change, the training that each controller needs can be out-sourced, allowing the controller to act as a controller and the staff to receive the needed training. These outside courses are not free, but they are far cheaper than the controller’s time that would be otherwise tied up.

It might be easier to have students share the cost of training if after completing a specified number of short courses in an area, a “certificate” could be awarded that would demonstrate a person’s qualifications towards promotion or more advanced job. A further incentive would be allowing completion of a set of courses to count toward university or advanced level degrees. It would have been helpful if controllers had collaborated during the implementation of their control structures as the same training was needed at multiple institutions.

It is possible to modularize a bachelor’s or MPA degree in accounting or financial management. This can assure the continuous flow of higher level people to take on advanced financial account functions. The University of Liberia or Cuttington College could offer such courses in the evening or on weekends to accommodate people working during the day. FIMCAB has just recently begun such programs and shows that it is possible. At present GOL budgets do not provide money for this type of training.

It is also necessary to conduct specific training programs for senior officials within ministries or SOEs so they understand what their staff is doing and especially what financial management means and entails. Executive level courses will not only improve their skills but will enable management to play a greater role in further improving the financial and asset control systems. For example, some of the value of auditing has been lost because none has been done for decades, but a “financial systems for executives” could explain why audits are necessary, what they will entail and how they will benefit the organization.

Training will need to expand considerably as more ministries are brought into the process of developing their own budget and controlling expenditures so they can approve their own vouchers that can be audited and certified as correct.

B. Corruption

Definition

Corruption is operationally defined as the abuse of entrusted power for private gain. It can be differentiated into "according to rule" corruption and "against the rule" corruption. “According to rule” means a payment to someone to follow the rules, or do his job but allow the briber to get his paperwork done quicker or to be favored in the selection process. It is a payment to someone to do their job. “Against the rule” corruption is a bribe paid to obtain services the bribe receiver is prohibited from providing.⁸ Stealing from government would be a form of *against the rule* corruption in that it is illegal.

Transparency International Rankings

Every year, Transparency International puts together an index measuring perception of corruption as reported in as many different surveys as possible that provide details on their methodology⁹. They require a minimum of three surveys to include a country in their overall list which is why Liberia was not listed prior to 2007.

Transparency International Corruption Perceptions Index				
Year	Score (higher # less corruption)	Rank (out of 180 countries)	Percentile rank (lower # less corruption)	Number of surveys
2007	2.1	150	83 %ile	4
2008	2.4	138	77 %ile	4
2009	3.1	97	54 %ile	3

The current ranking makes Liberia the fourth least corrupt country in West Africa, behind Cape Verde, Ghana and Burkina Faso. As seen on the table, there has been a decline in the perception of corruption in Liberia; however, the reduction in the number of surveys meeting TI standards makes the 2009 score suspect. TI concluded in 2009 that “[i]n Liberia, the post conflict government has received international recognition for its efforts to stamp out corruption. However, recent scandals affecting government procurement and financial management, and the perception that too many government officials are political appointees, continue to undermine transparency, accountability and public trust in the political leadership.”¹⁰

It is probably safe to conclude from the TI data that while there has been a reduction in corruption, additional efforts to fight corruption are needed.

Reduction of Corruption

Rooting out corruption becomes especially challenging when there is a “culture of corruption”. One of the basic anti-corruption methods is to increase transparency in transactions. Regular and credible audited

⁸ Transparency International, *Corruption FAQs*, www.transparency.org/news_room/faq/corruption_faq

⁹ The MCC uses the World Bank’s Kaufmann, Kraay and Mastruzzi Governance Index. One component of that index is control of corruption. It uses more studies, many of which appear less frequently than the surveys TI uses. Because it is a control of corruption high figures are positive and low figures negative (the opposite of the TI corruption perceptions index). The KKM index went from 11%ile in 2005, to 30%ile, to 44%ile and 33%ile in 2008. The 2009 results will be available in June 2010. KKM added the Gallup World Poll in 2007 which was very high (positive) and it fell considerably in 2008 (loss of control of corruption). This resulted in the large increase in 2007 and the fall in 2008. See http://info.worldbank.org/governance/wgi/pdf_country.asp

¹⁰ Transparency International, *Corruption Perceptions Index 2009; Regional Highlights: Sub-Saharan Africa*, published 2010.

accounts that are made public highlights questionable transactions. Accountability can also be used to reduce corruption by making people responsible for activities that take place while they are in a decision-making capacity. A rules based operation that lays out clear procedures that need to be followed will make it more difficult to engage in corrupt activities. The disparity in the income levels between the rich briber and the poor bribe taker often appears to justify corruption as an equity issue. This is often the case when lower officials follow the lead of senior people who do not make an effort to stop corruption. A cultural change at all levels is needed to combat this vicious circle.

GEMAP and Corruption

An important part of the impetus for GEMAP was to address the rampant corruption that while Charles Taylor was President (1997-2003) and continued during the National Transitional Government of Liberia. The government faced a situation of a lack of revenue and a lack of control over spending or government assets. Government assets like vehicles and national assets like forests were looted. To minimize corruption, Internationally Recruited Financial Controllers (IRFCs) were placed in positions where the Government was supposed to receive revenue and where controls on expenditures were deemed to have the maximum impact.

None of the work of GEMAP could eliminate corruption, but they did reduce the problem as noted by the Transparency International and the World Bank's Governance Indicators.

Businesspeople, academics and many in government whom we interviewed fear that with the departure of the IRFCs, corruption will return. Discussions with the private sector indicated that they have not noticed any increase in corruption, in fact they said the changes at NPA from February through early April have further reduced corruption because of the One-Stop Shop¹¹ whereby tariffs can be paid directly to the CBL by bank transfer, and to pay port fees at a facility across the street from the one-stop shop. The equipment and transmitter installed by USAID were fully functional.



The manuals, training, financial and procurement controls are increasingly taking hold. This is supported by some recent articles in the local press that provided information on some recent questionable transactions. Such confidential information could only have come from people inside the government, which suggests that many people are willing to be whistleblowers on corruption¹². The new controllers are providing momentum to the joint efforts by USAID and the SOEs to change the corruption in Liberia.

FIMCAB's monitoring of financial performance since the handover of co-signatory authority¹³ indicates that the processes introduced by GEMAP are still in place but that there are some problems. Examples of potential problems are as follows: the promotion of the head of procurement at FDA¹⁴ without a suitably trained person to step into that position; procurement corruption at NPA; and an inability to follow the

¹¹ The one-stop shop for payment was also to cover RIA and LPRC but has not been extended any further than NPA. RIA receives the revenue and deposits it in the bank, usually the next day. Not extending the system as originally agreed has the potential to increase corruption.

¹² The President recently approved a whistleblower law to protect people who divulge information on corrupt practices in government.

¹³ IBI International: *GEMAP Co-Signatory Authority Termination: Process and Impact*, no date (probably April 2010), IBI International, Monrovia

¹⁴ Information from the FDA controller.

agreed processes for the privatization of port operations there¹⁵. Nonetheless, the procedures and manuals that were in place are still being followed.

Financial Management

The USAID GEMAP advisors primarily functioned as controllers, approving every payment voucher. This power enabled them to reduce the number of improper, unjustified or off-budget payments. Justification for the payment, proof that the goods had been received, that it was budgeted for, that a certifying officer approved the expense were required before payment. The controllers also had to do reconciliations that looked at the *ex post* bank statement and checked that all the checks cashed were for the amount approved (and there were no duplicates), that receipts matched the receipt log, etc.. Financial management looked at the petty cash fund, reducing the amount in it and requiring receipts that showed the amount taken out of petty cash was valid and used for an approved type of activity.

All the controllers felt that this power allowed them to look at other corruptible areas and that their approval requirement did reduce corruption. The IRFCs wrote manuals for all controller functions: if procedures in the manuals were followed, vouchers were more likely to be paid and corruption was lessened. The manuals dictate how financial analysts, data entry, verification, reconciliation people had to work. Thus following the manuals was key to retaining a job and for possible job advancement and the person writing up the requirements for better jobs was the same co-signatory authority controller. The manuals helped transform the culture of decision-making by people in powerful positions (often managing directors, ministers or deputy ministers) to decision-making based on codified rules and procedures.

At the Ministry of Finance, the improvements made by the GEMAP advisors led to the timely submission of the annual budget to the Legislature over the past two years.. This had not happened in over 20 years. The improved budget process has resulted in numbers that make the budget closer to reality and monthly and line item allotments are now more meaningful. This discipline in the release of government funds also reduces corruption. The data received from line ministries is not subject to the same controls thus reducing budget accuracy and increasing the potential for corruption. For instance, a voucher submitted for payment might have the correct supporting documentation and signatures but still be fraudulent. The GEMAP work reduces corruption, but problems remain which highlights the need for additional work to improve the internal audit function and subject all ministries to GAC audits.

Asset Management

In order to reduce the misuse and theft of public property, GSA has begun the process of numbering every piece of government property, using a bar-coded non-removable mylar sticker instead of spray paint. This applies to vehicles, equipment, chairs, desks, buildings etc.. They are also taking digital pictures of every item to verify that the item in question is the same as the item purchased. The office director will be responsible for all the items in the office and an annual audit will compare current inventory with the inventory the previous year. Differences in the equipment or furniture will have to be explained or penalties paid. This introduces accountability into asset management.

GSA recognizes that the current system of petrol vouchers has led to considerable corruption and will require vehicle logs which will be surveyed to see whether the claimed number of gallons matches the miles travelled. To reduce maintenance costs and allow a stockpile of spare parts the GSA proposes standardizing on just a few vehicle models. This should reduce prices and improve maintenance. It is too soon to predict the success of these new systems. Lastly, government has been excessively generous in providing vehicles to employees and GSA is exploring changing the vehicle allowance to a transport allowance.

Logging Concessions

The NTGL issued logging concessions without following procedures, without allowing the public to know who got which concessions and how much money the concessionaires paid to the government. Government did not collect any revenue on the NTGL concessions. One of the initial acts of the new government was to cancel all concessions¹⁶ and begin the process of laying out the procedure to be

¹⁵ Information from GEMAP advisors and the new controller at NPA.

¹⁶ According to FDA's post-GEMAP controller.

followed while awarding new concessions and ensuring transparency. The new rules were signed by the President and agreed to by the new Legislature. All new large concessions (defined as non-village or community concessions) have to be approved by the President and the Legislature. USAID GEMAP provided an advisor to the FDA who helped draft the new concession rules and participated in the selection process. Global Witness noted problems with concessions under the Transitional Government and also that small concessionaires are having difficulties borrowing money.

Mineral Concessions

At the Ministry of Lands, Mines and Energy, the GEMAP advisor helped put in place procedures to ensure transparency and accountability in the granting of mineral concessions (mainly iron ore to date). Earlier decisions were made on political grounds and no taxes or fees were paid. Because of the newly introduced rules and procedures, more firms have confidence in the process which resulted in higher than expected bids. The more transparent process reduced the scope for back room deals that could lower price, taxes or government revenue from the concession. The new approach also allowed residents in the concession area to be heard and have their concerns addressed in the concession agreement (for example, job creation, and road construction). This reduced the potential for conflicts.

Procurement

As discussed earlier, the process of procuring software for the State Enterprises included a conflict of interest. It is commendable that this came out in the press and the purchase was promptly cancelled. It is also commendable that the GEMAP controller ended his contract early and that the software and training package was cancelled. The revised approach was done transparently and publicly.

All of the state enterprise controllers developed manuals with rules that had to be followed for the approval of capital purchases by IRFCs. Codifying who has to sign-off on each purchase increases accountability and transparency while decreasing the likelihood of significant corruption. Having these rules and manuals has reduced corruption, but there are still persistent rumors in the press that senior officials have been able to subvert the new controls at NPA. The GEMAP advisors who had been controllers do not think this is currently significant in either number or value.

Publicity on specific instances of possibly corrupt purchases was highlighted in the press and raised a red flag from Transparency International as was the failure to secure some equipment for RIA. This publicity might actually be a good thing in that people feel it is worthwhile to complain and to insist on accountability.

National Ports Authority

When a public tender for privatizing the operation of the Freeport in Monrovia was issued, it was criticized by procurement authorities, the Ministry of Finance, the Legislature and in the press that the terms for evaluating the tender were insufficiently transparent, were not made public and were not adequately followed. Some Ministries that ought to have been involved were not, and it was felt the assessment of the tenders did not follow the rules. As a result the top three bidders were asked to rebid, and the process developed by the USAID GEMAP advisor was followed more closely.

USAID GEMAP brought in an advisor to help with NPA with its work post-privatization including ensuring transparency as NPA ceases to operate the port and becomes the regulator, oversees port operations and is the landlord for sheds and facilities outside the immediate port area.

C. Improved Governance

A large majority of the people, in and out of government, interviewed by the assessment team, said that the most important cross-cutting contribution to improved governance under GEMAP was the public involvement of the President in espousing the program's goals and supporting its implementation. While perhaps not sufficient, it can be seen as the most necessary ingredient, perhaps the *sine qua non*, among the various elements contributing to the success of the program. Better governance will not arise in a vacuum; past development experience and good governance efforts around the world suggest that open and consistent support from the very top of the political system is critical for better functioning governments.

The President's support for GEMAP was far better known within government than outside government. Despite one early advertising campaign, public marketing of the program was very thin, citizen awareness only vague according to comments made to the assessment team, and not particularly focused. As a result, before last year there was widespread, but not well informed public knowledge of the program. A more robust and a public outreach program might have contributed to pressure from the public and voters for the Legislature to be more supportive of the program. Because many citizens latched onto the "loss of sovereignty" concern there were problems that could have been avoided through information campaigns. There was support for the corruption reduction efforts but not an understanding about how this was to be done, and why the range of actions taken by the GEMAP controllers was necessary.

On a related issue, and perhaps in spite of the President's very important support for GEMAP, there is a low-key, widespread *ennui* about Liberia's government. There is a cynicism that because there has always been corruption, and because corruption is still so prevalent, despite the important and acknowledged progress made by GEMAP, the system may never attain the governance goals articulated by the President. As GEMAP nears its completion point, and consideration turns to next steps, the sources and effect of this cynicism must be addressed for sustainability of present reform efforts and subsequent activities.

D. Improved Enabling Environment

The GoL in collaboration with the international community has undertaken reform measures to ensure stability, proper management of national resources, financial controls on spending and revenue, and improved human plus institutional capacity building. One of the causes of the civil conflict was the violation of individual rights and the rule of law by public officials. The government with international support has set up courts to handle the violation of rights through special courts for the women and children, and county defense counsels to serve free of charge as defense attorneys for the poor and disadvantaged. The government payment system has been made less cumbersome and more transparent while access to public sector information has been made more readily available on the internet.

The government and its development partners are addressing the human capacity gap in the public sector which has negatively affected performance by providing recruitment incentive programs for Liberians in the diaspora. These include the Senior Executive Service (SES), and the Transfer of Knowledge through Expatriate Nationals (TOKTEN); the Public Financial Management School provides graduate courses at the Ministry of Finance. Short-term training is done at LIPA with support of the USAID GEMAP funded Financial Management Capacity Building Program. The on job-training offered by GEMAP advisors in public institutions has addressed some of the shortage of skills problems.

The General Auditing Commission, supported by the EU, is creating an enabling auditing environment to improve transparency and accountability in government. The Liberia Anti-Corruption Commission is combating corruption and abuse of public resources to reduce the culture of impunity in the misuse of public resources. Unfortunately there have not been any court prosecutions to date. Corruption has been a drag on the country's progress advance and was a contributing factor of the civil conflict.

E. The USAID GEMAP Model

There has been considerable discussion throughout this evaluation about what USAID GEMAP was able to do. This is usually referred to as the GEMAP model which ought to be used for follow-on work with other ministries, offices, SOEs and counties. This section provides additional information as to what needs to be accomplished to achieve the needed control over financial matters.

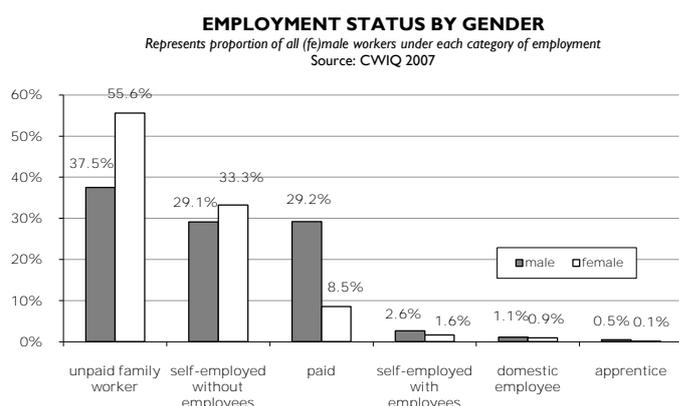
In all sections there needs to be a manual to guide implementers and vendors as to the proper process. These manuals provide guidance as to what should be done and what should not be done and thus is an important anti-corruption tool. Also in each section there needs to be training. In the past most of this training was on-the-job which took a large amount of controller time. Because the Model may be rolled out to a large number of organizations, it would be better to have courses taught outside the office place where people from different offices can mingle and learn from each other. The date schedule for every module ought to be shared with the controller to enable the new knowledge to be solidified through verification on-the-job.

1. Financial management

- a. Revenue receipts (time, schedule, deposited into government account, verification and reconciliation)
 - b. Expenditures (authorizations, compare to budget, internal controls)
 - c. Petty cash fund (reduction in size, controls, receipts from vendor and government office)
 - d. Payroll (internal controls, automatic deposit into bank account, check for duplication and ghost workers)
2. Asset management
 - a. Internal controls, listing of assets, marking, risks and controls, procedures to verify, handling of deviations
 - b. Especially for vehicles, heavy equipment, office electrical/electronic, desks/chairs/bookcases, etc.
 - c. Log for vehicle and major equipment, maintenance schedule, repair procedures (including selection of organization to do maintenance)
 3. Internal controls
 4. Internal audit (and external audit)
 5. Procurement Process
 - a. Manual, specifications, required documentation, tendering
 - b. Decision making and contracting processes
 - c. Purchase Order system
 6. Labor
 - a. job descriptions with minimum skill requirements, training requirements, evaluation systems for workers
 - b. labor skill requirements, labor skills available, hiring and training plan to fill the gap
 7. Reports (manual with required elements, responsibilities, deadlines, to senior management)
 - a. Monthly (bank reconciliation, verification of payments, duplicate checks)
 - b. Quarterly financial statements (auditable)
 - c. Annual
 - d. Development and use of a monitoring system to verify performance in each area
 8. Chain of Custody System (used by FDA)
 - a. Concessions process
 9. Records (required records to save, where, how and for how long)
 10. Training program
 - a. Vocational (for each section above)
 - b. Computer (basics and advanced)
 - c. For senior management
 - d. Recognition of skill upgrading due to advanced training

F. Gender

For countries such as Liberia, which are emerging from war, the challenge of gender equity does not receive much attention. Liberia's *Poverty Reduction Strategy* emphasizes the need to empower all Liberians, including women, so as to improve economic governance.



With notable exceptions including the Presidency, women are not well represented in management and in decision-making positions. Gender discrimination in the labor market constrains women's and girls' participation in the economy, in senior management and thus limits their opportunities for economic empowerment¹⁷.

The Liberia National Gender Policy (LNGP), launched in December 2009, emphasizes women empowerment

because of the level of disparity between men and women and girls and boys. It further elaborates hindrances which limit women's access to inputs and services and how the lack of a supportive enabling environment limits their ability to contribute to economic growth.

Female presence in key economic sectors, including government, is low. According to the LNGP, the literacy rate for rural women is 26 percent and 61 percent for urban women; 60 percent and 80 percent for rural and urban men, respectively. Women constitute 54 percent of the labor force. Women are unequally distributed across the productive sectors and under remunerated¹⁸. In addition to the employment statistics presented above, the table below shows public service representation of women and men at senior levels.

Public Service Representation of Women and Men at Higher Level				
Locations	Total	Males	Females	Percent Female
Cabinet	21	15	6	28.6%
Legislature	94	81	13	13.8%
Supreme Court	5	3	2	40.0%
Civil Service Directors	318	266	52	16.4%
CSA Directors and above	16	15	1	6.3%
LIPA Directors and above	8	7	1	12.5%

Source: Civil Service Reform Strategy, 2008

Under the GEMAP program, the total number of executive branch of government financial and asset managers trained exceeds 1700, three-quarters of whom were male. Women's participation has been low due to the historical context of low female representation in the public sector. What is encouraging however is the number of women who are replacing GEMAP controllers at the various SOE's. For example, the current Managing Director and Financial Controllers at NPA, the controller at LPRC, and the Deputy Minister for Expenditures at the Ministry of Finance are all women.

In future GEMAP initiatives, program direction needs to continue to be gender sensitive to increase the level of women's participation in the public sector. This can be done through seeking a gender balance in training and promotions. The statistics provided earlier are low; however women's participation in economic governance through financial management ought to be enhanced.

G. Project Management – A Full-Time COP

¹⁷ World Bank/Ministry of Gender and Development, Liberia Gender Needs Assessment: Towards Women's Economic Empowerment, 2007

¹⁸ Abridged Liberia National Gender Policy, 2009

Initially, Segura/IP3 and IBI each designated one of their advisors to also function as COP in addition to the other work they were doing. This made them part-time COPs, which made it more difficult to monitor performance, help new hires, assure coordination and work on hiring new staff. The churning of advisors at SOEs at the beginning (the first controller at FDA lasted five months, NPA went through many advisors due to conflicts with the MD, some were not able to function effectively and one of LPRC's controllers left the country rather than face a conflict of interest charges) and problems with insufficient experience for some controllers, suggest that the lack of full time COPs caused problems with inadequate vetting and supervision of controllers and STTA. When Segura/IP3's contract ended and all their staff were transferred to IBI, a full-time COP and deputy COP were hired. This improved operations considerably. The Team believes it would have been better to have had one contractor and a designated COP from the beginning. USAID made the right decision to combine the contracts in late 2008 and to allow for a full-time COP. This was a belated lesson learned.

H. Monitoring

The indicators used to monitor Project performance changed during the life of the Project. The first indicators essentially came from the work plan of each advisor. Initially these were reviewed quarterly to determine how work was proceeding. However after a year the review of work plans stopped and each advisor just reported on their accomplishments. These were not compared to the workplan to determine what was successful and what was not.

In 2008, USAID commissioned Chemonics to develop a Performance Monitoring Plan¹⁹ for the entire mission. This was completed in September 2008. The Chemonics report proposed the following as potential indicators:

- 1.1 Public disclosure of financial statements for selected SOEs
- 1.2 Timber taxes, mineral fees and other fees fully invoiced by selected SOEs and fully received by MOF
- 1.3 Procurement in compliance with Liberian Procurement law
- 1.4 Ministry and agency annual spending does not exceed appropriated levels
- 1.5 Program-based budgeting implemented by sector and institution
- 1.6 Percent of GOL assets being managed in accordance with GSA policies
- 1.7 Number of Executive Branch personnel trained with USG assistance
- 1.8 Number of Executive Office operations supported with USG assistance
- 1.9 Number of national executive oversight actions taken by legislature receiving USG assistance
- 1.10 Number of national legislators and national legislative staff attending USG sponsored training and educational events
- 1.11 Number of civil society organizations receiving USG assisted training in advocacy
- 1.12 Number of public forums resulting from USG assistance in which national legislators and members of the public interact
- 1.13 Number of USG assisted civil society organizations that participate in legislative proceedings and/or engage in advocacy with national legislature and its committees
- 1.14 Number of government officials receiving USG supported anti-corruption training
- 1.15 Number of USG supported anti-corruption measures implemented

Of the indicators proposed by Chemonics, USAID selected to monitor the following four indicators for the purpose of reporting into the "F" monitoring system:

- 1.7 Number of Executive Branch personnel trained with USG assistance
- 1.8 Number of Executive Office operations supported with USG assistance
- 1.14 Number of government officials receiving USG supported anti-corruption training
- 1.15 Number of USG supported anti-corruption measures implemented.

These constituted the only items in the PMP that were used by GEMAP, and they were the only ones used to measure performance against the "F" program area of good governance (with the program elements being *public sector executive function* and *anti-corruption reform*).

¹⁹ Chemonics International Inc., *USAID/Liberia Performance Management Plan 2008-2010*, 30 Sept 2008, Washington, D.C.

The monitoring that was undertaken during the project was not comprehensive or adequate as a management tool due to weaknesses in indicators selected and in methodology for measuring them (the DQA). Indicators selected focused on project outputs and deliverables rather than on project impact, and in some instances suffered from problems of double-counting and other implementation problems. Annual targets and life-of-project targets were confused (the LOP targets were usually exceeded each year). In some cases, individuals or organizations receiving assistance were counted multiple times rather than being counted just one time per person or organization. All targets were so low that life of project goals were achieved every year.

For example, the Executive Branch training life of project target was 700 while 771 people were trained the first half year with greater numbers in subsequent years. The Executive Office operations supported included the same ten offices every semester and these were added. These ten offices, which were listed in the monitoring documents, were then counted every semester thereafter resulting in counting the ten institutions as twenty for each year. The three Executive Office activities added in the last year were not counted. The third indicator was number of officials receiving anti-corruption training. This included all training done at SOEs plus all financial and asset management training at Executive offices. The life of project target was 300 and 500 were trained in the first semester. The last indicator of anti-corruption measures implemented is good.

When Segura/IP3's contract ended, its training and anti-corruption targets and accomplishments were dropped, so the results of this aspect of GEMAP activities were no longer included in reporting of USAID GEMAP work. There were some inconsistencies in how indicators were calculated. Some semesters training for the Executive Branch included SOE training and other times it did not, even though it had been decided that SOEs were not part of the Executive Branch. Training in computer financial management systems is included for all institutions except for the Department of the Budget, where this is not considered anti-corruption training. For instance, vessel discharge and tank measuring training was not considered to be anti-corruption training even though a good case can be made that it is anti-corruption training. The mining cadastre system training was not considered anti-corruption training although it clearly is.

Some of the other indicators proposed by Chemonics would have provided more information to management than those chosen. These include:

- 1.1 Public disclosure of financial statements for selected SOEs
- 1.2 Timber taxes, mineral fees and other fees fully invoiced by selected SOEs and fully received by MOF
- 1.3 Procurement in compliance with Liberian Procurement law
- 1.4 Ministry and agency annual spending does not exceed appropriated levels
- 1.5 Program-based budgeting implemented by sector and institution
- 1.6 Percent of GOL assets being managed in accordance with GSA policies

These indicators would have been more useful for management than the indicators actually used. For example, public disclosure of financial statements would have provided an incentive to make this information public. The second one on revenue from the SOEs that were assisted would get to the reason the USAID GEMAP SOEs were selected in the first place. Since USAID GEMAP did not work on program budgeting, indicator 1.5 would not have made sense, but 1.3 and 1.4 were relevant and would have provided detailed data on accomplishments. Similarly 1.6, broadened to include asset management structures operative at the SOEs, would have been useful. Indicators 1.9-1.13 do not relate to work that USAID GEMAP engaged; however, it is possible that in the follow-on work they will be useful.

Additional indicators which could have been beneficial in providing information about the successes of USAID GEMAP are as follows:

1. In developing work plans each advisor had roughly similar steps that they needed to accomplish. These include procuring computers, software, training staff in their use, verifying vouchers, using valid numbered vouchers, following agreed procurement procedures, having an operational internal audit system, bank reconciliation, job descriptions, all salaries paid directly into bank accounts, annual financial statements, an outside audit (presumably done by the GAC).

For each item, accomplishment would mean that the systems are in place, manuals have been written and accepted by Deputy Ministers or Managing Directors and appropriate staff trained. Those work plans that had a significant asset management element would include training, bar coding (or something similar) and verification of assets.

If a SOE or department has, for example, ten elements, then a tick mark can be provided when a benchmark is achieved and the “score” of that SOE or department changed from one out of ten to two out of ten, etc.. The overall score for the project could be the average of all the SOE or department scores. This would also help management in understanding where there are problems.

2. Rather than the total number of people trained, a goal which would be directly linked to an accomplishment would be number of people trained outside the SOE or department at a Liberian-run institutions. This could be as a percentage of total training so more would be known about shifting training outside the SOE or government department. Because of a desire for advanced training then we can have an indicator on the number of people who have received advanced certification or a degree due to successful completion of training modules. This indicator might be more relevant for the follow-on activity as USAID GEMAP only began this work in 2009. Had this indicator been in place earlier then it would have given an incentive to transfer the training out of the SOE or department.
3. The follow-on activity may include expanding the scope of USAID GEMAP to additional ministries or SOEs and to counties. The indicators could be similar to item one above but weighted by the importance of the SOE, ministry or counties to all the SOEs, ministries or counties.

There are three major problems with poor and non-quantifiable indicators. (1) It makes it difficult to communicate widely the performance of the project. (The COTR knew the performance of most elements of the project but official documents only included the official indicators.) (2) People who read the history and accomplishments of GEMAP will not have the proof as to accomplishments or impact, just number of people trained and offices assisted. (3) The COTR changed a number of times during the project. Not having targets and indicators nor accomplishments and problems makes the transfer of authority difficult.

In short there was no effective monitoring system for USAID GEMAP. There is essentially no data to show what was accomplished (for example, increase in revenue, funds subject to the budget verification process, vouchers rejected, procurement done through government’s procurement process.) Having a strong monitoring system and good data would also allow for rigorous cost-benefit and cost effectiveness analyses to be undertaken. These topics are discussed in greater detail in **Annex I**. Probably the most unfortunate result is that because of the lack of a useful monitoring system, GEMAP cannot tell its story nearly as rigorously as USAID should want.

Nothing in this section ought to be construed as implying GEMAP did not have major accomplishments, just that the monitoring indicators that were in place was not useful for management and did nothing to tell the story of USAID GEMAP.

I. Coordination between Donors and Contractors

In many ways there was much more donor coordination in GEMAP than is typical for programs that involve a number of donors. Individual controllers made presentations to the TT and toward the end there were gatherings of controllers to share experiences. The GEMAP controllers at SOEs said that there was some sharing of experiences within the GEMAP controller community.

The EU provided assistance to the GAC to help prepare GEMAP entities for an external audit by the GAC. All government ministries and offices need to learn what an audit is, how it is conducted and how to prepare for it. The Auditor General said he felt shut out of TT meetings but TT participants did not agree with that assessment. No office, ministry or enterprise assisted by GEMAP has gone through an audit. The LPRC believes they are ready for an external audit of their 2008 and 2009 books, the FDA expects to be audited this year.

In general there was little donor coordination within the SOEs because there was not much work by other donors. The World Bank also provided equipment to RIA and thus there was some coordination, but there were not any controllers working in other SOEs who could benefit from the work at the USAID-assisted SOEs, or vice versa.

When the Segura contract ended, its controllers switched to work for IBI. When there were two contractors, there was very little collaboration or learning from each other. Since the combination of the contracts, IBI has worked to increase the level of coordination by having regular meetings of all the contractors working on financial management.

From the inception of GEMAP, donors and partners have shown a strong commitment to Liberia's recovery through their support for GEMAP's implementation. The level of success achieved can be attributed to the strong support from the GOL and the well coordinated and sustained efforts of the international community from the beginning.

To effectively coordinate the activities of the GEMAP, two structures were established: the EGSC and the TT. The EGSC is co-chaired by the President of Liberia and the US Ambassador and includes GOL ministers and Ambassadors from the international community. The EGSC handles policy issues related to economic governance. All EGSC members are represented on the TT but at a level to resolve technical issues. The TT was initially co-chaired by the MoF and USAID and later by the MPEA and USAID. At EGSC meetings, decisions were made based on proposals and analysis emanating from the TT. This framework was effective for resource allocation, distribution and coordination. It provided institutional support for GEMAP's activities.

This structure worked effectively in creating a forum for discussing economic governance and serving as a platform for donor coordination which minimized overlapping functions, duplication of efforts and resulted in unusually high levels of collaboration. Challenges during implementation were handled at TT meetings and forwarded to the ESGC when necessary.

Donors and partners (including Civil Society Organizations) provided collaborative support to meet the urgent demands posed by economic challenges. For example, at the RIA, USAID and the World Bank provided complementary support in providing emergency equipment and repairs to ensure that international airport requirements were met. At the PPCC, USAID provided technical support while the World Bank provided significant resources to make the PPCC functional. At the MOF, USAID and the World Bank again collaboratively supported the Budget and Expenditure Departments ensuring that all major systems were established to improve efficiency and reduce corruption. USAID is continuing support to the Bureau of Concessions (outside GEMAP), in collaboration with the World Bank.

USAID and others provided controllers while the EU strengthened auditing at the GAC. The end result of a sound financial management system would be an approved external audit by the GAC.

Without these collaborations there would have been over-lapping work, duplication of efforts and little learning from the experiences of other donors.

The Delegation of the European Union is funding the work of the Auditor General and other international auditors to strengthen auditing by transferring skills and knowledge to Liberian auditors. Since 2007, the EU has fielded short and long term technical assistance to the GAC, MIA and MPEA. The UNDP complements this work by providing seven advisors to strengthen internal auditing at the Ministry of Finance. The EU also provided funding for technical support to enhance skills of the auditors at the GAC and internal auditors within ministries and enterprises. Quality assurance of audits and financial accounting is enhanced because of the level of support provided by the EU.

The EU has committed funding for the Bureau of Customs and Excise and to the GAC through April 2011. USAID's work at the Port's One-Stop Shop for payment of customs duties and port fees has improved and simplified collections and thus complemented EU work. The EU will provide direct financial support to the national budget to enhance PRS related activities which will enhance the sustainability of USAID's assistance in budget development and controls at the Ministry of Finance.

The World Bank assisted the Cash Management Committee (CMC) of the Ministry of Finance and the Public Procurement and Concessions Commission. The support provided to the PPCC resulted in a comprehensive voiding of many concession agreements signed during the NTGL period. Their approach

built on work done by the USAID GEMAP controller at the FDA and in turn enabled the FDA to cancel fraudulent concessions and use the USAID-assisted PPCC processes.

The World Bank continues to support the implementation and launching of IFMIS and ASYCUDA aspects of financial management. IFMIS has been delayed which makes USAID's interim systems at the Ministry of Finance critical. ASYCUDA makes import tariffs more consistent, accurate and easier to calculate. This system complements work USAID has done on ensuring controls on revenue and made the One-Stop Shop at the NPA possible.

The World Bank supported the establishment of EITI and concessions monitoring which directly complement support provided by the UNDP as well as USAID's work at the FDA. Liberia is the only EITI-compliant country in Africa due to the work done by the GEMAP donor consortium. The World Bank co-sponsored the SES program which recruits local and overseas Liberian professionals. Because of the competence of these recruits USAID's GEMAP controllers were able to give up their co-signatory authority earlier than expected. World Bank also supports Formal Financial Management and IT Training programs through the PFM Training School and EGIRP through 2012. These complement USAID's support to LIPA through FIMCAB.

UNDP's support to the NCDU/MPEA is geared toward providing a coordinating platform for capacity development initiatives.

DFID's support to MOH/SW helps build financial management systems which will be rolled out into the 15 counties. This takes the USAID and World Bank approaches and extends them more widely. This could provide guidance to USAID as it looks toward a follow-on activity.

The IMF's support for GEMAP has been largely through the CBL, which is an integral part of the check payment system at the Ministry of Finance.

With the decline in meetings, the GOL, donors and partners have begun to consider options for the future. It appears likely that the LRDC will play a more important role in guiding and providing leadership. Donors have different views on this. USAID is expected to take the lead in providing leadership post-GEMAP as it co-chaired both the EGSC and the TT. Joint GOL-donor discussions are needed to map the way forward.

PART FOUR: LESSONS LEARNED and RECOMMENDATIONS

A. Lessons Learned

Over-all, GEMAP worked

- GEMAP did not eliminate corruption, but it instituted processes that made corrupt practices more difficult; it raised the visibility of the issue, improved accuracy of the national budget, provided a clearer picture of the natural resources available for exploitation, protected revenues, and exerted central control over governmental processes.
- GEMAP was instrumental in making other activities operational, transparent and less prone to corruption, such as the Concessions Act and the Public Procurement and Concessions Act, and it is now positioned to create synergies for other reforms, such as a multi-year budget process, and a capital budget.
- While there are still human and institutional capacity problems, there is a strong consensus among informants, though not unanimity, that GEMAP is sustainable.

It Takes Leadership, Ownership, and Clout

- According to a wide range of informants from the public, private, academic and NGO sectors, a central factor in the success of GEMAP was the President of Liberia's public "blessing" of the program and its mission, as well as her support at many critical times (although there also were instances where she was reluctant to intervene for political reasons).
- An over-arching factor or event, such as an economic crisis, can be used to drive policy and program changes.
- Future GEMAPs need to be more host-country or county inspired and managed with local ownership of the process.

High Level of Professionalism

- Many of the GEMAP advisors were exceptional professionals in technical areas of financial control, who worked under difficult circumstances, and deserve credit for the success of the program.

Co-Signatory authority Worked, but it is not a guarantee

- Co-signatory authority was important to GEMAP's success. It gave the advisors leverage, changed the way financial processes were viewed, was critical to reigning in uncontrolled procurement, and regularized budget procedures. It brought a measure of transparency and accountability.
- Co-signatory authority provided advisors with "cover" and leverage to be taken seriously when they proceeded to weave "good governance" practices and procedures into the fabric of the governmental institutions working under the GEMAP umbrella.
- Co-signatory authority worked in that it provided the ability to say "No," but it is not a panacea. Fraud can and does still happen.

Reforms were Implemented before Capacity was in Place

- While the widespread view is that formal human capacity building did not begin early enough in the program, this misses the fact that advisors mentored their counterparts from the beginning, and on-job training is effective training.
- Reforms require training in the "nitty-gritty" of "how-to-do-it", and follow-up to be put in place and implemented before those reforms can be effective.

- Human capital is inadequate to the demands of implementing GEMAP as the GOL and donors envisioned. Despite great progress, there is a perception that the ministries are overwhelmed and lack adequately trained staff for financial or asset management.
- Training of senior officials in the need for change and how the new process is necessary. They need to understand, buy into and lead the changes.

Proliferating Computer Systems were a Problem

- Different off-the-shelf or proprietary computer systems were put in place in GEMAP institutions. This entailed different training efforts, hindered cross-fertilization and communication between systems and institutions, and added to GEMAP's IT costs²⁰.
- Notwithstanding, off-the-shelf systems can be configured to meet specific institutional needs. Unlike with proprietary systems where there is a dependency on a programmer, with off-the-shelf systems there is a wealth of experience, back-up, training packages, and integrity behind the software. They are often updated to improve operations.
- Computer systems took the GEMAP entities from paper-based, individual thinking to process-based institutional thinking. Codification and verification promoted transparency, opaque activities were hindered, and processes were made formal and predictable.

Unfinished Business

- Several of the advisors believe that the end of this phase of GEMAP and their departure in August 2010 will be too soon to complete important new systems and procedures, or ensure proper implementation of new policies.
- USAID started activities it could not complete before the end of the project, and some GEMAP reforms and process changes are not yet institutionalized, with obvious implications for sustainability.
- In future GEMAPs, either in Liberia or elsewhere, SOWs, benchmarks, indicators, and reforms need to be better aligned with the time required to accomplish them in a verifiable and sustainable way.

Emphasis on Benchmarks Related to Project Activities and Deliverables Rather than Impact

- Contractors had benchmarks related to their individual activities and deliverables rather than to Project impact. USAID developed a PMP but then focused on monitoring only four "F" indicators. The monitoring system was not a particularly useful management tool for USAID or the contractors.
- The program design called for benchmarks of systems put in place, procedures established, training done, etc., rather than metrics measuring impact and change or metrics on sustainability.
- The emphasis on benchmarks related to project activities and deliverables rather than measurement of impact meant that the Technical Team had one less tool in its monitoring kit-bag, and was, therefore, less effective than otherwise could have been the case.
- Should GEMAP become a model for reform programs in other war-torn and transitional countries, the basis for monitoring and evaluation should be firmer, the specifications for progress and sustainability tighter. Targets need to be linked to the objectives of the activities and to be able to assist USAID management in knowing what is happening in the program as well as what changes in operations are needed.

²⁰ Not everyone agrees with this lesson learned. Some argue that common software was not needed, as these SOEs did not have common activities and therefore they have no reason to communicate through common software. The Evaluation Team disagrees with this view. The concern was not communication between the SOEs but that common software lowers the cost of training, allows software experiences to be shared with SOEs, it allows IRFC to assist each other when one is ill or on vacation, it allows the people trained to be used elsewhere. It is expected that eventually each SOE will use dedicated software specific to their work.

B. Recommendations for Follow-on Work

GEMAP has been successful and provides many useful lessons for comparable activities that might be necessary elsewhere. Nonetheless, the evaluation suggests a number of areas where improvements could be made in a follow-on activity, or where changing assistance needs suggest new directions for future work.

A recurring theme in this evaluation is the need for **expanded training**. GEMAP emphasized on-the-job training while many trainees defined training as being off-site. People the evaluation team spoke to felt a desire for credentials for job advancement. For this to be done there has to be some certification process that the material learned qualifies a person. Off-site training usually comes with certification of the quality of the training. Only toward the end of GEMAP was there a partial solution to this problem through FIMCAB's work with LIPA. Follow-on work needs to build on this by making a package of courses leading to a certificate and allow a package of certificates to lead to university credits. GEMS can work by assisting training institutions in offering courses at times that are convenient to government officials who work during the day.

Recognizing that training individuals must be linked to institutional development, in the past six months GEMAP has shifted much of its training to LIPA through the work of FIMCAB. This has advantages of allowing controllers to focus on financial matters and improving control systems while allowing LIPA to standardize courses. This has an additional advantage of allowing certificates of successful completion to be provided. In the future completion of a set of courses might count toward higher level certificates or degrees. Working with local formal institutions can provide sustainable training.

No government office or state enterprise has had a successful **audit** although a few and hoping to begin the process in late 2010. The GAC has the staff to do a few audits but their work would be strengthened by courses and hands on assistance in preparing for an audit and this ought to be considered in a follow-on activity. We do not feel that many ministries have the systems or personnel skills to either do a preparatory internal audit not do they have auditable books. **Extending financial and asset management skills** to additional ministries are needed to extend the benefits of GEMAP throughout government. Because many of these ministries are relatively small the work would be simpler but making the approach consistent across offices would simplify training, system installation and allow existing manual to just be tweaked to meet the conditions elsewhere. Improving financial controls in all ministries will make the budget preparation process in the Ministry of Finance more accurate and useful; it would make voucher examination more consistent and therefore reduce more corruption.

A number of activities are not yet close enough to completion to be reasonably confident that they will be sustainable. For example, the **Corridors for Development** planning document prepared for the Ministry of Planning and Economic Affairs was successful. However there is neither time nor money to do necessary follow-on work which could provide more detail necessary to convert the document into a blueprint for a Development Plan. The Ministry is interested in moving forward and would like to build on what Corridors did. Without that follow-on work the document USAID provided through GEMAP may end up gathering dust.

Work recently commenced at the **Monrovia City Corporation**. While financial and asset management work similar to what USAID funded at the SOEs is necessary, it is impossible to accomplish much in the short time period available. The systems that the advisor may design do not have sufficient time for debugging of the new systems, training, or verification of the results. Sustainability of the efforts is impossible within the time span left in the project. Initiatives that he has begun such as a database of businesses that ought to be paying taxes are likely to languish.

If there is a break before follow-on work commences there will be a loss of momentum and the current advisor might not be willing to remain without salary while waiting for the completion of a new contract (in any case a new contractor might want another person in the position). The lack of support from MCC staff to collect past due assessments or implement new taxes will make all the work on financial reform much more difficult. This illustrates that even strong senior level support may not be sufficient to permit a new system to be put in place and be effective.

Many of the current advisors do not have sufficient time left in their contracts to complete their work. If it is possible to secure a **short-term low cost contract extension** it might be possible to dovetail the

current and follow-on project. This seamless approach would improve the chances that USAID's successful interventions are both complete and reasonably sustainable.

There were regular problems with **the Legislature** during GEMAP. These ranged from concerns about a loss of sovereignty to refusing efforts to have the Ministry of Finance pay the legislators' staff salaries directly into their accounts so as to reduce ghost workers and corruption. A follow-on activity ought to discuss with the Legislature the possibility of creating courses to enable legislators to better understand financial accounts including the budget. The LIPA course "Financial Management for Senior Executives" offers a model which could be extended, but with senior knowledgeable teachers. There were also problems with the judiciary not understanding the rationale for reform making corruption cases difficult to be prosecuted.

Donor coordination within GEMAP was considerably better than is often the case, but the evaluation team noted that there was not sufficient coordination between implementing advisors so they could share their approaches and lessons learned. A follow-on activity can build on the good foundation that has been established.

Regarding **selecting institutions for follow-on collaboration**: It is not recommended to make specific selections as to institutions to assist in GEMS at this time. The emphasis has to be on a collaborative process with GOL and CSO officials and on making the process Liberian-led and transparent. The structure for selection ought to be based on which institutions have ministers and controllers who are interested and willing to put their own political capital on the line. Important ministries where the minister or controller is weak or disinterested are likely to fail. Even if these are important institutions it would not be possible to make the needed changes if the leadership is lacking.

The Evaluation Team suggests developing GEMAP light for other ministries and counties. This simplified structure based on what worked in GEMAP can be the basis for a roll out. Making all the systems comparable will strengthen the budget and control systems. The roll out ought to be after meeting with ministries and counties and determining which are interested. Making decisions before detailed consultations with senior officials or potential institutions would reduce the likelihood of success.

The emphasis ought to be on the methodology of deciding where to expand GEMAP, on the criteria to be used, and not on making the actual decisions at this time. USAID/Liberia can either have discussions with government and civil society to determine where might be good institutions to start. Alternatively, USAID/Liberia could consider making the development of criteria an element for responders to the RFP to develop given the need to emphasize Liberian leadership, ownership and transparency.

It is important to improve **outreach**. GEMAP existed at a unique time in Liberia's history. It is unlikely that any project will be able to accomplish as much in such a short time. That said there were difficulties with GEMAP because of the difficulties that led to its creation. In the lessons learned section of the evaluation are listed some items that could be improved upon. There was inadequate outreach to the legislature and judiciary, to help them understand what GEMAP was attempting to do and why it was important. Thus, one way to improve over GEMAP is to reach out better to the Legislature and Judiciary by involving them in the process and in the monitoring system. They need to know what GEMS is doing through indicators that are meaningful and transparent. In the next steps section the evaluation talks about having special seminars on GEMAP/GEMS issues so they know what is being attempted. Elsewhere there have been courses for political figures and for the Judiciary to understand the budget process, the rationale for anti-corruption actions. These are needed in Liberia.

GEMAP was a success partially because of the strong support from the President in many (though not all) instances, and the general support of other senior officials in government. But because there was so much high level support there was not sufficient effort to work with news media, businesses, NGO/CSOs and the citizenry to understand how GEMAP would operate and the process by which co-signatory authority would be ended. There was much hostility toward GEMAP because the "sovereignty" card could be played and abused. An outreach program might have been able to blunt such misperceptions.

From this understanding of the importance of leadership comes the conclusion that as GEMS expands to additional ministries, SOEs and counties that success requires leadership and clout in the new institutions to receive support. Just as GEMAP would have failed without high level support, so GEMS will fail

without strong support from the ministries, SOEs and counties that GEMS supports. The emphasis has to be on Liberian control of the project and process. There is not the need for co-signatory authority, but for Liberians to stand up and defend the program as beneficial to Liberia.

Activities should include **outreach to the media**. GEMAP did little to explain itself to the media, and some hostility developed. This time the GOL counterparts ought to be out front, explaining what government was doing and why. It ought to explain what GEMAP accomplished and how Liberia needs to go further. Regular monitoring of accomplishments, done in a way that is understandable, will provide both an understanding of what is happening and why it is important, but will also provide watchdogs to check that the words that are used are matched by deeds. GEMAP received excellent grades on the reduction of corruption, but there were still very low grades for governmental effectiveness. Now GEMS has to make clear what it aims to accomplish and then be held accountable.

The evaluation strongly recommends **extending GEMAP to line ministries, SOEs and counties** from the current group of government entities, to the extent possible. At present no GEMAP type work is being done with Liberia's counties but these needed to be included in future work. There are a few reasons for this expansion: if the data that comes to the Department of Budget from ministries and counties is of low quality than the resulting budget will also not be useful. It is not necessary or financially affordable to provide advisors throughout government. To get around this problem a system for rolling out a simplified GEMAP process (to a large extent provided in the previous section of this annex). Having many of the manuals and processes already done for the institutions helped, templates can be provided which would need modification only to the extent that the processes must be slightly different.

The evaluation felt there was a need for more Liberian input into the GEMAP approach. This input is much easier to do now than when GEMAP started. Ownership of the process is also needed which makes it important to select where GEMS should work through consultation with ministers, senior officials and controllers in the relevant institutions. If senior officials and controllers are unsupportive of the effort then it is unlikely that the process will work. It would not be wise to determine where to work in GEMS without strong GOL involvement in the process which means that USAID ought to wait until the new contractor's advance team arrives and can discuss the process with the GOL.

GEMAP started too many activities in its last year which could not be successfully completed. The follow-on work needs to carry these activities forward, and to **make sure that activities that are started then are completed** before the end of the new project. GEMS can try to build on the initial successes at MPEA and help advance that work. The problem with this work is that it does not use the GEMAP financial and asset management model. This could mean that GEMS would be the GEMAP model plus planning activities.

This might be a natural fit in that GEMS can build on GEMAP's budget work to help develop a capital and a multi-year budget. This merger of budget and planning is a natural and could help rescue GEMAP from the loss of esteem resulting from its starting something and doing an excellent job at the start but being unable to follow through on ICT or Corridors work. Completing the work that was started inadequately at MCC can be re-started under GEMS learning from the experiences of GEMAP in SOEs where similar problems were faced.

The follow-on to GEMAP can be as successful as GEMAP has been.

ANNEXES

Annex A. People Interviewed

Addy, Wendell, former Chamber of Commerce Council member, businessman
Allison, S. Eric, Chief Accountant, National Port Authority
Boima, John, Executive Committee, Liberian Business Association, LIBA
Cajthami, Frank, Change Management Export, GSA IBI
Cilem, Samin: Budget Advisor, Ministry of Finance, IBI
Colin, David, Vice President, IBI Washington
Comeau, Michael Andre, International Spatial Development – MPEA IBI
Corneh, Jacob M., Head of Accounting and Finance, RIA
Cuffy, Alex: Financial Management, Capacity Building Coordinator, FIMCAB (formerly GEMAP IRFC at RIA), IBI
Dare, Gillian A, UK Political Counsellor and Resident Representative
de Mel, Eric, Financial Advisor, Monrovia City Corp., IBI
Deline, Alex, Local Economist, IMF
Dennis, Theo, Assistance Financial Advisor, Ministry of Public Works.
Dixon, Musah, Technical Assistant to the Deputy Minister for Budget, Ministry of Finance
Dube, James P.: lawyer
Erdem, Onur: Deputy Chief of Party, IBI International, GEMAP/LIBAM
Fumbah, Arthur W. B., Deputy Minister of Finance for Expenditure and Debt Management
Funnebo, H. Nyounkpao, Sr. Collector of Customs, Freeport Customs Collectorate, Bureau of Customs and Excise
Gbarbea, James Y, Jr, Senior Research Officer/Geologist, Ministry of Lands, Mines & Energy
Halbert, Michael: GEMAP Financial Advisor, National Ports Authority, IBI
Harris, S. Alfred P. II, Director, Liberia Chamber of Commerce, businessman, former Deputy Managing Director LPRC
Harvala, A., Program Manager, EU Governance Programme
Jacob, Mechell, Chief of Party, IBI/LIBAM Monrovia
Johnson, Momolu S., Expenditure Manager, National Port Authority
Johnson-Morris, Francis, Director-General, Liberia Anti-Corruption Commission
Jones, Ernest C.B, Deputy Minister for Operations, Ministry of Lands, Mines and Energy (MLME)
Karikoiraj, Kasirajan (Raj), IT specialist, Ministry of Finance-Department of Budget, IBI
Majors, Hon. Augustus E., Deputy Director General for Operation, GSA
Marvey, Mark M.M., Head of Programs, Naymote Partners for Democratic Development, and CSO representative to the GEMAP TT
Marvie, Steve, Assistant Minister for Regional Planning and GEMAP MPEA donor rep
Miller, Reg, ICT Advisor, Ministry of Planning and Economic Affairs, IBI
Mitchell, Samuel A., Jr.: President, Liberian Business Association, LIBA (formerly on board LPRC 2006/7)
Monger, Prof. Harold J., Director General, Liberia Institute of Public Administration (LIPA)
Moore, Dennis, Financial Advisor, Ministry of Public Works, IBI
Morlu, John: Auditor General, GAC
Mwenechanya, Dr. Silane K.: Mining Concessions Expat, MLME, IBI
Pelay, Christina Kpabar, Comptroller, National Port Authority
Phillips, Lucie, Chief Executive Office, (and Team Leader MPEA Corridors activity) IBI Washington
Raju, John, MIS Director, GSA
Russell, Hon. Williard, Director General Operations GSA
Samukai, Abraham B., Financial Comptroller, Ministry of Public Works (MPW)
Seeboe, Y. Weagba, President, Customs Brokers Association of Liberia
Segbo, Jesse, President and CEO, Trans-World Communication, TRAWOCO
Segura, Jorge, President, Segura International
Shaffa, Molley, co-signer to the Deputy Minister for Budget, Ministry of Finance
Sirleaf, Charles, Director, Finance Dept. Central Bank of Liberia

Smith, Chuck, Partner Segura International
Smith, Peter, Real Estate Director, GSA
Sobolev, Yuri, Resident Representative, IMF
Stamm, John: USAID/Liberia Economist and COTR for GEMAP
Tamba, Kona, Head of Section for Public and Administrative Services, Department of Budget, Ministry of Finance
Tarpeh, Prof Wilson K., Vice President for Fiscal Affairs and Finance, University of Liberia, former Minister of Finance, nominated as Chairman of the Board, LPRC
Tolbert, Elizabeth, Controller, Liberia Petroleum Refining Company
Torori, Cleophas O., Senior Policy Specialist, UNDP (UNDP rep to GEMAP)
Waddell, Anthony, Payment Systems Expert, Ministry of Finance, Department of Expenditure, IBI
White, Pamela: Mission Director, USAID/Liberia
Williams, Alice E. Q., Snr. Budget Examiner, Department of Budget, Ministry of Finance
Williams, T. Nelson, II, Managing Director, Liberia Petroleum Refining Company
Wreh, Moses, consultant to Department of Budget, Ministry of Finance

Annex B: Statement of Work

Proposed Methodology

During the preparatory stage of the evaluation, the contractor will prepare and submit to USAID staff for approval a planned methodology for the conduct of all evaluation work, including explanation of specific methods to be used to collect information necessary to evaluate effectiveness of USG funded GEMAP assistance activities that have been undertaken in Liberia. It is the contractor's responsibility to assure that its findings and conclusions about the effectiveness of GEMAP assistance activities are based on available data that is both accurate and reliable, and that information gathered is representative of and reasonably reflects results actually achieved.

Emphasis will be on collection, where available, of reliable empirical data indicating success or failure as opposed to anecdotal evidence. If the contractor is not sure about the availability of certain data in country at the time that an evaluation work plan is prepared, alternate methodologies shall be developed and presented by the contractor for use during the evaluation depending on what is found during actual field work.

Examples of proposed evaluation methodologies include:

- Key Informant Interviews – to be held with beneficiaries; local, regional, and national officials; other donors; other USG personnel in Liberia; implementing partners; and academics.
- Focus groups – to be held with beneficiaries; GOL institutions participating in GEMAP, local, regional, and national organization engaged with GEMAP; other donors; implementing partners; and academics at the Department of Economics, University of Liberia and other key NGO's advancing economic governance/transparency initiatives, including the faith based groups.
- Document reviews – assessments, reports, action plans, evaluations, and financial documents. Key documents on the programs will be provided to the team by USAID and other GEMAP donor partner, USG agencies managing GEMAP programs being evaluated, but the team is expected to research documentation from other sources/organizations as well.
- Observation – field work in all USAID sponsored GEMAP institutions for a period of four weeks.

Interviews shall be conducted with civil society organizations (CSOs), non-governmental organizations (NGOs) and GOL; heads and officials of SOEs at the national, regional, and local level, as well as other donors working on economic governance reform issues shall also be interviewed. The Mission will provide input in the selection of these organizations and individuals.

Duration of Tasks and Level of Effort

The following descriptions of tasks for the evaluation are intended to serve as an illustrative guide for the respondents in developing a proposal for carrying out this evaluation. **The dates below are illustrative, but will be followed as closely as possible.**

1. Desktop Review of Key Documents and Work Plan (5 working days)

Within ten working days of award and prior to any field work, the two expatriate members of the evaluation team will spend 10 working days, and the local advisor 5 days (in Liberia) 1) reviewing key documents and 2) developing a work plan.

Desktop review: The team will identify and review all available documentation describing GEMAP Assistance activities carried out in Liberia. The team will also conduct any required meetings with USG officials and implementing partners in the U.S. as required by the terms of the contract.

Documents for review include but are not limited to:

1. Program descriptions, scopes of work and work plans of all programs implemented in Liberia by USG agencies
2. USAID/Liberia strategy FY 2006-2009
3. USAID/Liberia Operational Plans for FYs 2007 and 2008

4. IBI Quarterly Reports
5. Segura Quarterly Reports
6. TRAWOCO Quarterly Reports
7. GEMAP Technical Team reports
8. USAID GEMAP Impact Assessment Report of 2008,
http://pdf.usaid.gov/pdf_docs/PDACL945.pdf
9. Liberia's Poverty Reduction Strategy Report
10. Documentation describing GEMAP assistance provided by other assistance donors during the evaluation period.
11. 2008 Interagency GEMAP Mid-Term Evaluation
12. Others documents as appropriate

A substantial amount of material about GEMAP programs in Liberia has been assembled by the Mission and will be made available to the contractor for review. This documentation is not necessarily complete and it is the responsibility of the contractor to seek out and acquire any other documentation necessary to properly identify and evaluate GEMAP activities in Liberia.

The contractor will arrange to get background briefings from AID/W officials in EGAT, AFR/WA, AFR/SD, and other relevant staff/offices having knowledge of GEMAP activities in Liberia.

Development of Work Plan: The work plan must be approved by the CO/TR prior to the expatriates traveling to Liberia. The contractor will prepare and submit to the Mission a proposed draft work plan for conducting the evaluation in the request. The plan will include a proposed schedule for all field work to be conducted, proposed dates for submission of draft and final reports and a proposed methodology for the evaluation, consistent with the methodology agreed to between the Mission and the contractor. The proposed work plan will include a description of what specific GEMAP activities the contractor proposes to evaluate and how the contractor proposes to evaluate the impact of these (e.g. by interviews, review of statistical data or survey work etc.) .

The work plan should also indicate any areas of programming that the contractor believes does not merit review because of low levels of assistance, impracticality due to cost or other considerations. The work plan should be submitted to the Mission for review and comment after which a meeting will be scheduled to agree on a final plan prior to the start of field work, with a proposed itinerary with follow-up questions for the team's time in country.

2. Entrance Briefing

Upon arrival in Liberia the Evaluation Team shall provide an entrance briefing to designated USG officials, at a minimum to include USAID, at the beginning of the assessment trip to present to the Mission the Evaluation Team's objectives and discuss logistics, scheduling and any other issues. USAID may assist coordination with stakeholders if necessary and provide additional suggestions for interviews.

3. Field Work (up to 4 weeks/24 workdays)

After the entrance briefing the evaluation team will then begin field work according to the evaluation methodology.

4. In-country de-brief

Upon completion of the evaluation and prior to departing Liberia, the contractor will provide an oral debriefing for the USAID Mission and other interested Embassy staff on preliminary evaluation findings for Liberia. The team will prepare and submit a draft evaluation report to the USAID Mission and other interested Embassy staff prior to departure from Liberia. The USAID Mission will submit comments on the findings within 10 work days to be included in the contractor's final written report.

5. Draft Report (10 workdays)

Within 10 working days of completion of field work, the contractor will provide a draft written report to the USAID/Liberia CO/TR who will forward the document to the Embassy. This report will include the draft donor mapping matrix.

4. Final Report (5 workdays)

Within 5 working days of receipt of USAID comments on the draft report, the contractor will provide a final written report (including the donor mapping matrix) to USAID/Liberia and the Embassy on the results of the evaluation.

5. Washington Debriefing (1 workday)

Within a week of submitting the final report, the evaluation team will meet with and orally debrief AID/W, AFR/WA staff and staff in Washington on the findings and recommendations of the evaluation. The USAID Mission in Monrovia will participate via tele- or video-conference.

Additional guidance: In addition to the findings on the GEMAP assistance, debriefings will include a discussion of the methodology used, problems encountered and recommendations on how to undertake future evaluations of this kind.

The written final report shall not exceed 30 pages of text and will include:

- An Executive Summary
- Background discussion and rationale for the evaluation
- An explanation of the methodology used and field work done
- Findings –empirical facts collected by the evaluation team; findings supported by relevant quantitative and qualitative data
- Conclusions –Evaluators interpretations and judgments based on findings
- Recommendations –proposed relevant and practical actions for management based on clearly supported conclusions
- Unresolved issues –review of what remains to be done

Annexes

- SOW
- Description of evaluation method used
- Data collection instruments
- Schedules
- List of persons interviewed
- Bibliography of documents reviewed
- Glossary of acronyms used

Team expertise and composition

The Team will be composed of a Team Leader, Senior Advisor, a Liberian-national Consultant, and optional Logistical/Administrative support. In addition, individual team members should possess the technical qualifications identified for their positions below. At least one member of the team should be familiar with evaluation planning and methodologies.

Team Leader – The Team Leader shall be responsible for coordinating evaluation activities and ensuring the production and completion of the evaluation report. He or she must have substantial experience managing and leading evaluations of complex economic governance programs, as well as designing and implementing projects, preferably on Economic Governance. He/she must possess excellent writing and interpersonal skills and must be familiar with USG-funded programs, objectives, and reporting requirements. At least 12 years of experience (at least 5 years experience in international development work) managing and/or economic governance reform programs in Africa, or post conflict countries confronting issues similar to those facing Liberia will be highly advantageous. At least a Master's degree in Economics or a related field such as Financial Management/Administration, Political Science, International Relations or Public Administration is required.

Senior Economic Governance Advisor – The Senior Advisor must possess a Master's Degree in Financial Management or business-related field such as Business Administration, Accounting with emphasis in Auditing, Public Administration, or related area and have at least 7 years of professional experience

working on issues related to economic management reform, financial reform in Africa and experience in international development work. The Senior Advisor should be familiar with the operation of USAID and/or other international donor programs.

Host Country National Consultant or Consultants (maximum two) – The contractor should propose a senior level Host Country National Consultant with at least 5 years of experience working on issues related to economic governance reform in Africa. Candidates for the Consultant position must hold a Bachelor’s degree in a business-related field, such Economics, Financial Management, Banking, International Development, and Public Administration.

Logistical/Administrative Support Staff– The contractor may add an additional team member for logistical/administrative support, but this is not a requirement.

In addition, USAID/Liberia and the U.S. Embassy in Monrovia may propose additional staff from USAID/Washington, USAID/Liberia or the U.S. Department of State to participate on the Assessment Team, for part or all of the assessment activities.

Annex C: Work Schedule – GEMAP Evaluation Team

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
	MARCH 1 Contract Begins	MARCH 2 Personal Contracts Signed	MARCH 3	MARCH 4 <i>Work Day Pre 1:</i> finish draft outline Draft Work Schedule	MARCH 5 <i>Work Day Pre 2:</i> Work Schedule and appt requests to Lib Team	MARCH 6
MARCH 7	MARCH 8 <i>Work Day Pre 3:</i> Final draft sent to DSnelbecker and JStamm; Team Conference Call	MARCH 9 <i>Work Day Pre 4:</i> Reading, revising; interview requests to Monrovia team	MARCH 10 <i>Work Day Pre 5:</i> Finalize draft documents	MARCH 11 <i>Work Day Pre 6:</i> Talk w/ JStamm and DSnelbecker Talk with Liberian team	MARCH 12 <i>Work Day Pre 7:</i> Work schedule for first two weeks and interviews finalized	MARCH 13 Fly to Brussels Work Day Travel 1
MARCH 14 Arrive Brussels flight to Abidjan to Monrovia	MARCH 15 Liberian Holiday <i>Work Day Lib 1:</i> Team meeting plans for week and month 145: MJacobs, OErden IBI	MARCH 16 <i>Work Day Lib 2:</i> 10 JStamm USAID 330 SCilem MOF DOB 6 Interview for M&E	MARCH 17 <i>Work Day Lib 3:</i> Team Meeting 10 KKarikolraj MOF DOB 12 MHalbert NPA 4 30 PYoung USAID	MARCH 18 <i>Work Day Lib 4:</i> 10 SMwenechanya MLME 12 JStamm USAID 330 AWadell MOF DOE	MARCH 19 <i>Work Day Lib 5:</i> 9 D Moore MPW 11 R Miller MPEA 3 GDare UK	MARCH 20 <i>Work Day Lib 6:</i> 9 FCajthaml GSA 11 Eric deMel MCC 1 LPhilipps IBI Team Meeting on results for week
MARCH 21 Non-work day	MARCH 22 <i>Work Day Lib 7:</i> 11 ACuffy FIMCAB/RIA Team meeting on plans for week	MARCH 23 <i>Work Day Lib 8:</i> 930 Lib Business Chambers 930 DMB/MOF GGompu 1030 senior MoF officials 2 Lib Bus Association 330 JSegbo TRAWOCO	MARCH 24 <i>Work Day Lib 9:</i> 9 SJohns, Min MLME 10 CPaeley Ctr NPA 1230 JMorlu Aud Gen GAC 2 IMF Res Rep 4 CTorori UNDP	MARCH 25 <i>Work Day Lib 10:</i> 9 SMarvie MPEA donor rep 11 AHarvala EU 2 HMonger LIPA 2 Charles Sirleaf Dir Fin CBL 330 WKTarpeh, VP ULib	MARCH 26 <i>Work Day Lib 11:</i> 10 AFumbah, DM Exp 1 Dir William, Fin Mgr Tubman LPRC 3 F Johnson-Morris, LACC	MARCH 27 <i>Work Day Lib 12:</i> 12 MMarvey CSO rep TT Team Meeting Review of activities, writing assignments Writing

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
MARCH 28 Non-work day	MARCH 29 Work Day Lib 13: 10 RGJayjay ECOWAS 12 JStamm USAID Team review of progress	MARCH 30 Work Day Lib 14: 1030 PAddo, AU	MARCH 31 Work Day Lib 15: Visa extensions 930 ACuffy, RIA 2 FDA MD, Controller 230 ETamba, DMRev @MoF 430 Emmanuel, WB	APRIL 1 Work Day Lib 16: 11 BAaron USAID CO AM: C/K Gen Background; N SOE PM: J Methodology, C MPEA	APRIL 2 Work Day Lib 17: AM: K GOL Strategy, N Human capital PM: J Equipment, C USAID program	APRIL 3 Work Day Lib 18: AM: K Fin/Asset Ministries, N Corruption, J other donors PM: K recently added programs, C governance, J Gender Writing
APRIL 4 Non work day	APRIL 5 Work Day Lib 19: PM: lessons learned, recommendations, next steps (all)	APRIL 6 Work Day Lib 20: 10 RIA Final meetings evaluation	APRIL 7 Work Day Lib 21: Team Meeting – review results DSnelbecker arrives, evening Final meetings evaluation	APRIL 8 Work Day Lib 22: JStamm, USAID Gate 2 ALL rough draft sections due	APRIL 9 Work Day Lib 23: Liberian Holiday Rewrite Meetings on PowerPoint Team meeting, final thoughts, actions	APRIL 10 Work Day Lib 24: MoF resolution of issues Final review, PowerPoint
APRIL 11 Non-Work day	APRIL 12 Work Day Lib 25: PM Dry run through of PPT	APRIL 13 Work Day Lib 26: PM: 2nd dry run through of PPT Finalization of rough draft	APRIL 14 930 De brief of USAID+ Handover of rough draft Fly Monrovia-Brussels Work Day Travel 2	APRIL 15 Fly Brussels to US	APRIL 16 Non-Work day	APRIL 17 Non-Work day
APRIL 18 Non-Work day	APRIL 19 Work Day Post 1: Divide up work Establish deadlines	APRIL 20 Work Day Post 2: Progress, problems Writing	APRIL 21 Work Day Post 3: Writing, sharing	APRIL 22 Work Day Post 4: Writing, sharing Redraft	APRIL 23 Work Day Post 5: 2nd redrafts shared	APRIL 24 Non-Work day
APRIL 25 Non-Work day	APRIL 26 Work Day Post 6: Share draft Final team changes To Sibley	APRIL 27 Work Day Post 7: Sibley re-draft	APRIL 28 Work Day Post 8: Draft Report to USAID/L	APRIL 29 Non-Work day	APRIL 30 Work Day Post 9: Work on PP	MAY 1 Non-Work day

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
MAY 2 Non-Work day	MAY 3 Work Day Post 10: Work on PP	MAY 4 Work Day Post 11: Finish PP, send to Sibley Intl, and USAID/W	MAY 5 Work Day Post 12: Work on USAID requested revisions Fly to Washington	MAY 6 Work Day Post 13: Debrief USAID/W in Washington Return home	MAY 7 Work Day Post 14: Make changes, as requested by USAID/Liberia and USAID/W	MAY 8 Revise Evaluation as requested
May 9 Complete revision of evaluation	May 10 Answer additional questions asked by USAID/Liberia	May 11 Complete additional questions asked by USAID/Liberia Submitted to USAID/Liberia	May 12	May 13	May 14	May 15
May 16	May 17 Work Day Post 15 Rewrite	May 18 Work Day Post 16 Rewrite	May 19	May 20	May 21	May 22
May 23	May 24	May 25	May 26	May 27 Work Day Post 17 Rewrite based on Mission Director Comments	May 28 Work Day Post 18 Rewrite, final; write covering document	May 29
May 30	May 31					

Annex D: Work Plan for the Evaluation of USAID's GEMAP Activities

(Work will be done by two teams which will work separately and jointly. For major interviews the teams will combine. Teams will meet two-three times per week to compare notes, and lessons learned.)

Objectives:

- Evaluate the progress made by Segura, IBI, TRAWOCO based on established benchmarks.
- Focus on gathering data indicative of the success or failure of specific USG funded GEMAP activities, both in terms of accomplishing their immediate objectives as well as impact on the economic governance as a whole
- Provide a basic donor mapping matrix of economic governance programs in Liberia, for all stakeholders (not only USG). This must include program title, program objectives, sources and levels of funding, program periods, geographic coverage, partner organizations and summary of results
- Assess performance monitoring systems in place, including performance of SOEs after co-signatory authority hand-over
- Provide any recommendations for follow-on programming for USAID in the economic governance area, and highlight opportunities for continued assistance

Team responsibilities to be decided Monday 15 March.

Work	Week 1	Week 2	Week 3	Week 4
Segura, IBI, TRAWOCO and accomplishments	Interviews and reading	Continue interviews, data indicative of results, preliminary ideas	Verification, begin write ups	Write up, present
Donor Mapping of economic governance programs	Discussion with USAID on GEMAP and other activities	Discussions with other donors (WB, IMF, DFID, EU)	Draft donor mapping	Verification, re-draft
Assess Performance Monitoring System, SOE controls post-co signing	Interviews	Detailed assessment, verification	Preliminary conclusions, discussion, additional interviews	Write up, verify when necessary
Recommendations, lessons learned	First thoughts	Second round, revisit first level	Third round, verification	Write up
Potential future activities	Ideas	Revision, discussions	Rank order, verify	Write up
USAID meetings	Plans	Problems, gaps	Preliminary results	Final

Weekly structure

Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
Team meeting on plans for week Meetings	Meetings	<u>Meetings</u> Team meeting to share results	Meetings	<u>Meetings</u> Team meeting on results of week	Reading and writing
Meet with USAID on results previous week and plan for new week					

Annex E: Documents Consulted

- Accra Comprehensive Peace Agreement (CPA), the Peace Agreement ending the Second Liberian Civil War, signed in Accra, Ghana, 18 August 2003
- Bureau of Budget: *GEMAP Quarterly Report*, April-June 2007 (and also Feb-April 2008, Apr-June 2008 – Cumulative Progress for Jul 2007-June 2008)
- Cash Management Committee Secretariat, *GEMAP Quarterly Report, Jan-Mar 2008* (and also April – June 2008)
- Central Bank of Liberia, *GEMAP Work Plan, January 1 to July 31, 2009*
- Chemonics International Inc., *USAID/Liberia Performance Management Plan 2008-2010*, 30 Sept 2008, Washington, D.C.
- Cilem, Samin, Department of the Budget, LIBAM Work Plan, October 1, 2009-August 31, 2010.
- Civil Service Reform Strategy, 2008*
- Controls and Training Needs in a Computerized Environment: a Summary Presentation*, no date or author given “Adapted, modified and summarized from a paper on MIS posted on the AICPA site.
- Cuffy, Alex, *GEMAP: Institutional Progress Report for Roberts International Airport, October 2006*, Liberia
- Cuffy, Alex, *Governance and Economic Management Support (GEMS) Financial Management Capacity Building Program, Work Plan for the period October 1, 2009 – August 31, 2010*, Monrovia 2010, IBI
- Cuffy, Alex, *IRFC Work Plan, Roberts International Airport, Oct 1, 2008-Sept 30, 2009*
- Cuffy, Alex, *Report for the EGSC on work at Roberts International Airport*, June 2006
- DOB/MOF LIBAM Work plan: October 2009 – July 2010, Monrovia
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Annex F: List of Acronyms

AG: Auditor General
AU: African Union
BCE: Bureau of Customs and Excise
BOB: Bureau of Budget (now Ministry of Finance/Department of Budget)
BOMA: Bureau of Maritime Affairs
CBL: Central Bank of Liberia
CIO: Chief Information Officer
CMC: Cash Management Committee
CoC: Chain of Custody (FDA)
CSO: Civil Society Organization
DEDM: Department of Expenditure and Debt Management (MOF)
DEU: Delegation of the European Union
DFID: UK Department for International Development
DMB: Deputy Minister of Budget
DOB: Department of Budget (MoF)
DOE: Department of Expenditure (MOF)
DOR: Department of Revenue (MOF)
ECOWAS: Economic Community of West African States
EGSC: Economic Governance Steering Committee
EU: European Union
FDA: Forestry Development Agency
FIMCAB: Financial Management Capacity Building Program
GAC: General Auditing Commission
GEMAP: Governance and Economic Management Assistance Program
GOL: Government of Liberia
GRC: Governance Reform Commission
GSA: General Services Agency
IBI: International Business Initiatives, now IBI International
ICT: Information and Communication Technologies
ICT4D: Information and Communication Technologies for Development
IFMIS: Integrated Financial Management Information System
IMCC: Inter-Ministerial Concessions Commission
IMF: International Monetary Fund
IRFC: Internally Recruited Finance Controller
LACC: Liberia Anti-Corruption Commission
LAN: Local Area Network (computers)
LCIP: Liberia Community Infrastructure Program
LECAP: Liberia Expenditure Control and Accounting Program
LIBAM: Liberia Improved Budget and Assets Management Project
LIBAMM: Liberia Improved Budget, Asset and Mining Management Project
Libtelco: Liberia Telephone Company
LIPA: Liberian Institute for Public Administration
LPRC: Liberia Petroleum Refining Company
MCC: Monrovia City Corporation
MCIMS: Mining Cadastre Information Management System
MFU: Macro-Fiscal Unit
MIA: Ministry of Internal Affairs
MLME: Ministry of Lands, Mines and Energy
MOAg: Ministry of Agriculture
MOEd: Ministry of Education
MOF: Ministry of Finance
MoGD: Ministry of Gender Development
MOPW: Ministry of Public Works
MPEA: Ministry of Planning and Economic Affairs
MPW: Ministry of Public Works

MTEF: Medium Term Expenditure Framework
MTFF: Medium Term Fiscal Framework
NACS: National Anti-Corruption Strategy
NGO: Non-Governmental Organization
NPA: National Ports Authority
NTGL: National Transitional Government of Liberia
PFM: Performance Financial Management
PFMA: Public Financial Management Act
PPCA: Public Procurement and Concessions Act
PRS: Poverty Reduction Strategy (of Liberia)
RFTOP: Request for Task Order Proposal
RIA: Roberts International Airport
SOE: State Owned Enterprise
STTA: Short Term Technical Assistance
TRAWOCO: Trans World Computer Services Company
TT: Technical Team
UNDP: United National Development Programme
UNECA: UN Economic Commission for Africa

Annex G: Evaluation Methodology

This evaluation builds on the GEMAP impact assessment commissioned by USAID and conducted by Dod and Nelson for USAID in July 2008. The team adopted an approach that first assesses the performance of contractors against contract benchmarks; secondly assess the status of actions recommended in the 2008 assessment report and soliciting answers to questions raised in the SOW. Prior to the commencement of the evaluation work, the team secured an approved work plan from USAID.

The evaluation team is comprised of five members: two international experts and three Liberian specialists. The team grouped into two to be able to cover the large number of interviews plus focus group discussions. In this way the team could meet with a large number of people and ensure quality and balance as an international expert and a Liberian specialist paired in each group while the third Liberian staff managed logistics, scheduling of meetings and other administrative issues plus participating in some field work.

Due to the time allotted for the evaluation, the team strategized and reviewed GEMAP related documents first, held interviews and focus group discussion then conducted field observations to verify information gathered through the desktop review, key informant interviews and discussions. Field observations were intended to verify the delivery of equipment and their current condition, plus checking how financial management systems were functioning since the end of co-signatory authority.

With support from USAID, IBI, SEGURA and other stakeholders, the team identified and reviewed over 70 documents (see Annex E for list) related to GEMAP activities including the original signed GEMAP copy, work plans, quarterly and annual reports and mid-term evaluations (one commissioned by USAID and another done by the EU).

Additionally, the team conducted over 60 interviews and FGDs with civil society organizations (CSOs), non-governmental organizations (NGOs) and GOL; heads and officials of SOEs at the national, regional, and local level, in addition to other donors and partners working on economic governance development issues (the full list of interviews and focus group discussions is in the Annex).

To facilitate the interview and FGD processes and to ensure that all key elements in the SOW were captured during the interview and FGD, the team developed a key informant interview checklist. This checklist guided the interview process and ensured that all elements were treated across each interview when appropriate. It also increased the comprehensiveness of the data collected and made the data collection systematic. This increased the level of accuracy and consistency of the data collected.

At each interview every team member recorded notes based on each question asked and the response of the descriptor which could then be discussed upon returning to the office to ensure accuracy. Some of the information gathered was anecdotal but still contained verifiable information.

The team frequently discussed emerging themes the consistency of which led to these being included in the findings. As much of the information was based on perceptions, the team used triangulation by interviewing as many pertinent persons to improve accuracy.

The evaluation team used field observation to verify and validate information that was provided in the work plans, reports and other supporting documents. At the NPA and the MOF, for example, the team visited the financial controllers who are using QuickBooks to process financial data as well as checking the operation of the One-Stop Shop for customs payment and payment of NPA fees. At the RIA the team verified that the correct equipment purchased by GEMAP was delivered and is being maintained.

The Dod and Nelson 2008 assessment noted a lack of data as a challenge. Data unavailability remains a challenge due to technical capacity gaps and the lack of fully functioning and effective systems. However, many of the institutions are completing their first annual reports and are anticipating going through comprehensive audits. Internal bureaucracy precluded the team from viewing the unverified data that will need verification before appearing in the public annual reports.

Lastly, the time allotted for the evaluation was limited considering the level of work that was required. In a post conflict situation where institutions have just begun to get organized and ICT is still a nightmare, data unavailability is obvious. More time should have been allocated for data collection and analysis. If annual reports were available, outcome indicators could have been generated from them. Performance monitoring systems are being put into place but not fully functional yet. These systems have not started to use independently verifiable

information. A more organized monitoring and evaluation framework at the beginning of the GEMAP program probably using logical framework matrix would have eased the evaluation process.

Annex H: Economic Governance Donor Matrix²¹

Technical Area	Donor	Time Frame	Activity Description
1. ICT Policy, Infrastructure and Training	USAID	Current - 2012	<ul style="list-style-type: none"> • Advise Liberia ICT4D Steering Committee. Facilitate development and adoption of Liberia ICT Strategy. • Finalize and begin implementation of the action plan for the Liberia National Backbone Infrastructure and International Gateway Connectivity • Finalize and advise on implementation of policy for restructuring Internet Infrastructure • Develop action plan for e-government roll-out. • Advise Chief Information Officer (CIO) in management of ICT operations and investment • Possible assistance to Liberia Telecommunication Authority
	World Bank		<ul style="list-style-type: none"> • Acquisition of IFMIS, ITAS, HRMIS and ASYCUDA systems financed by the Revenue Service • Extension of this common ICT infrastructure platform should be the basis of an ICT framework for the Government of Liberia. • Sustaining policy dialogue with the Ministry of Post and Telecommunications on implementation of telecom policy • Providing TA support for LIBTELCO for future growth • Capacity building support to LTA to address key regulatory priorities tools for improved connectivity
2. Concessions Monitoring	World Bank		<p>Support for Extractive Industries Technical Advisor Facility (EI-TAF) will assist the GOL in:</p> <ul style="list-style-type: none"> • Building capacity with the government for contract negotiations and management of concession process • Moving identified extractive industries transactions towards contractual close • Continuing support to EITI implementation
	GTZ	Beginning 2010	<ul style="list-style-type: none"> • EITI-multi donor group to implement standards GTZ TA for implementing EITI standards and transparency • National Sector Strategies • Mining Development Plans • Fostering Regional Dialogue risks in Financing Mano River Union

²¹ Prepared by USAID/Liberia, March 2010

Technical Area	Donor	Time Frame	Activity Description
	UNDP	2010 - 2011	<ul style="list-style-type: none"> • Support to LEITI Outreach campaigns, working with mining communities, reporting companies, CSOs and traditional leaders • Support through UNDP Regional Project on Capacity Building for Negotiating and Regulating Investment Contracts, through three successive workshops for Gov't technicians on contracts and concessions negotiations. • Three short-term TA (industry experts) to be provided to key ministries undertaking large concessions negotiations in 2010. Longer term TA is envisaged for 2011.
	USAID	2010 - 2012	<ul style="list-style-type: none"> • Follow-on assistance to the Bureau of Concessions (BOC) in coordination with World Bank • Assistance in clarifying duties of BOC and line ministries • Finalization and implementation of a concession monitoring system • Training of BOC and line ministry staff
<p>3. Direct Capacity Building of Ministries and Agencies (M&As)</p>	USAID	<p>2010 – 2014</p> <p>Until end 2010</p>	<ul style="list-style-type: none"> • Continued, structured monitoring of progress of GEMAP institutions, particularly the state-owned enterprises (SOEs). • Coordinate closely with the National Capacity Development Unit (NCDU) and GC • Institutional capacity diagnostic and MOU with M&As, to be selected • Implementation: A team of experts for capacity building, including Liberian experts; financial management IT, procurement, human resources, monitoring and evaluation • Short term technical assistance (STTA) and / or medium term technical assistance (MTTA) in strategic management areas • Ongoing monitoring and evaluation of capacity building activities • Support to TOKTEN and SES

Technical Area	Donor	Time Frame	Activity Description
	DFID	2007 - 2010	<p>Support to the Ministry of Health & Social Welfare to establish an Office of Financial Management. In the final year the project will focus on:</p> <ul style="list-style-type: none"> • Continuing to deliver high quality OFM systems and procedures • Roll out a basic package of core technical & financial management training to all 15 County Health Teams (CHTs) • Ensure MOHSW include budgetary provision to assume responsibility for OFM staffing and running costs from July 2010 • Support to develop a comprehensive CHTs capacity building initiative for future financing from the Health Pool Fund • Assist Health Pool Fund Steering Committee to manage the recruitment process to select new Pool Fund Management
	UNDP		<p>Support to NCDU/MPEA in providing coordinating platform for capacity development initiatives</p> <ul style="list-style-type: none"> • Technical assistance in developing a change management support approach and facility for Liberian institutions. • Technical assistance in packaging and disseminating resources, tools, guidelines, templates, and good practices
	World Bank	2006 - 2011	<ul style="list-style-type: none"> • Support to SES • Procurement reform and training through EGIRP; assessment and road map, capacity building for handling complaints, regulatory functions, procurement monitoring software, logistical support

Technical Area	Donor	Time Frame	Activity Description
	<p style="text-align: center;">DEU (Delegation of the European Union)</p>	2009 - 2010	<p>Long Term Technical Assistance to County Development. Main beneficiaries: MIA, MPEA Three key experts in:</p> <ul style="list-style-type: none"> • Community Driven Development • Local Economic Development • Organizational Development and Capacity Building. <p>Long Term Technical Assistance for the capacity development of the office of the National Authorizing Officer, Feb 2009-Feb 2012. NAO unit at MPEA</p> <p>Three Key experts in:</p> <ul style="list-style-type: none"> • Specialist in institutional and human capacity development • Specialist in administration, contractual and financial management • Specialist in projects programming, management, monitoring and evaluation <p><u>ECSEL (EC Support to Education in Liberia)</u> started 2009, 2 years, Ministry of Education.</p> <ul style="list-style-type: none"> • A team of four long term experts and several short-term experts. • The project is structured around six main result areas: Institutional reform, quality assurance, strategic policy and planning, curriculum development, primary teacher training, and rehabilitation and expansion of physical facilities
<p>4. Formal Financial Management and IT Training</p>	<p style="text-align: center;">World Bank</p>	Until 2012	<ul style="list-style-type: none"> • Support to the PFM Training School, two year Master’s Programs in public financial management, approximately 30 students each year, • Through EGIRP, increasing LIPA’s capacity in procurement training
	<p style="text-align: center;">USAID</p>	2009 – 2014	<p>Financial Management Capacity Building (FIMCAB) Program, conducted by USAID through LIPA. in-service training for GOL officials in:</p> <ul style="list-style-type: none"> ○ Internal Control Systems ○ Internal Auditing ○ Procurement ○ Contracts and Concessions ○ Public Sector Finance ○ Public Sector Management ○ Basic Computer Concepts <ul style="list-style-type: none"> • Possible international certification in key management areas

Technical Area	Donor	Time Frame	Activity Description
	UNDP	2010	<ul style="list-style-type: none"> • Support to the strengthening of Ministry of Finance’s internal audit capacity through the funding of 7 internal auditors • Medium term technical assistance for the Revenue Department of Ministry of Finance • Continued technical and operational support to the Aid Management Unit of MoF in aid data collection
	World Bank	2008 – 2011 2008 - 2011	<ul style="list-style-type: none"> • Assistance through the EGIRP project has supplied, IT equipment, vehicles, capacity development and is expected to assist in the recruitment of various auditors. • Assistance to the Cash Management Committee • Implementation of Integrated Financial Management System (IFMIS) <p>Economic Governance and Institutional Reform Project</p> <ul style="list-style-type: none"> • Supporting the government to improve the efficiency and transparency in managing public financial and human resources, • Through EGIRP, support to public expenditure management and revenue managements through the acquisition of modern integrated financial management systems, tax administration systems, and human resource management systems <p>Liberia Debt preparation</p> <ul style="list-style-type: none"> • Financial and legal advisors to support preparation of a proposed Commercial Debt Reduction Operation
	USAID	2010 - 2011	<ul style="list-style-type: none"> • Long term technical assistance to the BCE Department of Compliance <ul style="list-style-type: none"> • Anti-smuggling • Post audit • Inspection • Intelligence • 6-month to one-year tech asst position • Develop the system, oversight and accountability

Technical Area	Donor	Time Frame	Activity Description
6. Assistance to the CBL	IMF		<ul style="list-style-type: none"> • The publication of audited CBL financial statements that are prepared in accordance with International Financial Reporting Standards (IFRS), and have received a “clean” audit opinion; • Adoption of the internal audit charter by the Board; • Development of the foreign exchange management and investment policy; • Development of foreign exchange operations procedures; and last but not least • Provision of “reliable” monetary data for Fund program monitoring purposes.
	USAID	2010 - 2012	<ul style="list-style-type: none"> • Training and technical assistance to support improved payment systems

Annex I: Note on Cost Benefit Analysis

The Evaluation Team did not conduct a quantitative cost-benefit (CBA) or cost-effectiveness analysis of USAID GEMAP activities for several reasons: First, doing so was not part of the scope of work. Second, the Team's focus mostly was on qualitatively assessing whether sound financial control processes were put in place and whether they were sustainable. Third, the monitoring system for USAID GEMAP did not collect any data that would allow an assessment of effectiveness. Instead of focusing on measuring impact, it emphasized measuring project outputs. Moreover, the monitoring practices suffered from weak methodologies and unsystematic record keeping, making the data collected unsuitable for assessing impacts or quantifying benefits.

Nonetheless, given several questions that were asked of the Evaluation Team after the completion of the draft evaluation report regarding quantitative cost-benefit analysis, we have added the following discussion, whose purpose is to suggest how a systematic and comprehensive CBA of GEMAP could be undertaken. Below, we give an overview and then discuss benefits (or impact) of each project component to date.

Note: The numbers illustratively presented in this section were provided by the GEMAP Project staff after the in-country evaluation work was completed. They were not subjected to any verification process by the Evaluation Team.

Overview

The purpose of a cost-benefit analysis (CBA) is to quantify the impact of a project or other activity—its costs and its benefits. Ideally, the analysis can be aggregated into one net summary number—a net present value of expected costs and benefits, or a return on investment (or return on expenditure). Impact is expressed in monetary terms. Sometimes, costs and benefits are directly measurable in US dollars, and other times various techniques can be used to translate more abstract or hard-to-measure effects into dollars—for instance by asking beneficiaries about their “willingness to pay”, or by estimating “shadow prices” (which are prices that are not explicitly paid but that are derived from other available data). In the case of GEMAP, the kinds of impact that could be measured are as follows:

- Increases in efficiency of government procurement. To the extent data is available, it should be possible to try to measure a closing in the gap between market prices and prices paid by the government, at least for common commodities for which there might be some record of market prices.
- Reductions in corruption. This can be quantified in terms of reductions in monetary losses due to corruption—decreases in expenditures on ghost workers, assets stolen from the government, etc.
- Other cost savings. Many reforms might directly and measurably reduce government expenditures.
- Increases in the speed with which payments are made. Market interest rates (which represent the time value of money) could be used to assist in estimating the value of the government's making various expenditure payments on time rather than with significant delays.
- Increases in efficiency of provision of other government services. Here, it will be harder to quantify the monetary value of such improvements. There are well developed methodologies for surveying a population to determine how much they value (or would be “willing to pay” for) services, but making such a calculation would be more resource intensive than the calculations discussed above, as well as more subjective and contingent on various assumptions.
- Strengthening of democratic processes. A more transparent, fair system of government in and of itself has value for the citizenry, which also could be measured by surveying people's willingness to pay. (Doing so similarly would be a rather resource-intensive, subjective, cumbersome process).

While all of these types of impacts can be quantitatively measured, a determination would need to be made as to which ones really are worth spending resources in order to undertake. Those that are easy to quantify with minimal work are more likely to be useful to monitor than those impacts that are much more subjective and resource intensive to measure. These estimates of benefits could be complemented by analysis of Project costs, disaggregated by component, to generate calculations of net return on expenditure and other CBA summary calculations. A comprehensive CBA could be undertaken of the GEMAP project through the following steps: 1) list all reasonably likely impacts of the project; 2) specify a preliminary methodology for measuring each; 3) decide to measure specifically those impacts that are likely to be significant in size and that are easier to quantify objectively, with reasonable expenditure of analytical resources; and 4) undertake and report the analysis, aggregating overall Project benefits and costs.

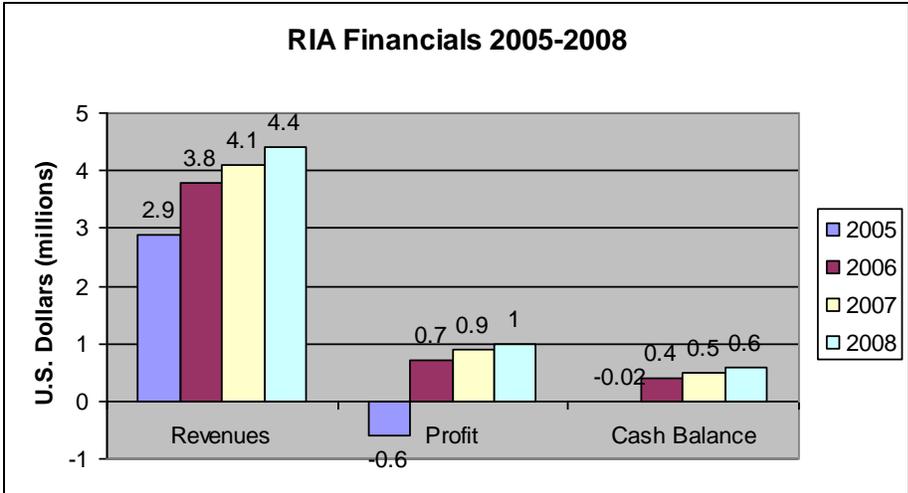
The remaining sections illustratively discuss the types of impacts that would be expected under each Project activity area.

Department of Budget, Ministry of Finance

Three years of GEMAP assistance to the Department of Budget (DOB) has made the budget process more professional and more accurate, and spending more in line with laws and according to plan. When the current government took office and GEMAP started, the budget had been a single-page spreadsheet with no accompanying text. Transfers from one line-item to another were common, requiring only a request from the Executive Mansion, and were often the ministry or agency from which the funds were taken was often not notified. Now Liberia has a budget formulation process fairly consistent with international best practices. The budget was submitted to the Legislature on time for two years in a row, the first time this has been accomplished in recent memory. This enabled continuity in government salaries and other payments, which compose 2/3 of government budget. National Budget consolidation and analysis for the FY 2009-10 proposed budget was performed for the first time using the automated Liberia Expenditure Control and Accounting Program (LECAP) system, reducing the time taken to produce accurate, up-to-date budget analyses from days to a few hours. The Draft National Budget Book for FY 2009-10 was consolidated and produced using the automated system within three days, compared to the previous process which took up to one month. Also, Liberia's budget process has been made more professional and efficient in many respects. The Project reports that budget allocation time has decreased from several weeks to a few days. Transfers are now rare and require written justification, meaning that money increasingly is actually spent on intended purposes. Ministries receive funds faster, with allotment processing times reduced from weeks to a few days, enhancing the continuity and speed with which the government provides services to the people. Quantitative benefits could be assigned to these results, for instance calculating the marginal value of having budget funds available earlier rather than later, given local market interest rates, and seeking to place a value on the accuracy of expenditures and on the extent to which actual expenditures are made according to plan. Investigation could seek to determine how much of these improvements might be attributable to GEMAP activities, in addition to quantifying the value of these impacts.

Roberts International Airport

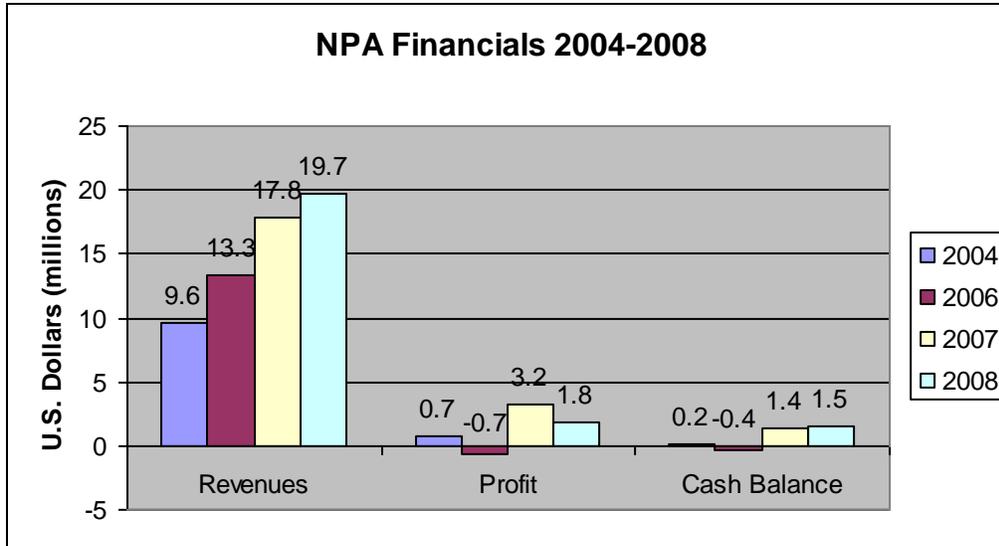
In 2005, the RIA was operating at a loss, had negative cash balance, lacked essential operational and safety equipment, and was far from compliance with international standards. The institution now has a steady bank balance and is closer to full compliance with international aviation standards. The following numbers are reported by the Project.



The Project reports that the cash balance increased from regular overdrafts in 2005 to over \$0.6 million debit balance in 2008, and net income increased from over \$0.5 million net loss in 2005 to over \$0.9 million net profit in 2008. An analysis could be undertaken to determine what share of these improvements could be attributed to GEMAP activities. (The extent to which increased profits are due to better financial control and cost containment, GEMAP likely can be credited. The extent to which financial improvements are due merely to increased people and cargo traffic, GEMAP likely cannot be directly credited, though better management thanks to GEMAP can be contributing to facilitating this increased traffic.) The Project advisor led ad hoc project management groups to the timely completion of IT systems upgrade and terminal, staff housing, and installations renovation works, with significant improvements in airport operations, infrastructure, and customer service. The Project estimates IT infrastructure maintenance cost savings alone at \$30,000 per year. These numbers and their attribution to GEMAP could be verified through follow-up analysis.

National Port Authority

At the NPA, the volume of problematic procurement activities decreased as documentation and due diligence systems were instituted and routinely practiced, and a number of efficiencies and financial controls were introduced, all of which should generate quantifiable benefits for the NPA. The Project reports NPA financials as follows:



In January 2010, NPA announced that 2009 net profit increased by \$1.7 Million or 92% from 2008. 2009 net profit was reported almost three times higher than budgeted. Project staff believe that increase in profit was attributable to a significant reduction in costs despite lower revenues in 2009. The NPA Managing Director is said to have acknowledged in a meeting with USAID the important role of GEMAP in achieving strong financial performance despite the global economic slowdown and the management instability that negatively impacted the NPA for the most part of 2009. Many examples of savings were directly attributable to GEMAP, including a requirement of competitive bidding for large purchases. Further efficiency gains and cost reductions might be achieved by complete computerization of the accounting system, currently ongoing with GEMAP assistance. In payroll, there has been a shift from cash payments calculated by ad hoc spreadsheets to direct deposits calculated by specialized payroll software, eliminating ghost workers and reducing opportunities for corruption. The numbers of ghost workers eliminated might be something that could be calculated, and the commensurate savings also calculated. The Project claims that, in recent months, NPA saved approximately \$1.1 million through tighter scrutiny of procurement and reducing overpayments and fraudulent transactions. The Project says it blocked improper contracts for procurement of tugboat worth more than \$100,000 that substantially failed to meet the technical specifications and were overpriced. To the extent this can be verified, it could be seen as a net benefit of Project impact. The Project also says they exposed improprieties and lack of vendor capabilities on wreck removal and container movement contracts, and blocked a major employee insurance contract that would have resulted in NPA overpaying by as much as \$1 million for employee insurance coverage over a five year period.

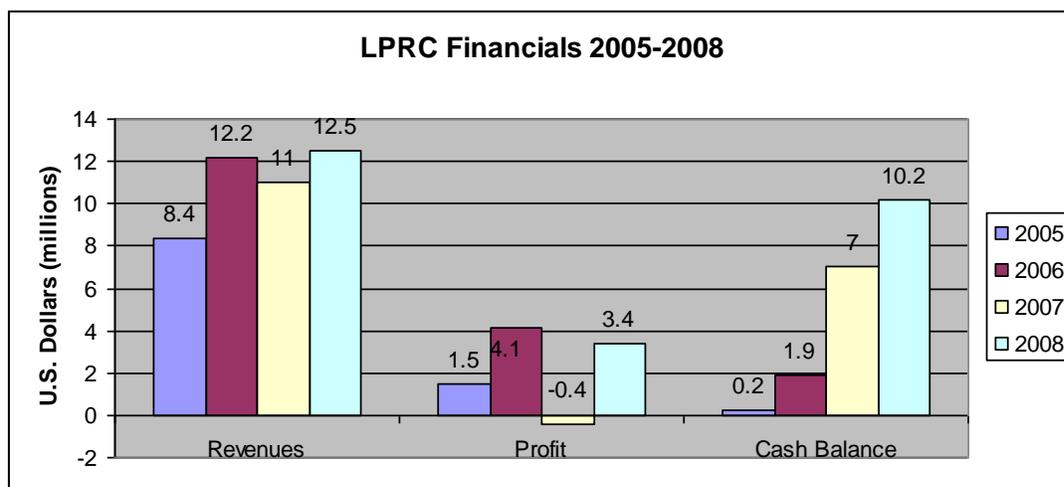
GEMAP Fixed Asset Inventory and Valuation Experts completed a database of NPA assets with valuations. One of their major findings was the valuation of the total assets of the Port, valued at \$77 million. The information presents better the equity value of the NPA far more accurately and resolves the issue of incomplete and inaccurate accounting records for the assets. It also improves the accuracy, auditability, and general usefulness of the NPA Financial Statements. The reports propose recommendations for improved control and management of assets, particularly in the area of leasing land and buildings. Project experts estimated the potential revenue from increasing rents on 30 buildings owned by the Port at \$0.5 million - \$0.9 million, or an increase of 15-27 % of net profit. The recommendations also included means to improve the effectiveness of the management of the leases and ensure NPA is obtaining full value from lessees and ensure lessees meet all of their contractual obligations. These recommendations are planned to constitute the basis for developing a leasing policy that could generate substantially more revenue for the NPA.

Forestry Development Authority

The GEMAP Team helped establish protections against unqualified logging companies obtaining logging concessions. They say they detected irregularities in several proposed concessions that could have cost GOL several tens of millions of dollars. To quantitatively estimate impact, the revenues collected from the questionable concessions could be compared to revenues collected from concessions that are regarded as having been transparently and correctly made. The Team also helped institute direct deposit payroll, which allows all staff to be paid promptly. Before, when payments had to be made in remote areas, some payments were delayed as much as six months. The value of prompt payment also could be calculated, using local market interest rates.

Liberia Petroleum Refinery Company

Financials are presented below:



In 2008, total revenues amounted to \$12.5 million and the cash balance was \$10 million. Less than three years ago, the company depended on bank overdrafts to meet payroll. LPRC contributed \$3.3 million to GOL budget between February 2008 and September 2009, \$1.6 million in taxes and \$1.7 million in dividends. The Project installed an automated payroll system, introduced direct deposits, regularizing staff payments and minimizing the opportunity for fraudulent dealings in payroll that amounted to thousands of dollars. The Project also helped monetize all benefits for directors and above, enhancing transparency and increasing the tax base. The Project assisted with capacity building in vessel unloading and tank measurement processes to address tank losses amounting to \$1 million in 2008 and an estimated \$1.5 million if the trend continues. Reductions in these losses could be seen as a Project impact benefit. These various impacts can be measured and assessed to determine the extent to which they can be attributed to GEMAP.

Ministry of Lands, Mines and Energy

The GEMAP advisor assisted the MLME to review 66 concessions signed by the Transition Government for extractive industries, nearly all of which turned out to have been signed on terms very unfavorable to Liberia. None of the profits from those concessions went to pay royalties or other fees. MLME cancelled the Transition Government's concessions. The GEMAP advisor's review of the Arcelor Mittal Steel concession, the one major mine that was already concessioned to a reputable mining company, introduced some key changes that guaranteed diversified community benefits and removed tax loopholes. These are reported to have included:

- Rail, port and road infrastructure on the entire north-south axis remains government property (the original Arcelor Mittal draft said that it would become theirs), and commercial use by other investors and farmers is guaranteed.
- Opportunities for transfer pricing of interest, goods and services eliminated by imposition of a series of sound accounting principles and revision of the business plan. These are the main means by which mining companies often expatriate profits, cutting down government revenues.
- These clauses then became standard in mineral development agreements, and four additional iron mining concessions have been signed.
- The total infrastructure investments committed by the five iron mining concessions awarded to reputable firms under the tendering system developed with GEMAP assistance include
 - USD 5 billion in transport infrastructure (rail, road and port)
 - USD 1.2 billion in power infrastructure

The marginal monetary impact of each of the above could be quantified and aggregated into an impact estimate. The bid process has been continuously improved and now includes signing bonuses, upfront payment to the government (\$15 million by Arcelor Mittal, \$40 million for Bong Mines, and \$25 million for Western Cluster), tax rate, infrastructure investments with guaranteed shared use by communities and commercial users, contribution to community development, and the quantification of technical and financial capability. The Project believes that the \$1.3 billion Arcelor Mittal agreement was successfully renegotiated in line with industry standards. The new agreement increases government's equity in the mine to 30 percent (in return for the mining license, use-rights to the rail and port, and assets from previous mining), provides that the mining company make a \$15 million one-time payment deposited transparently into the treasury, contribute \$3 million annually for local community development, renovate a vocational training school, and establish an annual scholarship fund to strengthen the local Mining and Geology Institute. None of these items were part of the original agreement. Further investigation could attribute some of this impact to GEMAP. Other quantitative impacts that the Project reports include:

- Due diligence supplied by GEMAP for the \$1.4 billion Western Cluster tender was instrumental in stopping a company that was potentially insolvent from signing the concession agreement.
- Largest concession in Liberia's history, \$2.6 billion Bong Mines concession successfully negotiated, assisted by an improved bid process.
- The estimated annual revenue stream of \$300 million expected at full production from the Bong Mines and Western Cluster concessions shows the biggest growth indicator among the sources that contribute to the government revenue base.
- Direct government revenues from mining and forestry concessions tendered with GEMAP assistance in the tendering process are expected to generate \$197m/year over twenty-five years.

These numbers could be further evaluated, verified, and assessed to determine the extent they can be attributed to GEMAP activities.

General Services Agency

GSA completed a national inventory of vehicles and generators. The analysis of fuel usage based on this inventory resulted in estimated savings of over \$9.3 million in the FY 2008-09 National Budget and \$6.5 million in the FY 2009-10 National Budget. GEMAP can take credit for some of these savings. A proposal for the implementation GOL-owned fuel stations was submitted to the Office of the President, identifying an additional \$12 million in savings if implemented. Using this inventory as basis, GSA is now building an automated fixed asset management and tracking system, with GEMAP assistance. The system will record and track the purchase and use of all government owned assets in the country, enabling property recovery and valuation, and reduced theft.

Monrovia City Corporation

An audit of the 2009 invoices showed far less than what might reasonably be expected based on a city-wide census of signboards that GEMAP conducted. Only 71 signboards were actually invoiced out of 98 listed by the MCC, and the 2009 invoices showed a total of only \$32,152 charged, with unknown actual collections, while the list supplied by the MCC shows a projected invoice total of \$103,918, a serious shortfall of \$71,765. Significant shortcomings were observed in the tax roll produced by the MCC: conspicuously absent from the 2009 list are several large and well known businesses. GEMAP STTA observed that the list of small and medium taxpayers obtained from the Ministry of Finance shows 4160 entries, 418 more than the proposed MCC 2010 tax roll. Addressing these problems through reforms, reengineering of processes, and implementation of a computerized accounting system could result in increased tax revenue to the City and a reduction in the City's dependency on subsidies from the National Budget. Such changes could be quantified. Since these reforms have not yet been implemented, they could not be factored into any CBA of GEMAP activities to date.

Department of Expenditure, Ministry of Finance

According to Project staff, around 60,000 checks are written every month at MOF, and a total of approximately \$18-20 million in expenditures goes through the Ministry every month. Of this total, \$5-7 million are written as checks. There have been numerous accounts of mismanagement in the system, leading to misuse and lack of transparency in government expenditures. A recent reconciliation performed by a private accounting firm for the MOF estimated around \$5-6 million in "recycled" checks, for which services performed and the sums paid are disputable. The process for executing payments relied heavily on manual procedures and as such is open to human error and manipulation. GEMAP has been working since January 2010 to reengineer payment processes and institutionalize a computerized system. Once implemented, these reforms could yield quantifiable impacts. Likely not too much that can be quantified has already been achieved through GEMAP assistance.

Ministry of Planning and Economic Affairs

USAID GEMAP provided leadership in determining the most feasible way to bring internet backbone connectivity to Liberia and in facilitating the formation of a Public Private Partnership worth \$20 million to realize this investment. The agreement between the consortium members was signed in June 2010. The introduction of high speed broadband connectivity to Liberia, by 2012, will eliminate dependence on the costly satellite connection option and enable affordable access to the World Wide Web. These cost savings could be calculated and attributed to GEMAP (or to the successor of GEMAP that works on implementing them) if the Project's role in bringing them about is confirmed.

Ministry of Public Works

Ongoing reengineering of fuel coupon distribution and bulk fuel management processes is estimated by the Project to save MPW \$690,090 per year. If verified and attributable to GEMAP, these savings could be counted as a clearly measurable Project result.