

Form of Administration Arrangement for an Enhancement to the Liberia Security Sector Reform Trust Fund between the Department for International Development (DFID) and the United Nations Development Programme (UNDP)

1. I am pleased to inform you of the intention of the United Kingdom to make available a contribution ("the Contribution") of £1,250,000 [Pounds Sterling one million two hundred and fifty thousand] as a grant, to be administered by UNDP for the UNDP for the Security Sector Reform Trust Fund (00056376). The terms of the Framework Arrangement will apply to the Contribution. UNDP will administer the Contribution in accordance with the provisions of the Framework Arrangement, except as otherwise provided herein.

2. The Contribution will be used exclusively for the following purposes: agreed activities to support the implementation of the National Security Strategy as laid out in the DFID project document annexed to this MoU. Specifically:

- i) The continuing costs of the Security Sector Reform Adviser seconded to UNMIL, and the costs of the Strategic Police Adviser to be seconded to the UNPOL Commissioner's office;
- ii) Technical and financial support for the implementation of the National Security Strategy, particularly support for the implementation of the LNP Strategic Plan, and for wider Rule of Law strategic development.

Allocations from the Trust Fund, which may be made on the recommendation of the Security Sector Reform Adviser or Strategic Police Adviser, will require endorsement by a Trust Fund Steering Committee comprising the UK/DFID country representatives, the advisers and UNDP.

3. In accordance with the decisions and directives of UNDP's Executive Board reflected in its Policy on Cost Recovery from Other Resources, the Contribution shall be subject to cost recovery for indirect costs incurred by UNDP headquarters and country office structures in providing General Management Support (GMS) services. To cover these GMS costs, the contribution shall be charged a fee equal to 7%. Furthermore, as long as they are unequivocally linked to the specific project(s), all direct costs of implementation, including the costs of executing entity or implementing partner, will be identified in the project budget against a relevant budget line and borne by the project accordingly.

4. The United Kingdom will deposit the Contribution as a grant with UNDP, upon signature of this Arrangement, in UNDP's Bank Account:

Name: UNDP Contributions GBP Account
No. 6008-6272-2030
Bank of America - London,
5 Canada Square, London E14 5AQ
SWIFT code BOFAGB22

in accordance with the following schedule:

£1,250,000 upon receipt of signed copies of this Arrangement.

The above schedule may be amended by mutual consent of UNDP and the United Kingdom dependent upon actual and estimated expenditure and need. DFID will notify UNDP Headquarters of each payment using the attached form

5. UNDP will provide to DFID every four months a *financial utilisation report* of:
- a) all amounts previously received under the Administration Arrangement;
 - b) prior year's expenditure, current year's expenditure to date and unutilised budget to-date under the Administration Arrangement; and
 - c) the balance on the Programme Budget Allotment.

Narrative should be included which relates expenditure against specific activities, linked to the National Security Strategy Implementation Plan & Justice Sector Strategic Plan, rather than grouped as lump sums of expenditure. The SSR Adviser and the Police Strategic Adviser will assist in this process.

6. It is expected that the Contribution funds will be fully utilised in accordance with the provisions of this Administration Arrangement by March 2010. UNDP will only disburse the funds for the purpose of this Administration Agreement after such date upon the approval of the United Kingdom.

7. If at any time, either Participant determines that the purposes of this Administration Arrangement can no longer be effectively or appropriately carried out, or if the Framework Arrangement is terminated, this Administration Arrangement may be terminated at the initiative of either Participant by giving three (3) months' written notice. Such termination will not oblige UNDP to repay any funds until satisfaction of all commitments and liabilities.

8. The offices responsible for co-ordination of all matters relating to this Administration Arrangement are:

For the United Kingdom

Desmond Curran
DFID Representative
Liberia

For UNDP

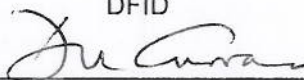
Jordan Ryan
Resident Representative
UNDP Liberia

9. I would like to propose that this letter will, upon your confirmation in the manner indicated below; constitute an Arrangement between the United Kingdom and UNDP for between the United Kingdom and UNDP for the Security Sector Reform Trust Fund project.

10. Three originals of the text of this Arrangement, written in the English language, have been signed by the Participants.

Yours sincerely,

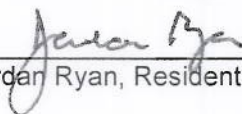
DFID



Desmond Curran, DFID Representative

Confirmed

UNDP



Jordan Ryan, Resident Representative

Date: 5th March 2009

COPY AND PASTE TO DFID LETTER TEMPLATE

1 Palace Street, London SW1E 5HE

Direct Line: +44 (0)20 7023

Fax Line: +44 (0)20 7023

To: UNDP Contributions Unit
304 East 45th street 4th floor
New York NY10017
USA

e-mail addresses: gertrude.cruz@undp.org and copy to claudes.graham@undp.org

UNDP PAYMENTS

Telegraphic Transfer or Draft or BACS (TT or D or BACS)	BACS	Currency	STERLING
Amount in Figures (currency)			
Amount in words			
Bank Name	BANK OF AMERICA N.A – LONDON BRANCH		
Bank Address	5 Canada Square LONDON E14 5AQ ENGLAND SWIFT: BOFAGB22		
Beneficiary A/C Bank A/C No	UNITED NATIONS DEVELOPMENT PROGRAMME – CONTRIBUTIONS ACCOUNT 6008-62722-030		
Beneficiary Name	UNITED NATIONS DEVELOPMENT PROGRAMME		
Beneficiary Address	UNITED NATIONS DEVELOPMENT PROGRAMME ONE UNITED NATIONS PLAZA, NEW YORK NY 10017 USA		
Reason for Payment			
Payment Date			

PROJECT DOCUMENT: CONTINUED SUPPORT TO SECURITY SECTOR REFORM IN LIBERIA

Summary

The UK is providing continued support for SSR in Liberia. In March 2007, following a request from the then SRSG, the UK requested UNDP to set up and manage a UK/Liberia SSR Trust Fund, to which we made an initial contribution of £1m to finance the costs of an SSR Adviser to the SRSG and a linked programme of financial support for the development and implementation of GoL's new National Security Strategy (NSS). This new Project Document is to enable a further £1.25m contribution to the Trust Fund, of which approximately £0.50m will provide for the continuing costs (including support costs) of the SSR Adviser, plus the costs of a newly engaged UK Strategic Police Adviser and a Liberian SSR Coordinator. The remainder of the funds will be used for priority investments within the NSS, as proposed by the SSR Adviser or Police Adviser, and wider rule of law proposals, agreed by the UK in-country team. The funding would be targeted at strategic gaps not covered by other partners, and is widely recognised by other key international partners such as the UN and US as being vital to the progression of the overall SSR effort in country. Further support will also enable more strategic approach to HMG support to SSR across Sierra Leone and Liberia.

Project Description

2. The project consists of continued funding through a UK/Liberia SSR Trust Fund for a programme of strategic reforms in the security and justice sector not being addressed by other donors.
3. Liberia has historically had a proliferation of security sector institutions that have acted as competing personal militias for its leaders, formed the basis of factions within the country's civil war, victimised its civilian population and spread instability to neighbouring countries. The weakness and lack of professionalism of the security sector institutions and general disregard for the rule of law contributed to the inequities that fuelled Liberia's civil war, and remain a major contributing factor to Liberia's continued fragility. Meanwhile the divisive, corrupt and uncoordinated delivery of justice continues to contribute to conflict in the country, and without a radical reorganisation and justice capacitation programme the reforms being undertaken in the law enforcement agencies will be largely wasted.
4. The Government of Liberia (GoL) is carrying out a programme of security and justice sector reform to remedy these failings, with the assistance of international partners, in particular the UN and the US. The UK, through the ACPP, has already contributed to this programme in a number of areas, including demobilisation and reintegration of former combatants and the retirement of members of the Liberian National Police (LNP) to clear the way for training and LNP reform (we contributed £2.1m towards deactivation of members of the old LNP in 2006). While some areas of reform have been well-supported by donors – notably US support for creation of a reformed army - there has been a lack of overall coherence in developing the national

sustainability. This programme will continue to be the main channel of UK support to SSR and rule of law reform in Liberia.

Project Appraisal

7. This programme of support for the development and implementation of GoL's National Security Strategy supports HMG's objective, within its regional conflict prevention strategy for West Africa, to "ensure that peace and security are maintained and effective post-conflict reconstruction programmes are delivered in the Mano River Union".

8. There is a significant continuing need for donor support to the still very fragile SSR process in Liberia, both in the interests of maintaining peace in Liberia, and in the wider sub-region. With elections taking place in Liberia, Cote d'Ivoire and Sierra Leone in relatively quick succession, it is critical that the Liberian security sector is able to take on greater responsibility for the provision of security as UNMIL continues to draw down. This will not be easy. There is currently a large funding gap for this sector, despite donor interventions. US support has tended to focus on its major programme to create, train and equip a reformed Liberian army - Armed Forces of Liberia (AFL).

9. The Liberian security architecture has been fragmented and overlapping. It has suffered from an uncoordinated approach to reform, characterised by a lack of transparency and civil society consultation – reflecting a traditional approach to security in Liberia. In order to draw up reform strategy, in 2006 the newly elected government established a working group to define a new National Security Strategy. The US Department of State funded the RAND Corporation to provide government with options for this plan. RAND were particularly interested in drawing lessons from Sierra Leone, and visited the GoSL and UK advisers as a component of their research. The RAND report's key recommendations were:

- Democratic oversight of the security services through a committee structure in the legislature.
- An integrated security and intelligence architecture similar to the Sierra Leone ONS structure located within the National Security Agency.
- A medium sized community-policing oriented national police force (constabulary) – 4,200 strong.
- A small (battalion sized – 500 strong) Quick Reaction Police Unit (ERU).
- A small (2,500 strong) army, focussed on defending against external threats, border integrity and peacekeeping through ECOWAS, AU and UN.

10. During late 2007/early 2008 considerable work was done to finalise GoL's National Security Strategy, agreed by the Cabinet in January 2008. The SSR Adviser made a substantial contribution to this exercise, co-chairing the NSS working group. The importance of the strategy is that for the first

- \$200,000 for a first Police Commanders training course at Bramshill
 - \$150,000 to fund a long-awaited Rule of Law conference, also in Accra, which succeeded in unblocking an important process of justice sector reform long stalled by internal GoL wrangling.
15. Major achievements to date have been:
- Development and finalisation of Liberia's National Security Strategy which had seriously stalled because of turf battles between GoL agencies.
 - Development with the Liberian security agencies of an Implementation Plan for the National Security Strategy as a single development roadmap for the security sector
 - Development of a local capacity building structure under the security pillar to ensure full Liberian security agency ownership of the NSSRL implementation process to meet PRS targets and UNMIL drawdown benchmarks
 - Assistance in designing a county wide security structure to improve security coordination in the Leeward counties
 - Assistance to the Ministry of Justice and National Security Adviser on development of intelligence and security legislation
 - Development of the LNP Strategic Plan (2009-13) which for the first time provides a comprehensive framework for strengthening and reform of the LNP
 - The start of senior management training for LNP officers at Bramshill National Police Academy with a further 3 – 4 courses to follow
 - Development of a long-awaited justice sector strategy mechanism through the Rule of Law conference.
 - Staging of a strategic planning conference for the Ministry of Justice to assist the ministry to develop a strategic plan covering its broad responsibilities.
 - Development of a project to refurbish LNP HQ to make it a fully functioning and respectable operational headquarters.
16. The balance remaining of the original allocation - \$450,000 - is insufficient to meet needs already identified for 2009. These include:
- \$250,000 for the continuing salary and support costs of the SSR Adviser

Slow pace in implementing National Security Strategy	Medium	Regular reviews of progress in LRDC and Security Pillar to seek to maintain momentum. Strengthening of the sector, and the LNP in particular, is a key Presidential priority.
Political backlash from individuals affected by reform	Medium	Ensure transparent and fair procedures in managing reforms affecting individuals. Ensure that GoL takes responsibility for managing future consequences of reform.
Resistance from judiciary and other vested interests to reforms of justice sector.	Medium/High	Support GoL and UNMIL in their efforts to establish an effective forum for dialogue with judiciary on reform. GoL, with Presidential support, are trying to promote a more effective Governance/Rule of Law Pillar mechanism.

Conditionality

20. Each allocation under the Trust Fund will continue to be subject to agreement by the SSR Adviser and/or Strategic Police Adviser and the UK country team working together.

DFID Sierra Leone/Liberia

February 2009