

# EUROPEAN COMMUNITY CONTRIBUTION AGREEMENT WITH AN INTERNATIONAL ORGANISATION

*N. 9.ACP.LBR.18/02*

The European Community, represented by the Commission of the European Communities, ("the Contracting Authority")

of the one part,

and

The United Nations Development Programme (UNDP) with its Head Office at 1 UN Plaza, New York, NY 10017, United States, ("the Organisation")

of the other part,

have agreed as follows:

## Special Conditions

### Article 1 - Purpose

- 1(1) The purpose of this Agreement is a contribution by the Contracting Authority for the implementation of the action entitled: "Liberian National Decentralisation, Local Development and National Information Management programmes" ("the Action") as described in Annex 1.
- 1(2) The Organisation will be awarded the contribution on the terms and conditions set out in this Agreement, which complies with the provisions of the Financial and Administrative Framework Agreement (FAFA) signed on 29<sup>th</sup> April 2003 between the European Community and the United Nations, and consists of these special conditions ("Special Conditions") and their annexes.
- 1(3) The Organisation accepts the contribution and undertakes to do everything in its power to implement the Action under its own responsibility.
- 1(4) The Action is a Joint Management Action for all purposes of this Agreement.
- 1(5) The Action is a Multi-donor Action for all purposes of this Agreement.

### Article 2 – Entry into force and Implementation Period

- 2(1) This Agreement shall enter into force on the date when the last of the two Parties signs.
- 2(2) The implementation of this Agreement will begin on:
  - the day following that on which the last of the two parties signs
- 2(3) The implementation period of this Agreement, as laid down in Annex 1, is 36 (thirty-six) months.

### Article 3 - Financing the Action

- 3(1) The total cost of the Action eligible for financing by the Contracting Authority is estimated at USD 10.200.000 (ten millions two hundred thousands dollars) (approximately equivalent to EUR 7.846.154<sup>1</sup>), as set out in Annex III.
- 3(2) The Contracting Authority undertakes to finance a maximum of EUR 4.000.000 (four millions Euros), equivalent to 100 % of the estimated total eligible cost specified in paragraph 1, the final amount will be established in accordance with Articles 14 and 17 of Annex II.
- 3(3) Pursuant to Article 14(4) of Annex II, 7% of the final amount of direct eligible costs of the Action established in accordance with Articles 14 and 17 of Annex II, may be claimed by the Organisation as indirect costs.

### Article 4 - Narrative and financial reporting and payment arrangements

- 4(1) Narrative and financial reports shall be produced in support of payment requests, in compliance with Articles 2 and 15(1) of Annex II.
- 4(2) Payment will be made in accordance with Article 15 of Annex II; of the options referred to in Article 15(1), the following will apply:

#### Option 2

|   |                  |
|---|------------------|
| First pre-financing   | EUR 1.669.779,85 |
| Forecast further instalment of pre-financing<br>(subject to the provisions of Annex II) | EUR 1.152.993,23 |
| Forecast further instalment of pre-financing<br>(subject to the provisions of Annex II) | EUR 1.033.285,35 |
| Forecast final payment<br>(subject to the provisions of Annex II)                       | EUR 143.941,57   |

### Article 5 - Contact addresses

Any communication relating to this Agreement shall be in writing, shall state the number and title of the Action, and shall use the following addresses

#### For the Contracting Authority:

Payment requests and attached reports, including requests for changes to bank account arrangements shall be sent to:

For the Attention of the Head of Mission

Delegation of the European Commission to Liberia

UN Drive, Mamba Point

Monrovia, Liberia

#### For the Organisation:

United Nations Development Programme

Mamba Point

Monrovia, Liberia

<sup>1</sup> Calculated at the indicative exchange rate of: 1 EUR = 1.3 USD

**Article 6 - Annexes**

6(1) The following documents are annexed to these Special Conditions and form an integral part of the Agreement:

- Annex I: Description of the Action
- Annex II: General Conditions applicable to European Community contribution agreements with international organisations
- Annex III: Budget for the Action
- Annex IV: Financial identification form
- Annex V: Standard request for payment

6(2) In the event of a conflict between the provisions of the Annexes and those of the Special Conditions, the provisions of the Special Conditions shall take precedence. In the event of a conflict between the provisions of Annex II and those of the other annexes, the provisions of Annex II shall take precedence.

Done in Abidjan in three originals in the English language, two for the Contracting Authority and one for the Organisation.

**For the Organisation**

Name

Position

Signature

Date



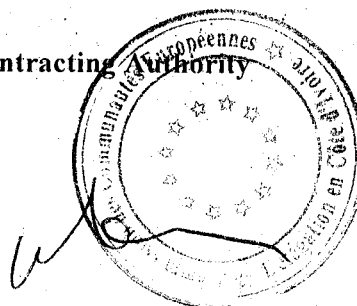
**For the Contracting Authority**

Name

Position

Signature

Date



09 OCT. 2008

## ANNEX I – DESCRIPTION OF THE ACTION

### 1. BACKGROUND RELEVANT TO THE ACTION<sup>1</sup>

The extended conflict in Liberia which led to the economic and social destruction of the country over a 14 year period up till the Comprehensive Peace Agreement of 2003 is recognised as having two root causes. The first was the systematic marginalisation and exclusion of significant proportions of the population from the political process. The second was an economic crisis that emerged through the 70's and 80's leading to increasing impoverishment and economic exclusion. Preventing re-occurrence of the conditions that led to conflict consequently requires a two pronged approach, political reform and economic development. Furthermore both the political and the economic strands need to be fully inclusive in terms of geographical and social scope; a process that is focussed only on Monrovia and a historically advantaged coastal zone will not be sufficient. In this context the establishment of a functioning system of local government and the promotion of local economic development are fundamental elements of the national policy agenda.

The umbrella policy framework has transitioned from the immediate post conflict Results Based Transition Framework, through the Interim Poverty Reduction Strategy to the 3 year Poverty Reduction Strategy due to commence in 2008. The actions of the European Commission have been anchored in these policies and prior programmes have included some elements in support of both local economic development and local level capacity building. Thus prior actions include business support measures through the LCD programme<sup>2</sup> and the Community Rehabilitation Component (CRC)<sup>3</sup> which focuses on the three inland, conflict affected, counties of Bong, Nimba and Lofa encompassing both small scale infrastructure development and capacity building of County Administrations.

Several other donor supported programmes have adopted a similar logic that prioritises local development, although perhaps without an explicit combination of governance alongside economic aspects within the same programme. Thus, for example, the LCEP programme supported by the World Bank and implemented by the Liberian Agency for Community Empowerment (LACE) has concentrated on, and has been successful in, delivering small scale social infrastructure (mainly schools, clinics, roads/bridges), the USAID supported LCIP programme (small infrastructure component) has focussed on local business empowerment measures such as market facilities or small business grants while the UN County Support Team Programme targets the re-establishment of County level administration through investment in physical infrastructure (admin buildings) and equipment as well as human resource development. CRC and the UNDP supported Community Based Recovery (CBR) programme are different in that they seek to explicitly combine investment in community infrastructure with actions directly targeted at establishing or building the capacity of local institutions<sup>4</sup>, therefore encompassing governance as well as economic aspects within one programme.

### LDLD

In June 2007 the LDLD was established with the overall purpose to support the implementation of the Government of Liberia policy commitment to *"delivering to the Liberian people an improved system of decentralized governance that is more localized and more responsive to the needs and aspirations of all citizens throughout the country"* (PRS Final Draft). This will be achieved through the provision of a package of technical assistance, training and other capacity building interventions and small scale investment funding following a community driven development approach. The LDLD will support the work of two principle central government agencies. Firstly **the Governance Commission**, for the development of decentralisation policy including necessary legal and technical support preparatory to the approval of the constitutional amendment that will be necessary to

<sup>1</sup> For a more general background see annex IA.

<sup>2</sup> a component of the 2004-2006 Liberia Reintegration of Refugees and Returnees Programme

<sup>3</sup> a component of the Liberia Post-Conflict and Capacity Building Programme

<sup>4</sup> District Development Committees established with UNDP support via CBR, CRC placed advisers in county administrations and also utilised the DDCs for project identification and monitoring

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implement a policy. Secondly the **Ministry of Internal Affairs** as the apex body of the Liberian system of local government and the body that must therefore lead the transformation of local government envisaged in core policy documents. The LDLD will assist the MIA to review and establish a new role in the context of a decentralised future for Liberia. If decentralisation is to be genuine this will inevitably involve a reduction in the "command and control" aspects of the Ministry function relative to local authorities but will encompass aspects of policy review and development, capacity building and other support services and a strong monitoring and evaluation function. The LDLD will help the Ministry to realise this new role. Capacity building measures for **local authorities** have been coordinated by the UN CST programme and in the short term these have focussed on rehabilitating basic infrastructure (county admin buildings), providing equipment and vehicles and core competencies such as basic level ICT skills. As the process of policy development proceeds the longer term mandates and functional responsibilities of different tiers of local authority will become clearer. At programme commencement there remain fundamental capacity gaps and a lack of operational systems and procedures which the LDLD will help to address (for example in financial management). As the LDLD progresses it will be possible to take a more nuanced approach, linking capacity building interventions, at different levels, to the new vision for the local government system.

The scope of both the policy development and capacity building interventions within the LDLD must include governance processes and institutions at the level of community. Community governance is perhaps the aspect that has been least well researched or addressed during the IPRSP period (when most, although limited, support has gone to County level). If the future governance arrangement for Liberia is envisaged to be a polycentric model of democratic self government (ref Sawyer<sup>5</sup>), the process of establishing this model will have to encompass the level of community. Furthermore the transformation of local government that the MIA must lead will include community governance arrangements. Support to research, dialogue, experimentation and learning at sub county levels (including from prior NGO led innovations and from the DDCs experiment) should therefore be at the core of the LDLD. An element of the LDLD investment fund may be allocated to support this process.

The development of the present contribution agreement involved close consultation with partners through individual meetings, workshop events and circulation of and feedback on draft documents<sup>6</sup>. This has already encouraged significant dialogue about critical issues such as the relationship between deconcentration by line ministries and decentralisation, with the latter distinguished as involving the transfer of significant resources and responsibility to independent local government institutions. These debates have not been fully resolved and will continue through, especially the early period, of programme implementation as decentralisation policy is established under the leadership of the Governance Commission. The activity of supporting this dialogue, of challenging perceptions and promoting learning has commenced during CDP preparation and will continue to be an important programme contribution.

#### **NIMAC**

In July 2006 the National Information Management Project (NIMAC) was established as a joint initiative of the Government of Liberia and UNDP to focus on the provision of technical support to and capacity building of the National Statistics Office (NSO - LISGIS<sup>7</sup>) as well as other actors in the Liberian Statistical System (LSS). The situation in Liberia has been one challenged by not only the absence of data but also the lack of reliable access mechanisms to get to data and statistical information that do exist. The NIMAC project, since inception has been working closely with partners at the national level principally LISGIS to respond to this challenge. This it has been doing through the delivery of technical assistance and capacity building support in a number of key areas, including the setting up of strategic databases in the Ministries of Education, Labour and Commerce and the Bureau of Immigration (to name a few) dedicated to the iPRSP process. It has also supported the development of a rudimentary web-based donor/aid information management system and database at the

<sup>5</sup> Amos Sawyer, *Beyond Plunder, Toward Democratic Governance in Liberia*

<sup>6</sup> including the CDP Situation Analysis and Methodological Framework

<sup>7</sup> LISGIS – Liberia Institute for Statistics and Geo-Information Services, or 'Stats Liberia'

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Ministry of State in the President's office. There is now for instance a fully functioning Education Management Information System (EMIS) at the Ministry of Education as well as LiberiaInfo Vs 1. Likewise, NIMAC has contributed to the various activities of the UN Clusters / Sector Working Groups (SWG) in Liberia, specifically encouraging increased attention to data and information exchange. The project has worked through this mechanism with partners in order to respond to a range of needs including: situations where there is a continued humanitarian concern (e.g. contingency planning maps for borders with Cote d' Ivoire and Sierra Leone), mapping of disease out-breaks such as cholera and direct support to the development of the humanitarian dynamic atlas version 1.0

Currently LISGIS is a centrally managed autonomous agency of government and has no sustained local presence in the counties. In the past the MPEA, Bureau of Statistics had regional offices but this was considered not sustainable for budgetary reasons and eventually these offices were closed down. This situation has meant that LISGIS and its services have been conspicuously absent and lacking to support county and local level governance. In the meantime, NIMAC in its quest of ensuring the mainstreaming of the use of data and statistics in informed decision-making has provided guidance for an information management strategy applicable to local level structures especially in the county superintendent's office, i.e. the IMO<sup>8</sup> concept being implemented via the County Support Teams project. This strategy promotes the systematic use of agreed national and international standards applicable to the development of data and statistics on relevant indicators as well as transferring knowledge for a wide range of information management best practices. The IMO concept has been piloted in the County Superintendents Office in two counties in the last one year and feedback from administrative officials in these counties has generally been positive. Reportedly, the IMO pilots helped to gather required data linked with the decentralization process including the recently concluded CDA<sup>9</sup> preparation process (county and district level planning) and most significantly has provided an important basis for supporting the longer-term vision of continued cooperation with the NSO.

LISGIS is approaching organizational change through the NSDS process with the objective of better meeting the requirements of a functioning and modernized NSO responsive to the coordination responsibilities of the national statistical system as well as supporting the emerging decentralization agenda. In the short to medium term NIMAC in close collaboration with UNHCR/NRC through its IMO project shall assist LISGIS set up county statistics offices linking up with other county level structures to strengthen the provision of statistical and information management services.

NIMAC is currently staffed by one international and 9 national staff all of whom contribute directly to project objectives. Four national staff (an administrative assistant and three drivers) provide administrative and logistics support. It is worth mentioning that this staff complement has been together for the last five years (from the HIC-days to NIMAC), the extensive investments in equipment and tools underscores the significant capacity that has been accumulated. This capacity is now available for supporting the emerging data and information needs of the government which puts it in a very good position for transitioning into the national statistical office in a sustained and systematic manner. Hence the focus for NIMAC in the next two years will remain exiting into LISGIS; continued support for the realization and roll-out of a national strategy for development of the statistical system (NSDS<sup>10</sup> five-year strategy); support to the initial Deconcentration of LISGIS with the ultimate objective of a decentralized statistical system responding to local development planning and monitoring; continued support to the processing, analysis and dissemination of data from the National Population and Housing Census (NPHC 2008); and supporting the updating of the national statistics dissemination platform, LiberiaInfo - progress reporting on measurable advances towards the MDGs. This Action points a way forward for a continued NIMAC-NSO/LSS partnership in 2008 and beyond.

<sup>8</sup> IMO - Information Management Office currently run as pilots by UNHCR/NRC and the County Support Teams

<sup>9</sup> CDA - County Development Agenda

<sup>10</sup> NSDS - National Statistical Development Strategy

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## 2. THE ACTION

### 2.1 JUSTIFICATION

The Action co-financed by the EC, UNDP and UNCDF will maintain and build on the CRC and CBR two pronged approach (investment in local development; generally community-based, with actions directly targeted at establishing or building the capacity of local institutions). The Action has two components, both of which will be undertaken through co-financing by the EC of a programme for which UNDP, working in partnership with relevant Government Agencies, is the implementing agency.

The first is the Liberia Decentralisation and Local Development Programme (LDLD). The LDLD will support the development of Decentralisation Policy, will provide capacity building support to the system of Local Government and will utilise a local investment fund both as a source of productive investment and a vehicle for establishing operational and fiscal management competencies within the government system.

The second component is the National Information Management Project (NIMAC). This aims to provide the core information management and statistical capacity to support processes of policy development, implementation and monitoring. The initial focus is at national level but increasingly, as the programme progresses, it will work to provide the information environment necessary to enable localised; governance, planning and economic management to take place. This provides the critical information management compliment to actions within the LDLD and the broader County Development Programme (CDP). The NIMAC element will also provide significant support to the completion of the 2008 National Census as the process moves beyond the data gathering stage to analysis and eventual publication and dissemination.

The present Action (LDLD and NIMAC programmes) is the third constituent of the County Development Programme. The first CDP constituent is co-financing with the World Bank of the LCEPII Programme to be implemented by LACE. While, as described above, the core role for LACE will continue to be the provision of social infrastructure, through LCEPII the organisation will increasingly engage with local authorities and will diversify its projects to include measures in support of local economic development with a particular focus on agriculture related activity. This thrust therefore shows strong synergy with the LDLD logic of combining economic with governance support measures at local level. The linkages will be enhanced through technical assistance to the establishment of a local economic development (LED) coordinating role in the Ministry of Planning and Economic Affairs (MPEA).

The second CDP constituent concerns larger infrastructure through co-financing, again with the World Bank, the Agriculture and Infrastructure Development Project (AID). The entirety of this programme includes a range of major infrastructure rehabilitation measures including elements of the port of Monrovia, Monrovia Water supply and certain strategic roads and bridges as well as support to policy development and reform in the transport sector. The EC financed component focuses on the Monrovia water supply and, significantly, rural roads rehabilitation and maintenance. The latter activity is strongly consistent with the local development and decentralisation agenda since rural roads have been clearly identified during consultation processes<sup>11</sup> as the first priority for enabling sustained local development to take place. Furthermore governance aspects are incorporated since, "the identification of rural roads subject to intervention will be a bottom-up process in which district and county officials are involved"<sup>12</sup> building on approaches piloted within the CRC programme.

The final part of the CDP is a technical assistance package allowing for both long and short term inputs together with budgetary allocation for supporting expenditures such as workshops or training events. This TA will be separately contracted by the EC but the definition of terms of reference and the initial work programme has been prepared as a complement to the actions to be supported under LDLD/NIMAC and other parts of the CDP. Key experts will be mobilised in the areas of community driven development and local economic

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<sup>11</sup> prioritised in all counties during workshops for the preparation of County Development Agendas (CDAs)

<sup>12</sup> AID Project Paper, April 12 2007 draft, World Bank

development while short or medium term inputs will assist the MIA to develop and implement its core role as a coordinating, policy development and capacity building agency and will address other specific technical gaps that emerge as the programme develops. There will be specialist technical assistance to assist the mainstreaming of anti-corruption and gender throughout the programme. Other specialist assistance may be in rural roads maintenance.

The long term TA will also be responsible for maintaining an overview and ensuring continued coordination across the CDP programme. Since there is TA already provided from within other programmes (including LDLD and the UN County Support Teams) it is important that duplication and overlap is avoided through close collaboration and joint planning across the programmes under the leadership of the relevant government agency (GC, MIA or MPEA).

The following table summarises CDP programme constituents. This contribution agreement is directly concerned with Component 3, Element 1 (LDLD) and Component 3, Element 2: Nimac.

| <i>County Development Programme (CDP)</i>    | <i>Lead National Agency</i>  | <i>Co-financing Partner</i>                                    | <i>EC Financed elements</i>  |
|--|--|--|--|
| Part 1: LCEPII                               | LACE   | World Bank   | Small scale infrastructure, local economic development especially agriculture related  |
| Part 2: AID                                  | Ministry of Public Works   | World Bank   | Monrovia Water Supply.<br>Rural Roads construction and maintenance   |
| <b>Part 3.<br/>Component 1: LDLD</b>         | <b>Governance Commission<br/>Ministry of Internal Affairs<br/>Ministry of Internal Affairs</b> | <b>UNDP/UNCDF<br/>UNDP/UNCDF<br/>UNDP/UNCDF</b>                | <b>Decentralisation Policy Development<br/><br/>Local Government System Development and Capacity Building Systems and procedures developed utilising investment fund</b> |
| <b>Part 3.<br/>Component 2: NIMAC</b>        | LISGIS   | UNDP   | <b>Information Management capacity building at national and local levels.<br/>Census support.</b>  |
| Part 3.<br>Component 3: Technical Assistance | MIA, MPEA, GC  | GoL (e.g. provision of serviced offices in Ministry buildings) | Community Driven Development, Local Economic Development, Organisation Development and Capacity Building<br>Other specialist inputs                                      |

The present contribution agreement is for a 3-year period<sup>13</sup>. Depending on when the programme starts this will be similar to the PRS timeframe. However the PRS recognises that successful decentralisation will take many years or even decades while support for local economic development needs to be established as a sustainable element of the local business support environment. The programme is therefore only a partial and relatively short term contribution towards long term development objectives. However it will assist in the resolution of key strategic issues, including the basic structure of local government, expected to be addressed over the next three years and will help establish the foundations for local service delivery in the longer term.

A Situation Analysis and Methodological Framework for the entire County Development Programme has been developed and should be considered in concert with this document.

<sup>13</sup> The NIMAC programme is foreseen to be completed in 2 years. The LDLD programme as a whole is for a 5 year period. The present Contribution Agreement will support the implementation of the NIMAC and the first three years of implementation of the LDLD. The expected results, outputs and activities described in the present Contribution Agreement are the ones to be achieved over 3 years with the co-financing of the EC.

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## 2.2 OVERALL OBJECTIVES

The 2 components of the Action will each contribute to the overall objective of the County Development Programme which is to alleviate poverty, consolidate peace and democracy and sustain economic growth. In this context the overall objectives the present Action are:

**Component I – LDLD:** To Improve the living conditions of local communities by increasing access to basic social services, raising incomes and supporting a more effective, efficient and democratic local administration.

**Component II –NIMAC:** To strengthen national and local level capacities for information management through the development and use of appropriate systems and tools supporting the implementation of the PRSP and CDAs.

## 2.3 SPECIFIC OBJECTIVES

### Component I – LDLD

- I.1 To support the Governance Commission in the drafting, enactment and implementation of a national decentralisation policy that reflects the Government of Liberia Policy objective to *"work in partnership with all citizens to build and operate efficient and effective institutions and systems that will strengthen peace and promote and uphold democratic governance, accountability and justice for all"* (draft PRS)
- I.2 To support the definition and implementation of an institutional change and organisation development process that allows the Liberian local government system (incorporating the role of central ministries as well as all tiers of local authority) to effectively and efficiently implement their roles as established under the emerging decentralised governance model
- I.3 To support the administrative and economic management capacity of local governments at county, district and sub-district levels by establishing systems, processes and procedures
- I.4 To undertake specific investments through the local government system with the joint objectives of improving services and providing economic opportunities following a CDD approach

### Component II - NIMAC

- II.1 Strengthening of the national statistical system with the successful transitioning of Nimac's functions and assets into LISGIS in a sustained manner; support to the processing, analysis and dissemination of data from the national population and housing census 2008; continued technical support for the finalization of a five-year NSDS for Liberia particularly responsive to supporting the PRSP and CDAs.
- II.2 Support the emerging decentralisation strategy of LISGIS by supporting initially the establishment of 7 County Statistics Units. Also, in coordination with the NSO and in collaboration with other initiatives such as LDLD, CST and IMO, support the strengthening of information management capacity of local governance structures to plan and monitor the development process; support the compilation of requisite quality data that will feed into national and local level M&E frameworks by assisting LISGIS in mainstreaming the use of standards in all relevant data collection instruments.
- II.3 Support the development and deployment of a web-enabled aid-flows information system for tracking external resource inputs supporting implementation of Liberia's PRS, CDA and other national strategies.

## 2.4 EXPECTED RESULTS

### COMPONENT I – LDLD

#### Under Specific Objective I.1:

- I.1.1 National decentralisation policy drafted and disseminated
- I.1.2 Supporting legal framework consistent with administrative and fiscal devolution elaborated
- I.1.3 Necessary constitutional amendment approved via referendum

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**Under Specific Objective I.2:**

- I.2.1 Mandate, function and structure of the Ministry of Internal Affairs, County, District and Community government institutions redefined in a manner consistent with the decentralisation policy
- I.2.2 Capacity requirements necessary to fulfil these functions defined
- I.2.3 A capacity building plan consistent with meeting these requirements elaborated and being implemented through the combined and coordinated actions of national agencies and development partners

**Under Specific Objective I.3:**

- I.3.1 Systems and procedures in place for efficient local administration
- I.3.2 Systems and procedures in place for effective public expenditure management
- I.3.3 Systems and procedures in place for development planning and management supporting CDD approach

**Under Specific Objective I.4:**

- I.4.1 Efficient utilisation of the decentralised development fund in a manner consistent with CDAs and PRS objectives and following a Community Driven Development Approach
- I.4.2 The systems and procedures developed for the implementation of the LDLD decentralised development fund being utilised for the management of the GoL County Development Fund
- I.4.3 MIA has developed an in house expertise in Community Driven Development and is applying this expertise to the provision of support services and capacity building for local authorities and CDD programmes

**COMPONENT II – NIMAC**

**Under Specific Objective II.1:**

- II.1.1 A strengthened LSS that has acquired additional capacities through the complete and successful transitioning of the NIMAC project into LISGIS.
- II.1.2 Increased availability and accessibility of relevant disaggregated data on national and local level socio-demographic profiles for use in policy formulation, monitoring and evaluation of national and local development strategies;
- II.1.3 A five-year national strategy for the development of statistics in Liberia with clear vision, mission and strategies articulated including time-bound statistical deliverables by responsible agency, associated work plans and budgets.

**Under Specific Objective II.2:**

- II.2.1 Establishment of County Statistics Units in seven (7) counties providing statistical and information management services to all 15 counties.
- II.2.2 Enhanced capacities in local governance structures for using statistical and other Information Management (IM) products including the use of agreed standards for the development of common indicators and templates to facilitate the collection of recovery-related information and other relevant datasets at the local level.
- II.2.3 Enhanced capacities in counties to plan and to gather essential data to monitor county recovery and development agendas; increased knowledge of stakeholders at the local level about prevailing socio-economic patterns and trends.

**Under Specific Objective 3:**

- II.3.1 Fully functional aid tracking system in place at the LRDC Secretariat complete with IT infrastructure and software system.

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## 2.5 ACTIVITIES

### COMPONENT I – LDLD

The LDLD is an ongoing programme with a 5 year timeframe and a formal commencement in mid 2007 (although significant activities did not start until early 2008). The pre-existing funding commitment to LDLD is 5m USD (2.5M UNDP, 2.5M UNCDF cf. Appendix I.A). The EC co-funding to this component is intended to enhance the programme, adding additional resources and impact but not fundamentally changing programme objectives or the range of activities to be undertaken. The following description of LDLD activities was therefore developed from the base of the existing workplan.

#### Activities Set I.1: Support the Drafting and Implementation of a National Decentralisation Policy (under specific objective I.1)

The lead agency for this activity is the Governance Commission working with the Ministry of Internal Affairs as the Ministry responsible for the system of local government.

|                   | Activities to be Undertaken  | Expected Output  | LDLD Inputs  |
|-------------------|--|--|--|
| <b>Year One:</b>  | National Dialogue<br>Research and Learning<br>Policy Drafted<br>Consultation and amendment<br>Legal requirements established | Decentralisation policy drafted reflective of a widespread consultation and consistent with national development objectives. | Technical Assistance (e.g. constitutional drafting)<br>Review of DDCs and other research exercises<br>Public Awareness campaign<br>Regional Study tour and other learning process (Joint GC/MIA/LAs) |
| <b>Year Two:</b>  | Preparation of constitutional amendment<br>Referendum  | Necessary constitutional amendment to enable decentralisation is in place  | Support pilot community governance exercises - via investment funds  |
| <b>Year Three</b> | Policy enacted   | Transformation of local governance arrangements consistent with decentralisation is underway with strong leadership from MIA | GC/MIA Capacity building - local governance  |

**Activities Set I.2: Define and implement an institutional change and organisation development process that encompasses the local government system from the Ministry of Internal Affairs to County, District and Community Levels (under specific objective I.2)**

|                   | <b>Activities Undertaken</b>   | <b>Expected Output</b>   | <b>LDLD Inputs</b>  |
|-------------------|--|--|---|
| <b>Year One:</b>  | <p>Redefinition of MIA role</p> <p>Review of MIA structure</p> <p>Develop a capacity building plan for MIA</p> <p>Develop a capacity building plan for local authorities</p> | <p>Agreed MIA mandate</p> <p>Agreed new MIA organogram, functional structure and job descriptions (including M &amp;E Capacity)</p> <p>CB plan agreed including change objectives</p> <p>Develop functional models of local authority structure based on emerging policy</p>   | <p>Technical Assistance</p> <p>Training Programmes and other capacity building/learning interventions</p> <p>ICT Support</p> <p>(in concert with input by Organisation Development and Capacity Building Expert under the CDP TA package)</p> |
| <b>Year Two:</b>  | <p>Undertake multiple capacity building interventions in accordance with plan</p> <p>Establish MIA M&amp;E Unit</p>  | <p>Demonstrable improvements in MIA and Local Authority performance in accordance with newly defined functions</p>   |   |
| <b>Year Three</b> | <p>Continuing capacity building interventions and planning for the post programme phase of organisation development</p>  | <p>MIA establishing and operating sustainable procedure for continuously monitoring, reviewing and maintaining organisational performance</p> <p>M&amp;E Unit operational</p> <p>Local Authorities are operating as independent entities with a clear mandate, local accountability, functional responsibilities and an increasing capacity to effectively deliver this role</p> |   |

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**Activities Set I.3: Establish the systems, procedures and competencies necessary for effective public expenditure management at the County, district and sub-district levels (under specific objective I.3)**

|                   | <b>Activities Undertaken</b>  | <b>Expected Output</b>   | <b>LDLD Inputs</b>  |
|-------------------|---|--|---|
| <b>Year One:</b>  | <p>Manual of district and County funding arrangements</p> <p>Set up county funds in 3 counties</p> <p>Training in basic financial management</p> <p>Draft operational manual tested in 3 counties</p> <p>Cycle of project identification commences using these procedures</p> | <p>Draft manuals and procedures</p> <p>Local authority and MIA staff competent in the application of procedures</p> <p>Gender and anti-corruption aspects being mainstreamed throughout project cycle management</p> | <p>Technical Assistance (NUNVs posted in pilot counties)</p> <p>Training modules developed and delivered</p> <p>Manuals and procedures developed and disseminated</p> <p>Investment Fund as a learning resource</p> |
| <b>Year Two:</b>  | <p>Project management cycle continues with continuous technical support</p> <p>Manuals, procedures and processes refined</p>  | <p>Projects being undertaken in pilot counties using LDLD funds.</p>   | <p>(in concert with CDD expertise provided under a separate Technical Assistance package)</p>   |
| <b>Year Three</b> | <p>Processes being applied to GoL (CDF) in all counties</p>   | <p>Procedures applied to other CDD funds.</p> <p>M&amp;E capacity in place with ongoing monitoring and review</p>  |   |

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**Activities Set I.4: Utilisation of a decentralised investment fund following a CDD approach consistent with PRS and CDA objectives and in support of Community Governance Initiatives (under specific objective I.4)**

|                   | <b>Activities Undertaken</b>   | <b>Expected Output</b>  | <b>LDLD Inputs</b>   |
|-------------------|--|---|--|
| <b>Year One:</b>  | Develop funding modalities<br>Investigate models in use (inc CRC)<br>Piloting of Fund: 3 Counties<br>Identification of Community Governance Pilots for learning and innovation | Systems and Procedures for fund utilisation established<br><br>Learning Pilots identified | Local Development Funds<br><br>Technical Assistance (UNVS) |
| <b>Year Two:</b>  | Capacity building for Local Authorities through the project cycle (learning by doing)<br><br>Monitoring of Pilots and Incorporation into policy development dialogue           | Community Infrastructure<br>Community Mobilisation<br>Community governance models         |  |
| <b>Year Three</b> | Evaluation<br>Development of sustainability plans  | Community level beneficiary impact<br><br>Influence on community governance structure     |  |

**COMPONENT II – NIMAC**

NIMAC is a well established project with a track record of achievement. The EC co-financing to this component is intended to sustain and enhance the NIMAC towards completion, not to bring about a radical changes. The NIMAC component is planned to be completed within an 18 month period.

To meet the objectives of Component II as specified under section 2.3 of the present Annex, NIMAC will focus on five key activity areas as follows:

**Activity II.1 Continue the implementation of NIMAC exit strategy, strengthening of LISGIS' operational capacity and support to finalization and roll-out of the NSDS (under specific objective II.1)**

(a) **Implementation of the exit strategy**, i.e., moving functions and their associated resources into appropriate units in LISGIS and ensure sustainability through training and direct skills transfer to counterpart staff. It is planned that this will be a gradual and phased process to assure sustainability. The following strategy would be followed:

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- Functions currently being fulfilled by NIMAC are transitioned to the most appropriate units in LISGIS in a systematic and sustained manner. Where corresponding functions/units are not currently functional, NIMAC would work closely with the appropriate Directorate to facilitate its setting up and together with LISGIS senior management articulate joint-work plans with clear timelines for a seamless transfer.
  - Capacity building through training, direct skills-transfer and mentoring will continue to be undertaken; this is the underlying approach of the project throughout this transition phase. Ultimately, all NIMAC staff will sit with LISGIS counterparts in LISGIS offices to facilitate direct skills transfer whilst working on LISGIS projects. This has already started with six nimac staff already seated inside different units in LISGIS working with counterparts on LISGIS priority projects.
  - Equipment and tools associated with the performance of a successful function transferred are handed over when the designated Unit or Office is prepared (i.e. work plans, staff, resources) to take up and perform the related activities. That is, upon the staff having exhibited strong enough project management skills for the investments and material resources to be of use to them.
  - All data and information of national interest currently with NIMAC will be handed over to LISGIS as part of the transitioning and this shall not become an issue as LISGIS is the mandated custodian of all official statistics and other data sets on Liberia.
- (b) **Continue technical support to enhance LISGIS' operational environment and tools** for effective information management; technical support on database development and data processing, and updating the next versions of LiberiaInfo. LiberiaInfo (customized version of DevInfo) has emerged as the national data dissemination platform of choice for statistics on indicators describing the country. This tool is primarily designed for tracking progress on the MDGs as well as housing indicators for monitoring Liberia's PRS implementation and beyond. Nimac supported the customization and publication of the first edition and will continue to work with LISGIS to publish further versions of LiberiaInfo both on CD and eventually on-line through a web-based platform. Plans are already afoot to publish version 2 on CD-ROM and ultimately, the web-enabled application later this year.
- (c) **Support to the National Population and Housing Census (NPHC 2008).** This will include support to conducting a Post-Enumeration Survey (PES), refining and updating of geo-spatial database of settlements and their locations, development of a new sampling frame for future surveys, printing and publication of census preliminary results and further analysis of survey data.
- (d) **Continued support to finalization and roll-out of the NSDS and technical support for unlocking data and statistics in line ministries:** Meetings facilitation including documentation; technical support to participating ministries and agencies and to the drafting team of the NSDS. The development of the National Statistical Development Strategy (NSDS) will have the utmost priority in the 2008 work plans of LISGIS and NIMAC as its realization would underpin assurances for quality data/statistics provision for monitoring and evaluating the PRS and CDAs.

**Activity II.2 Support to the realization of the NSO Deconcentration/decentralization strategy (under specific objective II.2).**

LISGIS since inception has been a highly centralized institution with no offices outside Monrovia and as the decentralization agenda of the government is taking shape, it is increasingly becoming imperative for the NSO to not only have county presence, but also to integrate its county level statistics activity plans with the emerging local development strategies such as the CDAs. LISGIS understands that decentralization (devolution of authority to local authorities) is at the heart of the government's strategy to effectively combat poverty and mainstream good governance and rule of law in Liberia. However it also recognizes its lack of adequate capacity even at the national level to assure a successful decentralized statistical system within the next two years realistically. Hence it is contemplating decentralizing its functions in the counties in phases starting with Deconcentration of staff and resources in the short-term, later delegating its functions and ultimately devolving authority for local level statistical activities to local governance structures whilst maintaining control over

compilation of national level statistics, development and/or adoption of statistical compilation and dissemination policy and standards at the national level. Nimac considers this vision as consistent with its own capacity building objectives for the NSO. It recognizes here an excellent opportunity to provide critical support to the institution to not only articulate but also implement a coordinated decentralization strategy that is aligned with the aspirations of the national agenda in a sustainable manner. In this regard, it is proposing to work closely with LISGIS under this Component to:-

- Develop and finalize a terms of reference for the proposed CSUs and its staff complement;
- Finalize the NSO's strategy within the framework of the NSDS for eventual decentralization of its data compilation and dissemination functions to local governance structures;
- Identify and deploy seven (7) County Statistics Units in existing county administration facilities in coordination with the IMO project and the relevant County Superintendent's Offices; Nimac will undertake to supplement the salaries of the County Stats Officers and two IMO transitioned staff in the CSU for the duration of 18 months. It is envisaged that LISGIS would have mainstreamed these costs into its regular budgeting cycle.
- Ensure that instruments for collecting county level statistics are developed with guidance from LISGIS HQ to assure standardization and harmonization.
- Ensure that data from the county feeds into the M&E frameworks at the national and sectoral levels to support monitoring the PRS, CDA and other development programme. Support the effective coordination and decentralized roll-out of a national capacity via the emerging NSDS.
- Support the production of relevant analytic products such as maps depicting local-level information in support to enhancing local governance planning and monitoring processes. The lack of capacity for geo-information data analysis even within LISGIS headquarters at this time is well recognized but it is expected that through the Nimac transition strategy this capacity would be strengthened at the central level to be able to address local level demand for the service initially until sufficient resources and capacities are built in the counties.
- Finalize development of training modules on "Information management guide for development and planning and monitoring in the Counties" – A collection of presentation materials covering basic statistics, data standards, information management best practices, and development of simple M&E tools accessible on CD-ROM initially, and later web-enabled. (See Appendix I.E)
- In coordination with other initiatives such as LDLD, CST and IMOs, conduct on site training for local administration officials on information management specifically on the interpretation and use of statistical and other information management products such as thematic maps.

**Activity II.3 Support Aid Coordination – tools and statistics; continued support for the development and deployment of a web-based aid coordination tool as part of the overall development of an Aid Information Management System for Liberia (under specific objective II.3).**

This activity will include development of work plans, procurement of IT equipment, software, full platform roll-out and hands-on training of Government counterparts staff in the LRDC Secretariat and the Aid Monitoring Unit at the Planning Ministry to update and manage the system.

Based on the roadmap for aid coordination, LRDC and NIMAC have already achieved significant progress with regards to defining what objectives and needs any AIMS or tool will be addressing and who will be benefiting from it. The following elements have been brought into the preparatory work to develop a draft or prototype for data entry and consultation framework to develop a dialog with GOL and the donor community.

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i. The tool should be essential in facilitating:

- Sharing of information (to avoid duplication of efforts);
- Promotion of Government leadership and ownership of the development process;
- Promotion of Harmonization and Alignment;
- Reduce transaction costs in the collection of information on ODA<sup>14</sup>;
- Improve Government planning and budgeting capacities.

ii. The beneficiaries of the system should be:

- Government at the central/decentralized level. The tool would enable them to easily track where and what resources are available; help to better negotiate and allocate/budget available resources, provide an effective set of indicators to monitor the performance of donors and an important input into M&E framework to evaluate the impact of development policies.
- Donor community in a coordinated framework. The tool would facilitate decision-making on the side of the donors by clearly indicating which sectors, regions etc. are not adequately funded (where to focus interventions and avoid duplications); an instrument to help replicating best practices and promote joint programming.
- Civil society, researchers, universities. If given access to the tool, these can provide analytical assistance to the Government but also ensure that the Government is held accountable for the effective and transparent use of external finance.

Significant progress has already been made by LRDC and NIMAC to translate the information gathered from the survey of beneficiaries, as specified above, into a pilot on-line data entry form and a report generation environment. The collective effort invested to achieve the prototype (or simulation) of an aid coordination tool will contribute to an acceleration in any assessment and customization work requisite to launch a full fledged AIMS. Further work to develop the prototype is already planned by LRDC and NIMAC but stops short of the final customization phase where an AIMS, such as the AMP or the DAD, is localized and tested.

Regarding the proposed implementation process, both LRDC and NIMAC have already been working in this direction; it would be within the scope of the NIMAC work plan to continue this kind of activity.

## 2.6 SUSTAINABILITY OF THE ACTION

### COMPONENT I – LDLD – sustainability issues

The excessive centralisation of governance structures (for example with many positions being specified as subject to direct presidential appointment) is enshrined in the constitution. While this means that implementing decentralisation requires a transformation rather than a marginal shift of governance arrangements, the sustainability of the action will be underpinned by the necessary constitutional change, a change that will require endorsement through national referendum. Constitutional amendment will permanently alter the mandates and level of expectations imposed on local government regardless of short term shifts in policy priorities or political change at national level. The requirement for national referendum makes this a relatively expensive and time consuming process but it is one that will not easily be reversed and will signal a long term, historic, shift in the Liberian political environment. If the political will to push through decentralisation falls short of endorsing constitutional change there is a risk that the process will be partial or reversed at some point in the future.

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<sup>14</sup> ODA – Overseas Development Assistance – used to describe external funding whether grants or loans.

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The other side of the decentralisation coin is changes in the functions of the centre. Thus a policy change in favour of decentralisation, sanctioned through constitutional amendment, forces a fundamental change in the role of, first and foremost, the Ministry of Internal Affairs, but also the central functions of line Ministries. If over time it is intended that a wide range of functions, and the resources to undertake these functions, be transferred to local entities then central ministry HQs need to focus on policy development, monitoring, technical support, sectoral planning, resource mobilisation, external liaison (for example with donors) and other "thinking rather than doing" roles. If over the period of the programme the MIA, and other ministries, have started to realign their structures and capacities in line with this new model of government then the sustainability of the action will be re-enforced. The LDLD programme should facilitate ministries to consider the implications of decentralisation for sectoral development strategies and should engage other donor supported programmes in this process.

Perhaps the greatest test of sustainability will be indicated by a shift in the pattern of resource flows over time. Thus, for example, if local authorities prove, with programme support, to be capable of establishing the systems and competencies needed for effective fiscal management the logical consequence is that the volume and proportion of total resources directed into local authority control be increased. In a national context of increasing resource availability (both as a result of increasing tax revenue linked to economic growth and expanded development aid) this does not necessarily mean that there will be less resources at the centre but does imply that the share of public resources allocated to decentralised authorities expands at a faster rate than that for the centre. This is perhaps the acid test of the political commitment to decentralisation since without significant resources the capacity of decentralised authorities will not sustain and local officials and political representatives will lack the incentive to accept an expanded role and responsibility<sup>15</sup>.

The County Development Fund (CDF) is part of the mainstream GoL budget approved by the Legislature for allocation to projects decided at County level. If the LDLD programme is successful in promoting, through the MIA, the effective use of this fund, and this success can be clearly demonstrated through M&E processes, the implication is that the government should not only maintain but expand the quantum of funds made available through the CDF in the future. The future trend of CDF disbursements will be one test of programme success and sustainability of programme impact.

Also a resource consideration and a critical sustainability requirement will be the posting of adequate human resources into County and sub county administrations in order to act as a receptor for capacity building undertaken through the programme, providing an expanding reservoir of skills and expertise as local authorities expand their functions. This needs to be considered in the context of the overall Civil Service reform programme but implies that at least as much priority should be placed on local as on central functions in the implementation of this reform. This is another field in which engagement and dialogue with other donor supported programmes is required.

#### **COMPONENT II – NIMAC - sustainability issues**

The government currently has very low IT capacity, material and human. As information management is very technology dependant, this will affect the rate at which capacity can be built and sustained. Nimac in the implementation of its current exit strategy has put capacity building through training as the underlying basis of all its activities. It is intended to increase the number of LISGIS and other LSS staff that are not only familiar with but can comfortably use requisite IT tools in their daily work. The approach will be hands-on training for counterparts in most if not all cases during this transition. Also, as the capacity development moves into supporting County administration offices, Nimac will be collaborating with other initiatives such as LDLD, CST and the IMO projects to train government counterparts.

Brain drain is a very real challenge in Liberia. Once NIMAC has built the capacity of staff, it is possible that they leave the government and seek alternative employment. It is generally recognized that lower salaries are a demotivating factor for workers especially highly skilled ones. However increasing the quantum of skilled workers

<sup>15</sup> see The Politics of Partial Decentralization, Shantayanan Devarajan, Stuti Khemani, and Shekhar Shah, The World Bank, November 2007

in LISGIS and the LSS will help ensure that replacements can be found from within the system itself. NIMAC in partnership with other initiatives will help broaden the base for skilled information management practitioners in the short and medium term.

Although LISGIS is currently agreeable to collaborating with the UNDP NIMAC Project, this may not always be the case. As new partners enter the landscape, it is possible that LISGIS and other information management entities in line ministries receive other, seemingly more attractive offers. NIMAC since its inception has been providing technical assistance to LISGIS and the LSS membership specifically in information management. This service has been widely regarded as valuable to the extent that the NSO had made specific requests to NIMAC to continue providing these services. In this regard, NIMAC is currently a LISGIS-approved exit strategy which will see it taking over all NIMAC's function and absorbing its resources and staff within the support provided for within this agreement.

Enthusiasm on the part of the NSO to decentralize is muted and it may not remain committed to the process. The UNHCR/NRC funded IMO's have invited LISGIS to assign a County Statistics Officer to take over the IMO (including equipment and two staff assigned members) and rename it the County Statistics Unit. In this regards, NIMAC in coordination with the IMO is working closely with LISGIS to articulate a decentralization strategy as well as to identify seven county capitals for the opening up County Stats Offices in the near term. The IMO project has funding for the establishment of these offices at least through December 2008. NIMAC is proposing to top-up the salaries of the seven County Statistics Officers from the date of their deployment for a period of at least 18 months. Also, in 2009 when the IMO fund shall have ceased, NIMAC is proposing to fund the transitioning of the two additional staff from the IMO for 12 months.

While these outlays greatly reduce the set-up cost for a CSU on LISGIS, this approach does not guarantee the long term funding of county statistics capacity, either from within LISGIS budgets or the future decentralised revenue sources of local authorities. The long term economic sustainability of these units remains an issue and an area of risk for the sustainability of programme impact. More work will be needed during the period of support to establish a sustainable institutional model for decentralised information management services that meets the needs of both LISGIS and county local authorities. A joint venture approach is amongst the models that should be considered<sup>16</sup>.

LISGIS is unable to continue playing a lead and strong coordinating role for the NSDS process. Already a senior NIMAC staff member has been designated by the NSO as the national focal point of the NSDS and this person is now seated inside LISGIS with this portfolio as his principal focus.

The likelihood of the NIMAC project being transitioned prematurely into Government is very low considering that the exit strategy will happen over an 18-month period which for the purpose of direct skills transfer is a reasonable period. LISGIS will be additionally strengthened through the resources from this EC grant.

## **2.7 MAINSTREAMING GENDER AND ANTI-CORRUPTION**

The Situation Analysis and Methodological Framework prepared for the CDP includes a commitment to treating anti-corruption as a cross-cutting issue and to mainstreaming gender throughout the programme. This approach will be applied to both the LDLD and NIMAC components. During the first year of the programme specialist short term technical assistance will work with programme staff and GoL counterparts to establish practical ways of incorporating these two cross-cutting issues into work plans. Critically, the LDLD support to community governance initiatives must consider gender issues as one part of the intention of establishing fairer and more inclusive governance processes. The idea of treating anti-corruption as an explicit cross cutting issue is a new one that if adopted will require further dialogue and working out the practical application of such a commitment through participatory action planning.

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<sup>16</sup> see Note to NIMAC Stakeholders (Risner) - Doc 93, CDP Situation Analysis and Methodological Framework Annex 2 (List of Documents)

### 3. MANAGEMENT

#### 3.1 GENERAL MANAGEMENT OF THE ACTION

The Project will be directly executed by UNDP following the Direct Execution procedures (DEX). The DEX modality is permitted only in exceptional circumstances, such as post-conflict countries, where the national government lacks technical capacity to manage and implement programmes in its portfolio. Under this modality, UNDP takes full responsibility for implementation, management and achievement of project objectives. The overall work plan of a DEX modality includes building of Government capacity so as to be able to phase out from the DEX mode and return to the National Execution (NEX) mode as soon as possible. Presently, DEX is involved in the execution of UNDP's Programmes by linking the Country Office's Programme to operations, which include financial management of funds, financial analysis of the programmes, procurement, recruitment, and capacity assessments of implementing partners, reporting to donors and monitoring and evaluation.

#### Steering Mechanisms

**Component I – LDLD.** Issues of Decentralisation and Local Development affect the entire government system and require a joint approach. A Cross Ministerial Steering Board for the LDLD project will be established under the chairmanship of the Ministry of Internal Affairs. Core representation will include the Governance Commission and the Ministry of Planning and Economic Affairs and the EC but with other Ministries that are undergoing processes of deconcentration also represented (as well as LISGIS). The Board will meet at least semi-annually and its main functions will be to evaluate progress of the project, making necessary amendments and operational planning. It will also be responsible for making specific decisions on policy and management issues within the context of the transition process, including providing policy oversight where needed.

**Component II - NIMAC.** For management and transparency in the implementation of the programme, a Steering Board will be established, which core representation will be composed of the LISGIS as Chair, UNDP, Co-chair, the Ministry of Planning and Economic Affairs (MPEA), the Liberia Reconstruction Development Committee (LRDC) as well as the EC as a contributing donor, all as members, but other Ministries that are undergoing processes of deconcentration may also be represented (MIA, line Ministries). The Board will meet semi-annually and its main functions will be to evaluate progress of the project, making necessary amendments and operational planning. It will also be responsible for making specific decisions on policy and management issues within the context of the transition process, including providing policy oversight where needed.

Transparency and accountability both to the donors and to the general public in Liberia necessitate the cooperation of UNDP and the Government of Liberia. This cooperation will include performance of specific agreed-upon activities by UNDP and the Government of Liberia.

#### Global Oversight: County Development Programme

The LDLD and NIMAC components of this Action are elements of the broader County Development Programme. Long term technical assistants recruited under a separate EC contract will maintain an oversight of the CDP programme as a whole and will participate in LDLD and Nimac steering mechanisms in order to enhance complementarity across the programme.

### **3.2 ROLES AND RESPONSIBILITIES**

#### **Ministry of Internal Affairs:**

- Lead for LDLD Objectives I.2, I.3, I.4
- Chairs LDLD Steering committee
- Integration of LDLD activities in mainstream ministerial operations (including provision of office accommodation)
- Liaison with local authorities at all levels
- Reports on progress and participates in progress reviews
- Normal financial reporting
- Integrates LDLD intervention with other ongoing programme activities (including TA provided through CDP and CST programme)

#### **Governance Commission:**

- Lead Agency for LDLD specific objective I.1 (Decentralisation Policy)
- Liaises with LDLD on specific activity plans and the nature of LDLD support
- Reports on progress, achievement of key milestones and any variation in plans or timetable
- Normal Financial reporting
- Member of LDLD Steering Committee

#### **LISGIS:**

- Agrees on the list of functions and activity areas that it requires NIMAC to fulfill;
- Provides appropriate sitting accommodation in its offices for project staff;
- Agrees on the specifics of the exit strategy and time-line of replacing donor contributions with the national budget;
- Informs UNDP of any changes in their status vis-à-vis government positions
- Works with other stakeholders to define the sustainable, long term framework for local level information management

#### **UNDP:**

- Manages other donor contributions for the completion of the programme strategy ensuring these donations are utilized for the objectives outlined above;
- Implements the Action to its completion, using the DEX modality, including hands on assistance in the execution of procurement procedures and recruitment, and preparation of documentation;
- Advises on financial administration, planning, contracting, etc;
- Establishes regular reporting;
- Conducts monitoring and evaluation in line with the agreement entered with the government;
- Ensures consistency with GEMAP requirements;

#### **European Commission :**

- Co-financing of the Action based on fulfillment of financial reporting and the other requirements of the Contribution Agreement
- Participates in all steering, evaluation and programme review activities
- Integrates LDLD and NIMAC support with other EC supported interventions (including the other CDP components)
- Contracting and management of external LTITA package to the MLA and MPEA (CDP Component 3.3)
- Participates in joint missions with Government and donors (monitoring, etc)

### 3.3 MONITORING AND EVALUATION

#### COMPONENT I - LDLD

##### Monitoring and evaluation of activities

In the start-up phase of the project, the LDLD CTA, shall be responsible for the design of the LDLD monitoring and evaluation system (ME), which shall:

- Avail stakeholders with information on project progress against assigned outputs and activities. This aspect of the ME system will provide quantitative indicators enabling stakeholders to assess the project's progress;
- Provide "process" indicators, those which track the quality of the processes and procedures of the implementation effort, and their likely impact on service delivery shall also be established. In this, the M&E system will identify additional qualitative indicators, many of which are likely to require periodic surveys and the use of participatory methodologies;
- Ensure that UNDP, UNCDF and EC reporting requirements are adequately met.

##### Mid term and final evaluations/reviews

In the initial monitoring review with the UNDP/UNCDF for the Action, a thorough assessment of the management arrangements for the project and the adequacy of the project's linkages with national agencies responsible for policy formulation with regard to decentralisation and Public sector reform will be made.

A mid term evaluation/review (MTE) shall be undertaken within 18 months after the project has been established, to coincide with completion of the first planning and budgeting cycle and partial completion of the second planning and budgeting cycle. The MTE is intended to:

- Assess overall project progress;
- Evaluate and (if necessary) fine tune arrangements for planning, budgeting,
- Financing and implementation of the project;
- Examine project management arrangements to ensure that they are adequate For and consistent with the attainment of assigned project outcomes and the Implementation of agreed project activities.

The final evaluation will take place approximately three months prior to the expected completion of the Action.

#### COMPONENT II - NIMAC

Within the second and final phase of the UNDP /NIMAC project two constituents must be monitored and evaluated: (i) capacity building and (ii) information services rendered. Indicators for monitoring progress and uptake include input, output and outcomes. Capacity building activities will be continuous and possibly increasing; especially as the NSDS process moves forward and as the decentralization plans gain traction. Information services rendered will be time bound. These activities will be handed over as soon as the Division or Unit in LISGIS is ready.

An M&E exit review of the project is planned for by Nov/Dec 2008. Several assumptions are still important, namely:

- Providing technical support in a capacity and policy vacuum;
- Implications for organizational as well as system-wide progress/change;
- Shifting IM response and thinking within the international community away from emergency and ad-hoc perspective to a more coordinated and programmed support to the national statistical system.

M&E indicators will include inputs, outputs and outcomes such as:

- Number of NIMAC functions successfully transferred to LISGIS,
- Number of GOL staff (including county administration officials) enabled in the use of specific tools and databases;

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- Number of GOL staff able to maintain and populate specific databases or administer specific information management systems;
- Number of GOL staff who can develop and use monitoring tools and who can use/interpret the outputs of those tools for informed decision making.

### **Final evaluations/reviews**

The final evaluation for this component of the Action will take place approximately two months prior to the expected completion of the Action. To the extent possible it should be combined with the mid-term evaluation of the LDLD component.

### **3.4 REPORTS - LDLD/NIMAC**

Progress reports will be forwarded to the EC on a semi-annual basis, in between the progress reports accompanying every request for further installment of pre-financing and the final report required as per in Art 2.6 of the General and Special Conditions. These progress reports will be analytical in nature including the status of intended outputs and present descriptions of difficulties, achievements and progress towards the accomplishment of project objectives. The reports will be submitted to the EC through UNDP-Liberia. They will combine reporting on both components (LDLD/NIMAC) of the Action.

As per art. 2.6, the progress reports accompanying every request for further installment of pre-financing and the final report will include both technical and financial information.

### **3.5 MANAGEMENT OF THE FUNDS - LDLD/NIMAC**

The UNDP will be the Administrator of the LDLD and the NIMAC components. The Administrator will have the authority to deny funding to any activity where in its view significant doubts arise as to whether funds concerned will be effectively utilized for the agreed purpose.

The UNDP will be responsible for all disbursements, in conformity with its own regulations, rules and procedures and in conformity with the allocations and decisions made by LDLD, NIMAC and the broader priorities set in consultation with LISGIS, the Governance Commission, the Ministry of Internal Affairs and other Government of Liberia ministries.

### **3.6 ADMINISTRATIVE CHARGES - LDLD/NIMAC**

The UNDP as Administrator of the LDLD and NIMAC components will strive for maximum efficiency and effectiveness in administering the Fund while promoting sound financial management and accountability. In this regard, it is responsible for general management, policy design, oversight and substantive backstopping. To ensure that all required fiduciary and administrative cost elements are adequately funded, the UNDP will apply administrative charges not exceeding 7% of direct eligible costs (cf. Annex III - Budget)

## **4. IMPLEMENTATION SCHEDULE**

This Description of the Action is inscribed into the general framework for the CDP (CDP Situation Analysis and Methodological Framework) elaborated and agreed with the main stakeholders (UNDP, MIA, MPEA, GC, EC. The aim of both documents is to jointly provide a robust framework of objectives and plans for the action, validated by partners and by an in depth situational analysis. It is expected that project activities will develop over time, building on the learning and creativity of implementers and responding to an evolving national context.

Both the LDLD and NIMAC components of this Action are essentially about supporting a change process with the following three overlapping phases: First, Defining the Need for Change; Second, Initiating Change; Third, Supporting Ongoing Change. One of the most important lessons of a process approach is that there must be

**ownership of the pace of change** by the individuals and agencies leading the process. The pace of change cannot be predetermined by outsiders and it is not therefore possible to guarantee an exact time dimension for each phase. Nevertheless the expectation is that for LDLD the transition from Phase One to Phase Two will take place between 9 and 15 months of commencement with the programme supporting a firmly embedded change process during its third and subsequent years<sup>17</sup>.

For NIMAC the project is well established prior to the advent of EC co-financing. For the core objective of transition into LISGIS there is already a transition between Phases 2 (initiating change) and 3 (ongoing change). For elements related to decentralisation the project is at an earlier stage whereby future institutional arrangements have yet to be finalised and agreed by all stakeholders. However it is expected that these arrangements will be confirmed and agreed prior to the end of 2008 so that the transition into supporting implementation of new information management structures and capacity at county level can be undertaken utilizing established NIMAC resources.

|                    |  |   |
|--------------------|--|---|
| <b>PHASE ONE</b>   | <b><i>DEFINING THE NEED FOR CHANGE</i></b> | Research and analysis, stakeholder dialogue, building consensus for change, planning, announcing intentions                         |
| <b>PHASE TWO</b>   | <b><i>INITIATING CHANGE</i></b>            | Starting the change process, overcoming resistance to change, establishing base capacity, structural alterations, building momentum |
| <b>PHASE THREE</b> | <b><i>SUPPORTING ONGOING CHANGE</i></b>    | Ongoing capacity building, learning and review, establishing self directed and dynamic change                                       |

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<sup>17</sup> EC co-financing is for 3 years of a 5 year programme

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## APPENDIX IA – GENERAL BACKGROUND OF THE ACTION

Liberia was a middle-income country before the civil war began in late 1989. However, fifteen years of brutal war have devastated the country's economy, physical infrastructure, and human assets. In August 2003, the warring parties ended hostilities with the signing of the Comprehensive Peace Agreement (CPA) in Accra, Ghana, and a National Transitional Government (NTGL) was established for a two-year interim period prior to national elections in October 2005. A democratically elected Government took office in January 2006, and completed an Interim Poverty Reduction Strategy in early 2007. The first full PRS covering the period 2008 to 2011 was launched in July 2008 and focuses on the same four pillars as the IPRS: 1 - Consolidating Peace and Security; 2 - Revitalising the Economy; 3 - Strengthening Governance and the Rule of Law; 4 - Rehabilitating Infrastructure and Delivering Basic Services. Under Pillar 3 the government is "committed to delivering to the Liberian people an improved system of decentralized governance that is more localized and more responsive to the needs and aspirations of all citizens throughout the country" (PRS Draft 2).

Over the IPRSP period the Government made progress in restoring certain basic services and infrastructure, and creating mechanisms to support human rights, good governance, and economic growth. In 2006, Liberia's GDP growth rate was 7.8%, compared to 5.3% in 2005, and -31% (negative) at the end of the conflict in 2003. Despite positive developments, Liberians are worse off today than they were 25 years ago. Progress is limited by the devastation caused by years of conflict and by the fact that war-related spending channelled resources away from the provision of basic services. Other factors limiting the speed of recovery are the persistent low Government capacity, the inadequacy of its control functions, and the volatility of the political situation. The PRS therefore commits to a continuation of the work initiated during the IPRS period but with a gradual transition from an emergency or post conflict outlook to one that embeds longer term development processes increasingly led by Liberian state and non state actors rather than UN agencies, INGOs or donors.

Local government institutions have been weakened as a result of the civil conflict. At the county and district levels, physical infrastructure was either severely damaged or destroyed. More profoundly, the "institutional space" for local decision-making by government officials and local collective action has been undermined by population dislocation, weakness in local economic activity, lack of social capital, and widespread dependence on humanitarian relief and assistance provided by external agencies.

Liberia's basic health indicators are among the worst in the world. Infant and under-five mortality rates are 157 and 235 per 1,000 live births, respectively (I-PRSP, 2007). Chronic malnutrition rates are extremely high in the country's 15 counties. Of children below five-years-old, 39% are stunted, 27% are underweight and 7% are wasted. The war, which caused massive destruction to the economy, did not spare physical infrastructure, equipment and functioning of the health sector. Many hospitals and clinics were razed to the ground. Moreover, only 10% of communities covered by a recent Comprehensive Food Security and Nutrition Survey (CFSNS 2006) reported having a health care facility within their community.

Liberia's education system has been one of the weakest in Sub-Saharan Africa due to inadequate resources, poor infrastructure, and limited expenditures from the national budget. As a result, over half of Liberian children of primary school age are estimated to be out of school. The drop out rate is high (only 35% of boys and 27% of girls reaching grade five) and illiteracy is estimated at 70% of the total population (I-PRSP, 2007).

The plundering of the Liberian economy during the conflict has resulted in excessively high levels of unemployment, particularly amongst youth, internally displaced persons (IDPs) and refugees. Formal sector employment is currently estimated at 120,000 or just 4% of the population, and nearly 50% of these workers are employed by the public sector. The dominance of the informal economy means that the majority of people are involved in subsistence farming or employed in low-paid jobs. Moreover, with an income poverty rate of 80% of total households and a severe poverty rate of more than 60%, the creation of job opportunities as part of Liberia's post-conflict strategy is critical to ensuring sustainable peace and stability (I-PRSP, 2007).

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Against this background, the European Commission identified County Development as the first focal sector of its Country Strategy Paper (CSP) and its National Indicative Programme (NIP) 2005-2007 for Liberia. The CDP programme, of which this action is a part, continues this strategy with support across three pillars of the PRS; Pillar Two: revitalising the economy, through support to local economic development with a particular focus on agricultural development (through contributing to LCEP II with the World Bank), Pillar Three: Governance and the rule of law, through support to decentralisation and capacity building of the system of local government (through contribution to the LDLD and NIMAC with UNDP) and Pillar Four: Rehabilitating Infrastructure and Delivering Basic Services (through large scale infrastructure by contributing to the AID with the World Bank) as well as investment in social infrastructure using a community driven development methodology (contribution to LCEP II).

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## **APPENDIX I.B: Justification for the Action, NIMAC**

National policy makers and international development partners in Liberia have become increasingly aware of the need to strengthen statistical capacity to support the design, monitoring and evaluation (M&E) of national and local development plans, including the PRS, sector strategies, and CDAs. Various initiatives including support for a five-year national strategy for the development of statistics are coming in to support and enable this process.

Building on the foundation of the Humanitarian Information Center (HIC-Liberia<sup>18</sup>), the NIMAC project was intended to be a technical support project whereby UNDP would respond to the capacity development and information needs of the recovery and development phases in Liberia specific to the LSS via technical training, skills transfer, mentoring, advising and advocacy. NIMAC since inception has worked primarily through the lens of national frameworks; technical support has been prioritized with the agenda of LISGIS at the forefront and with the intent to bring closer together the needs of national and local government as well as those of international actors co-located in an extremely challenged environment for data and statistics.

The NIMAC project has as its overarching goal the strengthening of information management capacity in government and supporting the provision of information management (IM) services and the mainstreaming of standards and best practice statistics for national and local level development planning and monitoring. Currently the national statistical system is being significantly restructured, and in terms of increased coordination for the production and dissemination of statistical data and information, NIMAC continues to contribute technical support. It is here in this interim period of transition where a strict definition of emergency is past but the foundations for development are not yet properly laid that the need for consolidated and accurate data and information remains extraordinary and a significant burden of response is placed upon the existing framework for statistics especially on LISGIS. NIMAC has partnered with LISGIS since July 2006 supporting capacity development for information management in government line ministries and agencies. The continued consolidation of NIMAC (functions and assets) into LISGIS will further enhance the capacity of the NSO to execute its mandate fully.

In recent times emphasis has been placed on the need for a national strategy for statistics (NSDS) to improve the evidence base to manage for results by providing a strategic framework for developing relevant poverty-focused statistics. An NSDS is expected to provide the country with a strategy for strengthening statistical capacity across the entire national statistical system (NSS) including responding to the decentralization agenda. The NSDS will provide a vision for where the NSS should be in five years and will set milestones for getting there. It will present a comprehensive and unified framework for continual assessment of evolving user needs and priorities for statistics and for building the capacity needed to meet these priorities in a more coordinated, synergistic and efficient manner. It will also provide a framework for mobilizing, harnessing and leveraging resources (both national and international) and a basis for effective and results-oriented strategic management of the statistical system. With a comprehensive national statistical development strategy, it will be possible to systematise and bring greater coherence to the design, collection and production of statistics in the country. The current situation where many agencies and actors determine, produce and disseminate national statistics at will has tended to undermine the scope, quality and sometimes the integrity of existing information as well as the overall national statistical development process.

Another emerging consideration is the on-going decentralization agenda of government and the response of institutions which have been mostly operating at the national level but would now need to take action accordingly. In this regard, decentralization of the NSO is considered important to ensure that the production of statistics becomes not only efficient and well coordinated but also relevant to the decentralized units. Therefore a new division is envisaged in LISGIS that will work towards realizing county statistics offices. Discussions underway include looking at what is required to have a decentralization strategy that responds to

<sup>18</sup> 2003-2006: HIC Liberia was a common service dedicated expressly to the information needs of the humanitarian community during the emergency response phase

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the wide needs for national and local level statistical needs. One option under serious consideration is building on the success of the IMO pilots in the counties to set up an information repository within the county administration building manned by a County Statistics Officer (LISGIS) temporarily seated with the Projects Planning Officer (County Superintendent's Office) in the county administration building. This arrangement will allow LISGIS to respond to the decentralization agenda by leveraging available resources from the CST and IMO projects meaning it can deploy officers as soon as possible. Nimac is increasingly being called upon by the NSO to support this strategy by way of ensuring technical and training support to these outposts when once they are established.

As independent County Authorities become established, start to acquire resources and to assert their independence they will inevitably both require and seek information management support that is dedicated to their needs. In the longer term Counties may wish to establish separate information management facilities. While establishment of such units is probably beyond the 2 year timeframe envisaged for NIMAC project co-financing, the definition of sustainable organisational models that respond to the needs of both the central agency (LISGIS) and local authorities in an efficient and economically viable manner should be undertaken with the involvement of all stakeholders during the programme period.

### **National Census**

Liberia did not participate in the 1990 and 2000 round of censuses due to the disruptive impact of the civil conflict that erupted in 1989 and ended in 2003. The data of the 1984 census is already over two decades old. These upheavals in Liberia certainly had disruptive effects on the population in terms of its size, structure and spatial distribution. The 2008 Population and Housing Census is seen as the most plausible means to obtain up-to-date information on the population of this country. Results from the census will provide valuable disaggregated demographic and socio-economic profiles of the population to support national and sub-national planning and programme goals monitoring. At the time of writing this proposal, the field work has already been completed. However urgent funding is being sought to support to effect data entry, analysis and dissemination component of the census exercise. This support will go directly to the NSO - LISGIS. There is a strong complementarity between the Census support and the local development focus of the overall CDP programme since census data will be disaggregated and will provide a much improved information base for future local planning processes.

### **Aid Monitoring and Coordination Tool**

NIMAC in full consultation with LRDC and the planning ministry has been providing technical support for the development and piloting of an aid coordination and tracking tool to support government-donor dialogue. Significant progress has already been made by LRDC and NIMAC to translate the information gathered from the pilot into a rudimentary on-line data entry form and a report generation environment. The collective effort invested to achieve the prototype (or simulation) of an aid coordination tool will contribute to an acceleration in any assessment and customization work requisite to launching a full fledged AIMS in line with a Donor Assistance Database (DAD), or Aid Management Platform (AMP). The aid coordination database will basically serve as a donor funds tracking tool, it will provide the means to observe direct linkages between funding and deliverables as outlined by the PRSP and will allow for more immediate recognition of gaps in pledged amounts and actual disbursements. The value added of the aid coordination database is manifold and includes being able to negotiate, track and evaluate aid delivery with regard to the national framework and strategy as set out in the PRSP objectives. This database when combined with information about the implementing partners (i.e. the CSO Registry at MPEA) and the projects that they are carrying out would then yield a full picture of who is doing what and where as well as the aid money that is flowing into these activities.

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## APPENDIX I.C

### LISGIS/NIMAC Training Courses for Local Governance Officials

NIMAC will formalize and further develop its information management skills training courses as a means to deliver on our mandate for capacity development focused on the supporting the emerging national and local level development strategies (PRS & CDA). The product will be jointly produced with the NSO (LISGIS) for publication<sup>19</sup>. This will be managed by building on a set of best practices and training courses already offered and assembled into a training menu.

The course selection will be published in a small book and published in paper and electronically (A5 size, black and white copies, containing 2 resource CDs targeting information managers and web-based release). This will be the Training Courses for Information Managers / the Information Manager's Survival Guide (vol 1).

The set of courses will be arranged in modules to support the development of specific IM skill sets that are needed. The aim and justification is always to have a better understanding of data, statistics, indicators, and how to design good data gathering instruments, data base architecture, employing national standards, etc. etc.

There will be a specific set of modules that will be the minimum requirements for what is called Fast-Track Training based on capacity building experiences gathered with different GOL Ministries and Agencies, but further improved and refined).

#### Content:

I. COVER PAGE

II. Inside Cover / pocket: Liberia INFO (a LISGIS product / the latest version of the CD Rom)

III. EXECUTIVE SUMMARY

IV. TOC

V. MODULES

- Introduction to Information Management
  - a) Information Management for Senior Managers and Decision Makers (County Superintendent / Director level – not technicians)
  - b) Information Management for Middle Managers (Assistant Superintendent for Development / Program or Project Managers and technicians)
  - c) Information Management for Planning Officers and Planning Departments (County and Local Level Officials and technicians)
- Data, Statistics and Indicators – how much do you need?
- Maps, tables and charts – deciding how to integrate these into your reports
- Developing project specifications – projects on the IM cycle
- Developing achievable work plans – projects on the IM cycle
- Budget, costing, financial plans – projects on the IM cycle
- Project implementation – do's and don'ts

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<sup>19</sup> LISGIS (Stats Liberia) has not entered into partnership on this project – e.g. for production and delivery – but the NSO would be at least a key collaborator and advisor on the content developed and on the integration of Liberia Info.

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- Data gathering instruments – how to design a questionnaire
- Knowing about Statistical Development Strategies: NSDS, PARIS 21, etc.
- Standards to know about: GDDS and beyond
- Own it and publish it: dissemination strategies / operational or official statistics?
- Liberia Info (version x.x)
- What is GIS? Using Arc View 3.2, ArcGIS / Arc Reader / Arc Explorer
- Data Storage Tools – Flat Vs Relational databases
- How to design and build a database: normalization and primary keys
- Migrating data from the spreadsheet into a multi-dimensional database environment
- What is statistical analysis?
- Metadata – Data about data – What, Why and How to track

#### VI.HOW TO BOOK TRAININGS WITH LISGIS/NIMAC

- The training center at “Statistics House”
- Organizing training events in the counties

#### VII.INDEX

#### VIII.GLOSSARY of TERMS

IX.OUR PARTNERS (list includes: Stats Liberia, MPEA, LRDC, UL Research Institute, UL Public Admin Institute, UNDP Governance, UNMIL IMTC, CST, LDLD and IMO)

X.Inside Back Cover / pocket: The Information Manager’s Survival Guide (a LISGIS/NIMAC product: all training material, web links, etc)

#### XI.BACK COVER PAGE

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COMPONENT I: LDDL

|                     | Intervention logic  | Performance measurement  | Source of verification  | Assumptions   |
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| Overall objective   | Improve the living conditions of local communities by increasing access to social services, raising incomes and supporting a more efficient, effective and democratic local administration  | <p>PRS targets for improved living conditions</p> <p>Representative local governments in place</p>   | <p>PRS monitoring reports at county and district level</p> <p>Legislative enactment of local government law and constitutional amendment</p>  | <p>Sustained political will and commitment for decentralisation - including fiscal decentralisation</p> <p>Effective coordination between and within line ministries and international development partners</p> <p>Sustained financial and technical support for decentralisation</p>   |
| Specific objectives | <p>I.1. To support the Governance Commission in the drafting and enactment of a national decentralisation policy</p> <p>I.2. To support the definition and implementation of an institutional change and organisation development process that allow the national and local governments to effectively and efficiently implement their roles as established under the emerging local governance model</p> <p>I.3. To support the administrative and economic management capacity of local governments at county, district and sub-district levels by establishing systems, processes and procedures</p> <p>I.4. To undertake specific investments</p> | <p>National decentralisation policy in place and approved by GOL</p> <p>Supporting legal framework for decentralisation</p> <p>Implementation strategy and plan for decentralisation</p> <p>Administrative and public expenditure management systems in place at county and district levels</p> <p>County and district</p> | <p>Decentralisation policy document as approved by GOL</p> <p>Constitutional referendum and decentralisation act</p> <p>Implementation plan</p> <p>Manuals and guidelines at county level</p> <p>County and district budgets</p> <p>Audit reports</p> <p>County/district investment</p> | <p>Minimum resistance for substantial devolution of political, administrative and fiscal authority</p> <p>Decentralisation is seen by local communities as a means to participate in political and economic decision making to improve their living conditions</p> <p>Trainable human resources are available at local level</p> <p>County and district</p> |

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|                         | <p>through the local government system with the joint objectives of improving services and providing economic opportunities following a CDD approach</p>  | <p>investments, Improved access to services Partnership with Local governments and other local partners (NGOs, Women group etc.)</p>   | <p>manual Socio-economic assets generated under the investment plan Share of local partners (local NGOs, contractors etc.) in the total implemented funds No. and type of partnerships</p>  | <p>administrations understands their accountability to local people They show progressive willingness to cooperate and collaborate with local partners External partners progressively encourage local partners to compete in tendering process</p> |
| <p>Expected results</p> | <p>I.1.1 National decentralisation policy drafted and disseminated<br/>I.1.2 Necessary constitutional amendment approved through referendum<br/>I.1.3 Supporting legal framework consistent with political, administrative and fiscal devolution elaborated<br/>I.2.1 Mandate, function and structure of Ministry of Internal Affairs, county, district and sub-district governance structures redefined in a manner consistent with the decentralisation policy and legal framework<br/>I.2.2 Capacity requirement of these institutions necessary to fulfill these functions defined<br/>I.2.3 A capacity building plan elaborated and implemented through the combined and coordinated actions of national and local agencies and development partners</p> | <p>Draft decentralisation policy statement National referendum Draft legal framework Review reports Needs assessment report for capacity building Prototype local civil service linking/harmonised with national/sectoral civil service Capacity building plan</p> | <p>Draft decentralisation policy statement National referendum Draft legal framework Review reports Needs assessment report Civil service harmonisation report consistent with decentralisation policy Capacity building plan</p> | <p>Effective coordination between Governance Commission and other major national players Stable political conditions MIA's willingness to reform to implement the decentralisation plan Political commitment to decentralise civil</p>              |

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|                   | <p>I.3.1 systems and procedures in place for efficient local administration</p> <p>I.3.2 Systems and procedures in place for effective public expenditure management</p> <p>I.3.3 Systems and procedures in place for development planning and management supporting CDD approach</p>   | <p>Draft manual and procedures for administrative and management of public expenditure and investment functions</p>  | <p>Manual on office management and procedures</p> <p>Manual on budgeting</p> <p>Manual on revenue and expenditure management</p> <p>Manual on basic accounting</p> <p>Manual on basic procurement procedures</p> <p>Manual on inventory and asset management</p> <p>Manual on internal audit and oversight functions</p> | <p>service and harmonise with the emerging local governance structures</p> |
|                   | <p>I.4.1 Local development fund utilised efficiently guided by CDAs and PRS and consistent with community driven development approach</p> <p>I.4.2 Processes and procedures developed for local development planning and coordination as well as managing county/local developed funds</p> <p>I.4.3 MIA developed in-house expertise in CDD methodology and monitoring local economic development and progressively transferred the expertise to local governments and partners</p> | <p>County development fund expenditure report</p> <p>District planning manual</p> <p>Manual on funding procedures and guidelines</p> <p>Monitoring reports by County development support secretariat</p> | <p>County development fund expenditure report</p> <p>District planning manual</p> <p>Manual on funding procedures and guidelines</p> <p>Monitoring reports by County development support secretariat</p>   |  |
| <p>Activities</p> | <p>I.1.1.1 Undertakes assessment and studies</p> <p>I.1.1.2 Support national and local dialogue including women and youth</p> <p>I.1.1.3 Support to drafting decentralization policy</p> <p>I.1.1.4 Organize regional study tours</p>   |  |  |  |

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|  |  |  | <p>I.1.1.5 Support to regional and national validation workshop</p> <p>I.1.1.6 Support review and revision of draft decentralization policy</p> <p>I.1.1.7 Formulate an implementation plan and strategy</p> <p>I.1.2.1 Support referendum for constitutional amendment</p> <p>I.1.3.1 Support Liberia decentralization/local government act</p>   |
|  |  |  | <p>I.2.1.1 Review ongoing sector policy reforms</p> <p>I.2.2.2 Capacity needs assessment of MIA and Local Administrations</p> <p>I.2.2.2 Capacity needs assessment of other local partners (NGOs, private sector, youth and women group) jointly with other partners</p> <p>I.2.3.1 Capacity development plan for MIA, LG, other local partners</p> <p>Strengthen M&amp;E capacity for decentralization (MIA)</p> <p>I.2.3.2 Proto-type local civil service linking to national civil service</p> <p>I.2.3.3 Capacity building interventions for MIA/line ministries as per CB plan Study tour</p> <p>I.2.3.4 Support for inter-ministerial steering committee</p> |
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|  | <p>I.3.1.1 Establish office administrative and management procedures for county and district/sub-district administrations</p> <p>I.3.2.1 Establish budget management system for county and district/sub-district administrations</p> <p>I.3.2.3 Establish revenue management system for county and district/sub-district administrations</p> <p>I.3.2.4 Expenditure management system for county and district/sub-district administrations</p> <p>I.3.2.5 Establish accounting procedure for county and district/sub-district administrations</p> <p>I.3.2.6 Establish procurement procedures for county and district/sub-district administrations</p> <p>I.3.2.7 Establish asset management for county and district/sub-district administrations</p> <p>I.3.2.8 Establish internal audit and oversight functions</p> <p>I.3.3.1 Establish capacity for participatory planning and monitoring consistent with PRS for MIA and county administrations</p> <p>I.3.3.2 Establish Information management capacity and decentralization website (with LISGIS)</p> |
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|  |  |  | <p>I.4.1.1 Capacity building of sub-district structures and other local partners for CDD enhanced (with LACE)</p> <p>I.4.1.2 Linking community governance and local administrations</p> <p>I.4.2.1 Prepare district planning manual and county/district funding procedures</p> <p>Promote public-private partnership</p> <p>I.4.2.2 Funding procedures for county development/local development funds established</p> <p>I.4.2.3 Piloting community projects following CDD approach and linking to CDF</p> <p>I.4.3.1 Participatory monitoring and evaluations systems established and strengthened to support PRS and other development efforts at district and sub-district levels</p> |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |

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COMPONENT II: NIMAC

| Overall objective   | Intervention Logic   | Performance Measurement   | Sources of verification   | Assumptions/Risks   |
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| <p>Strengthening national and local level capacities for information management through the development of appropriate systems and tools supporting the implementation of the PRSP and CDAs. The focus will remain on enhancing LISGIS' capacity to respond to national and local level planning processes as well as tracking implementation of on-going development strategies.</p> | <p>Information management capacity, systems and standards established and in use by LISGIS; Seven County Statistics Unit deployed and operational supporting enhanced availability and access to data in the counties; Local level planning officials in at least 7 counties are able to develop and use simple M&amp;E tools for monitoring progress on development frameworks;</p>   | <p>GOL Statistical Bulletins<br/>UNDP Human Development Reports<br/>World Bank Statistical Reports</p>  | <p>The government currently has very low IT capacity, material and human. As information management and database development are very technologically dependant, this will affect the rate at which capacity can be built and sustained.<br/>LISGIS remains committed to full decentralization.</p> | <p>Brain drain is a very real challenge in Liberia. Once NIMAC has built the capacity of staff, it is possible that they leave the government and seek alternative employment.<br/>LISGIS continues to play a lead and strong coordinating role for the NSDS process.</p> |
| <p><b>Specific objectives</b></p>   | <p>II.1). Strengthening of the national statistical system with the successful transition of NIMAC's functions and assets into LISGIS in a sustained manner; direct technical support to sector ministries with requisite information systems; continued technical support for the finalization of a five-year NSDS for Liberia particularly responsive to supporting the PRSP and CDAs; support the compilation of requisite quality data that will feed into national and local level M&amp;E frameworks by mainstreaming the use of standards in all relevant data collection instruments;<br/>II.2). Support the development and roll-out of a decentralization strategy within the framework of the emerging NSDS and consistent with the PRS strategy; support the compilation of requisite quality data that will feed into national and local level M&amp;E frameworks by mainstreaming the use of standards in all relevant data collection instruments; in collaboration with initiatives such as LDLD, CST and IMO, support the strengthening of information management capacity of local governance structures to plan and monitor local development programmes and processes<br/>II.3). Support the development and deployment of a web-enabled aid flows information system for tracking resource input into PRS, CDA and other national strategies implementation..</p> | <p>Outcome indicators:<br/>II.1). A strengthened NSO that can fully respond to its mandate.<br/>II.2). Increased access to information products and IM tools to support sub-national governance structures.<br/>II.3). Fully functional aid tracking system in place promoting accountability and transparency.</p> | <p>LiberiaInfo<br/>County-Based Reporting updates.<br/>PRSP M&amp;E Reports<br/>County Information Packs<br/>County Development Agenda updates<br/>Aid Tracking System Reports</p>  |   |

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| <p><b>Expected Results</b></p> | <p>II.1.1.1 A strengthened LSS that would have acquired additional capacities through the complete and successful transitioning of the NIMAC project into LISGIS.</p> <p>II.1.1.2 An enhanced environment in LISGIS for assuring data security through the introduction and mainstreaming of standards and protocols for storing, managing, backing-up retrieving and archiving data and information of national interest.</p> <p>II.1.1.3 A five-year national strategy for the development of statistics in Liberia with clear vision, mission and strategies articulated including time-bound statistical deliverables by responsible agency, associated work plans and budgets.</p> <p>II.1.1.4 Increased availability and accessibility of relevant disaggregated data on national and local level socio-demographic profiles for use in policy formulation, monitoring and evaluation of national development strategies;</p> <p>II.2.1 A strategy for the decentralization of the NSO; Deployment of County Statistics Units in seven Counties in some cases serving as regional hubs.</p> <p>II.2.2 Enhanced capacities in local governance structures for using statistical and other Information Management (IM) products including the use of agreed standards for the development of common indicators and templates to facilitate the collection of recovery-related information and other relevant datasets at the local level.</p> <p>II.2.3 Enhanced capacities in counties to plan and to gather essential data to monitor county recovery and development agendas; increased knowledge of stakeholders at the local level about prevailing socio-economic patterns and trends.</p> <p>II.3 Fully functional aid tracking system in place at the LRDC Secretariat complete with IT infrastructure and software system.</p> | <p><b>Output indicators:</b></p> <p>II.1.1.1 Complete and successful transition of the NIMAC project into LISGIS.</p> <p>II.1.1.2 Number of new indicators included in the revised versions of LiberiaInfo</p> <p>II.1.1.3 Five-year National Statistical Development Strategy Paper for Liberia</p> | <ul style="list-style-type: none"> <li>• LiberiaInfo</li> <li>• PRSP Reports</li> <li>• County Information Packs</li> <li>• County Reporting Systems</li> <li>• AIMS Reports</li> <li>• M&amp;E</li> </ul> | <ul style="list-style-type: none"> <li>• The NIMAC project is not transitioned prematurely into government.</li> <li>• As new opportunities open up in Liberia and new partners enter the market, it is possible that LISGIS and other information management entities in line ministries receive other, seemingly more attractive offers.</li> </ul> |
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| Activities | Objective   | Activities  |  |  |
|            | <p>11.1). Strengthening of the national statistical system with the successful transitioning of NIMAC's functions and assets into LISGIS in a sustained manner; direct technical support to sector ministries with requisite information systems; continued technical support for the finalization of a five-year NSDS for Liberia particularly responsive to supporting the PRSP and CDAs.</p> | <p>1.1.1 Continued implementation of the NIMAC exit strategy; functions and their associated resources are moved into appropriate units in LISGIS and systematic training and direct skills transfer to counterpart staff.</p> <p>1.2.1 Continued technical support to LISGIS on improving its operational environment for effective information management; technical support for database development, data processing, and updating the next versions of LiberiaInfo.</p> <p>1.3.1 Continued support to ongoing NSDS meetings including documentation; Technical support to participating ministries and agencies and to the drafting team of the NSDS. Continued technical support to line ministries for development of requisite information systems supporting administrative processes and increasing the availability of accurate data for recovery and development strategies monitoring.</p> |  |  |

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|  | <p>II.2). Support the development and roll-out of a decentralization strategy within the framework of the emerging NSDS and consistent with the PRS strategy; support the compilation of requisite quality data that will feed into national and local level M&amp;E frameworks by mainstreaming the use of standards in all relevant data collection instruments; in collaboration with initiatives such as LDLD, CST and IMO, support the strengthening of information management capacity of local governance structures to plan and monitor local development programmes and processes</p> <p>3). Support the development and deployment of a web-enabled aid flows information system tracking resource input into PRS, CDA and other national strategies implementation..</p> | <p>2.1.1 In collaboration with the IMO project, support the establishment of County Statistics offices in seven IMO offices; also support the development of quality training programs on basic principles and techniques in information management and statistics for delivery to County administration structures.</p> <p>2.1.2 In coordination with LISGIS, the CST, IMOs and other initiatives, support county level data collation using harmonized templates to feed into M&amp;E frameworks of the PRS &amp; CDA.</p> <p>3.1.1 Technical support to LRDC Secretariat for the development and deployment of a web-based aid tracking tool through provision of IT equipment, software and hands-on training.</p> |  |  |
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**APPENDIX 1D: Logframe of the COUNTY DEVELOPMENT PROGRAMME**  
**Intervention Logic**

**Objectively Verifiable Indicators**

|                           | Objectively Verifiable Indicators   | Sources of Verification  | Assumptions   |
|---------------------------|---|--|---|
| <b>Overall Objectives</b> | <ul style="list-style-type: none"> <li>• Alleviate poverty, consolidate peace and democracy and sustain economic growth</li> <li>• Economic and human development index improved</li> <li>• Reduction of people living under poverty lines from current 80% of the population on less than \$1 per day and 52% in extreme poverty;<sup>20</sup></li> <li>• Increase of per capita GDP compared to 120 USD/year in 2004<sup>21</sup></li> </ul>  | <ul style="list-style-type: none"> <li>• UNDP statistics</li> <li>• Bretton Woods Institutions and UN statistics and reports</li> <li>• Government statistics, Independent surveys</li> <li>• Humanitarian progress reports</li> </ul> | <ul style="list-style-type: none"> <li>• Peace and stability remain through respect of peace agreements</li> <li>• Regional political situation remains calm</li> </ul>   |
| <b>Specific Objective</b> | <ul style="list-style-type: none"> <li>• Improve the living conditions of local communities by increasing access to basic social services, raising incomes and supporting a more effective, efficient and democratic local County administration.</li> <li>• % of country population with improved basic health, watsan and educational status;</li> <li>• Net increase in targeted communities incomes;</li> <li>• Improvements in social development indicators;</li> <li>• Functioning administration and social service delivery in the province</li> </ul> | <ul style="list-style-type: none"> <li>• 9th EDF Mid-term review</li> <li>• UN and Government statistics</li> <li>• Programme Progress reports</li> <li>• Programme baseline and impact assessments</li> </ul>                         | <ul style="list-style-type: none"> <li>• Other national policies supporting economic growth and sustained development and equitable distribution of the benefits of growth.</li> <li>• Other social sector programs implemented as scheduled by Government of Liberia and other donors</li> </ul> |

<sup>20</sup> Liberia Country profile, Health Action in Crisis Report, 2004 (WHO)  
<sup>21</sup> Liberia Data Profile, 2004 (World Bank)

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| <p>Results</p>  | <p>1/ Increase access to sustainable and improved quality social and economical services for the population</p>   | <ul style="list-style-type: none"> <li>• Number of social infrastructures constructed or rehabilitated;</li> <li>• Percentage of population with access to basic social and economical services (by sector of intervention);</li> <li>• Around 350 local development projects identified and implemented based on community initiatives</li> <li>• Number of skilled and unskilled labourers employed (number of man-months of employment);</li> <li>• Number of bridges installed and length or roads sections rehabilitated (up to 150 km);</li> <li>• Roads successfully maintained and left opened during the rainy season;</li> <li>• Population having access to water at stand pipes and length of rehabilitated pipes (up to 15km of 2ndary and 60km of 3ary pipes);</li> <li>• Sector specific projects indicators</li> </ul> | <ul style="list-style-type: none"> <li>• Programme reports;</li> <li>• County rehabilitation programmes and implementation progress reports;</li> <li>• Other local administration reports</li> <li>• Government statistics;</li> <li>• Specific surveys and studies</li> <li>• Manual and methodology developed by the T.A</li> </ul> | <ul style="list-style-type: none"> <li>• Government remains committed to principles of good governance</li> <li>• Government remains committed to de-concentration and decentralization</li> <li>• Sustainability is regarded as major project selection criterion</li> <li>• EC delegation in Liberia is strengthened and its capacity to effectively implement and monitor the program improved</li> <li>• Flexible procedures are foreseen that allow for rapid implementation</li> </ul> |
| <p>2/ Increase in income generation and diversification; and employment opportunities</p>                                       | <ul style="list-style-type: none"> <li>• Number of households with increased income and percentage increase</li> <li>• Number of small scale community initiatives started and jobs created</li> <li>• N° of community-based organisations supported and able to ensure sustainable income / job generating activities</li> <li>• Sector specific projects indicators</li> </ul>  |  |  |  |
| <p>3/ Strengthening local institutions (planning, monitoring, information capacity), local governance, and decentralization</p> | <ul style="list-style-type: none"> <li>• Number of local administration facilities equipped and repaired</li> <li>• Common local development guidelines and best practices are developed and in use in consultation with other main stakeholders</li> <li>• Key local government staff is trained and actively contributing to planning and prioritisation, investments decision , monitoring and evaluation of local development interventions in all targeted Counties</li> <li>• County rehabilitation programmes are elaborated and implemented in all targeted counties, and consistent with sector strategies</li> <li>• Information management capacity, systems and standards are established and in use within the government (including LISGIS) and information sharing mechanisms with development partners in place</li> <li>• Existence and use by local authorities of a simple common M&amp;E</li> </ul> |  |  |  |

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| <p>activities</p> | <p>Under Result 1/ Increase access to sustainable and improved quality social and economical services for the population</p>                 | <ul style="list-style-type: none"> <li>• Rehabilitation of basic social and economical infrastructure and services (primary education, health, water and sanitation, roads and bridges, markets).</li> <li>• Income and employment opportunities generation through labour-intensive approaches and through financing income generating activities in particular in the field of agriculture.</li> </ul>   |  |
|                   | <p>Under Result 2/ Increase in income generation and diversification; and employment opportunities</p>                                       | <ul style="list-style-type: none"> <li>• Support to the development of a national vision for the transport sector (national roads transport plan), and further study the modalities of road maintenance mechanisms;</li> <li>• Support to the reform process of the water sector, including technical studies, legal and regulatory reform, utility management</li> <li>• Design , rehabilitation and supervision of critical roads sections of the rural road network and bridges on smaller river crossings nationwide.</li> <li>• Organisation and capacity building for roads maintenance at local level in a few prioritised counties (capacity building / training, equipment and initial funding )</li> <li>• Rehabilitation of Water infrastructure, in particular the rehabilitation of the secondary and tertiary water pipe network of Monrovia to distribute water to stand pipes in the communities and/or connect key establishments</li> <li>• Support to the Special Implementation Unit and Project Financial Management Unit of the Ministry of Public Works procurement, management, supervision</li> </ul> |  |
|                   | <p>Under Result 3/ Strengthening local institutions (planning, monitoring, information capacity), local governance, and decentralization</p> | <p><i>Planning, monitoring, information management</i></p> <ul style="list-style-type: none"> <li>• Support to the reinstallation of local administration and to the improvement of the working environment of local administration staff.</li> <li>• Capacity building of local administration with specific regard planning, coordination and monitoring and evaluation.</li> <li>• Development of information management capacity and system at local and central level to promote accountability and transparency, support national aid coordination (including development of indicators linking to the iPRSP)</li> <li>• Support to the National Population Census and collection of other essential data to provide base line information for improving needs assessments and policy planning, implementation and monitoring.</li> </ul>  |  |

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| <p>activities</p> | <p>Under Result 3 / Strengthening local institutions (planning, monitoring, information capacity), local governance, and decentralization</p> | <p><i>Local Governance</i></p> <ul style="list-style-type: none"> <li>• Development linkages between community-based organizations and local government through existing (District Development Committees, County Health Teams, etc) and new mechanisms.</li> <li>• Support to the ongoing definition of homogenised local development procedures, approaches, structures and relation between communities and local authorities (code of practice) and to the generalisation of its implementation</li> </ul> <p><i>Decentralization and decentralisation</i></p> <ul style="list-style-type: none"> <li>• Support elaboration of a policy paper on local government validated with the stakeholders (through complementary studies, technical assistance and workshops).</li> <li>• Support the ongoing formulation of public service reform and decentralisation policies and plans</li> <li>• Support the organisation and realisation of local elections</li> </ul> |  |  |
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### Annex 1E: Acronyms and Abbreviations

|        |  |
|--------|--|
| CBO    | Community Based Organisation   |
| CBR    | Community Based Recovery (Programme)                                 |
| CDA    | County Development Agenda  |
| CDD    | Community Driven Development   |
| CDP    | County Development Programme   |
| CDSS   | County Development Support Secretariat                               |
| CRC    | Community Rehabilitation Component                                   |
| CST    | County Support Team  |
| CSP    | County Support Programme   |
| DC     | District Commissioner  |
| DDCs   | District Development Committees                                      |
| DFID   | Department for International Development (UK)                        |
| EC     | European Commission  |
| ECD    | European Commission Delegation                                       |
| EDF    | European Development Fund  |
| EU     | European Union   |
| GC     | Governance Commission  |
| GoL    | Government of Liberia  |
| HQ     | Headquarters   |
| IGA    | Income Generating Activities   |
| IMO    | Information Management Office  |
| INGO   | International Non Governmental Organisation                          |
| IPRS   | Interim Poverty Reduction Strategy                                   |
| LACE   | Liberian Agency for Community Empowerment                            |
| LCD    | Local Community Development (Programme)                              |
| LCEP   | Local Community Empowerment Programme                                |
| LCIP   | Liberian Community Improvement Programme                             |
| LDLD   | Liberian National Decentralisation and Local Development (Programme) |
| LED    | Local Economic Development   |
| LISGIS | Liberia Institute for Statistics and Geoinformation Services         |
| LRDC   | Liberian Reconstruction and Development Committee                    |
| LSO    | Local Statistics Office  |
| MIS    | Management Information System  |
| MoF    | Ministry of Finance  |
| MIA    | Ministry of Internal Affairs   |
| MPEA   | Ministry of Planning and Economic Affairs                            |
| NAO    | National Authorising Office (of the EU)                              |
| NIMAC  | National Information Management Project                              |
| NGO    | Non Governmental Organisation  |
| NRC    | Norwegian Refugee Council  |
| NSDS   | National Statistics Development Strategy                             |
| PRS    | Poverty Reduction Strategy   |
| PTA    | Parent Teachers Association  |
| TOR    | Terms of Reference   |
| TWP    | True Whig Party  |
| UN     | United Nations   |
| UNCDF  | United Nations Capital Development Fund                              |
| UNDP   | United Nations Development Programme                                 |
| UNHCR  | United Nations High Commission for Refugees                          |
| WATSAN | Water and Sanitation   |
| WB     | World Bank   |

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## ANNEX II

### General Conditions applicable to European Community contribution agreements with international organisations

#### General and administrative provisions

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## GENERAL AND ADMINISTRATIVE PROVISIONS

### ARTICLE 1 – GENERAL OBLIGATIONS

1.1. The Organisation shall ensure that the Action is carried out in accordance with the Description of the Action contained in Annex 1 and is responsible for achieving the objectives set out therein. The Organisation shall report on the indicators of achievement specified in the Description of the Action.

1.2. The Organisation shall implement the Action with the requisite degree of care, efficiency, transparency and diligence, as required by best practice in the field concerned, and in compliance with this Agreement.

The Organisation shall make every effort to mobilise all the financial, human and material resources required for full implementation of the Action, as specified in the Description of the Action.

1.3. The Organisation may act either alone or in partnership with one or more organisations mentioned in the Description of the Action. It may also contract parts of the Action, in accordance with the provisions of article 10 hereof.

Partners participate in implementing the Action, and the costs they incur are eligible under the same conditions as those incurred by the Organisation.

The Organisation is fully responsible for the co-ordination and execution of all contracted activities. The Contracting Authority recognises no contractual link between itself and the Organisation's partner(s) or between itself and a contractor.

1.4. The Organisation undertakes to ensure that the conditions imposed upon it under Articles 1, 3, 4, 5, 6, 7, 14, 16 and 17 of this Agreement also apply to all partners and contractors involved.

1.5. The Organisation shall take appropriate measures to prevent irregularities, fraud, corruption or any other illegal activity in the management of the Action. All suspected and actual cases of irregularity, fraud and corruption related to this Agreement as well as measures related thereto taken by the Organisation must be reported to the Contracting Authority without delay.

Where appropriate the Organisation shall terminate contracts with partners, contractors or agents involved in fraudulent behaviour or corrupt practices in connection with this or any other actions implemented by the Organisation and financed by the European Community or the Contracting Authority, and take all reasonable measures to recover funds unduly paid.

1.6. Without prejudice to Articles 1.3 and 10, the Agreement and the payments attached to it may not be assigned to a third party in any manner whatsoever without the prior written consent of the Contracting Authority.

1.7. The provisions regarding "Joint Management Actions" in these General Conditions may apply where at least one of the following conditions is met:

- the performance of the Action requires the pooling of resources from a number of donors, and where it is not reasonably possible or appropriate to assign the share contributed by each donor to each type of expenditure (hereinafter, "Multi-donor Actions"). Article 3(2) of the Special Conditions will not show the percentage of

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estimated total eligible cost, to which the Contracting Authority contributes, where the final funding of the Action is not known at the time of signing the Agreement, or

- the European Commission and the Organisation are bound by a long-term framework agreement laying down the administrative and financial arrangements for their cooperation; or
  - the European Commission and the Organisation have jointly assessed the feasibility and defined the implementation of the Action.
- 1.8. Where the European Community is not the Contracting Authority, it shall not be a party to this Agreement, which shall only confer on it rights and obligations where explicitly stated. It will nevertheless endorse the Agreement to ensure that the Contracting Authority's contribution is eventually paid by the European Community budget<sup>1</sup>, and the provisions on visibility in this Agreement will apply accordingly.

## ARTICLE 2 – OBLIGATIONS REGARDING INFORMATION AND FINANCIAL AND NARRATIVE REPORTS

- 2.1. The Organisation shall provide the Contracting Authority with full information on the implementation of the Action. To that end, the Organisation shall provide before signature of this Agreement a work plan for the first period of implementation as specified in the Description of the Action. The Organisation shall also draw up progress reports and a final report. These reports shall consist of a narrative part and a financial part. Reporting, narrative as well as financial, shall cover the whole of the Action, regardless of whether this Action is wholly financed or co-financed by the Contracting Authority.
- 2.2. The Contracting Authority may request additional information at any time, providing the reasons for the request. Such information shall be supplied within 30 days of the request.
- 2.3. The Organisation shall send the Contracting Authority progress reports in accordance with the provisions below. Every report shall provide a complete account of all aspects of implementation for the period covered.

The report shall be laid out in such a way as to allow comparison of the objective(s), the means envisaged or employed (in particular all expenses actually incurred by the Organisation), the results expected and obtained and the budget details for the Action. The level of detail in any report should match that of the Description of the Action and of the Budget for the Action.

- 2.4. The narrative report shall directly relate to this Agreement and shall at least include:
- Summary and context of the Action;
  - Activities carried out during the reporting period (i.e. directly related to the Action description and activities foreseen in this Agreement);
  - Difficulties encountered and measures taken to overcome problems;
  - Changes introduced in implementation;
  - Achievements/results by using the indicators included in this Agreement;

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<sup>1</sup> Where the contribution is financed out of the European Development Fund, mentions of European Community financing must be read as referring to European Development Fund financing.

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- Work plan for the following period including objectives and indicators of achievement. If the report is sent after the end of the period covered by the preceding work plan, a new work plan, albeit provisional, is always required before such date.
- 2.5. The final report shall contain the above information (excluding the last indent) covering the whole implementation period of this Agreement, information on the measures taken to identify the European Union as the source of financing and details on the transfers of assets mentioned in article 7.3 if relevant, plus a full summary of the Action's income and expenditure and payments received.
- 2.6. The reports shall be presented in the same language as the Agreement. They shall be submitted at the following intervals:
- if payments follow option 1 in Article 15.1:
- a progress report shall be forwarded to the Contracting Authority at the end of every twelve-month period, where the implementation period of this Agreement is longer;
  - a final report shall be forwarded to the Contracting Authority within six months of the end of the implementation period of this Agreement as defined in Article 2 of the Special Conditions;
- if payments follow option 2 in Article 15.1:
- a progress report shall accompany every request for further instalment of pre-financing;
  - the final report shall be forwarded to the Contracting Authority within six months of the end of the implementation period of this Agreement as defined in Article 2 of the Special Conditions.
- 2.7. Reports will be submitted in Euro, and may be drawn from financial statements denominated in other currencies as per the Organisation's legislative requirements. Where necessary, actual expenditure will be converted into Euro using the rate of exchange at which the Contracting Authority's contribution was recorded in the Organisation's accounts, unless otherwise specified in article 4(3) of the Special Conditions.
- 2.8. Any additional reporting requirement will be set out in the Special Conditions.
- 2.9. If the Organisation fails to supply a final report by the final report deadline laid down in Article 2.6, and fails to furnish an acceptable written explanation of the reasons why it is unable to comply with this obligation, the Contracting Authority may refuse to pay any outstanding amount and recover any amounts unduly paid.
- Furthermore, where the Organisation fails to present a progress report and where relevant a request for payment by the end of each twelve-month period following the date laid down in Article 2(2) of the Special Conditions, the Organisation shall inform the Contracting Authority of the reasons why it is unable to do so, and shall provide a summary of the state of progress of the Action. If the Organisation fails to comply with this obligation, the Contracting Authority may terminate the Agreement in accordance with the first indent of Article 12.2, refuse to pay any outstanding amount and recover any amounts unduly paid.
- 2.10. In addition to the above mentioned reports, the Organisation will ensure that progress and situation reports, publications, press releases and updates, relevant to this Agreement, are communicated to the Contracting Authority as and when they are issued.

The Organisation and the Contracting Authority (the "Parties") will further endeavour to promote close collaboration and exchange of information on the Action. The Organisation

will invite the European Commission to join any donor committee which may be set up in connection with Multi-Donor Actions.

- 2.11. In any event the Organisation shall inform the Contracting Authority without delay of any circumstances likely to hamper or delay the implementation of the Action.

### **ARTICLE 3 – LIABILITY**

- 3.1. The Organisation shall have sole responsibility for complying with any legal obligation incumbent on it.
- 3.2. The Contracting Authority cannot under any circumstances or for any reason whatsoever be held liable for damage or injury sustained by the staff or property of the Organisation while the Action is being carried out or as a consequence of the Action. The Contracting Authority cannot therefore accept any claim for compensation or increases in payment in connection with such damage or injury.
- 3.3. Subject to the rules governing the Organisation's privileges and immunities, the Organisation shall assume sole liability towards third parties, including liability for damage or injury of any kind sustained by them in respect of or arising out of the Action. The Organisation shall discharge the Contracting Authority of all liability associated with any claim or action brought as a result of an infringement by the Organisation or the Organisation's employees or individuals for whom those employees are responsible of rules or regulations, or as a result of violation of a third party's rights.

### **ARTICLE 4 – CONFLICT OF INTERESTS**

The Organisation undertakes to take all necessary precautions to avoid conflicts of interests and shall inform the Contracting Authority without delay of any situation constituting or likely to lead to any such conflict.

There is a conflict of interests where the impartial and objective exercise of the functions of any person under this Agreement is compromised for reasons involving family, emotional life, political or national affinity, economic interest or any other shared interest with another party.

### **ARTICLE 5 – CONFIDENTIALITY**

Subject to article 16, the Contracting Authority and the Organisation undertake to preserve the confidentiality of any document, information or other material directly related to the Agreement and duly classified as confidential, until at least five years after the end date as specified in article 12.5. Where the European Commission is not the Contracting Authority, it shall still have access to all documents communicated to the Contracting Authority, and will maintain the same confidentiality.

### **ARTICLE 6 – VISIBILITY**

- 6.1. Unless the European Commission requests or agrees otherwise, the Organisation shall take all appropriate measures to publicise the fact that an Action has received funding from the European Union. Information given to the press, the beneficiaries of an Action, all related publicity material, official notices, reports and publications, shall acknowledge that the Action was carried out "with funding by the European Union" and shall display in an appropriate way the European logo (twelve yellow stars on a blue background).

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It is understood that the Organisation's equipment and vehicles may routinely carry its emblem and other indications of ownership prominently displayed. In cases where equipment or vehicles and major supplies have been purchased using funds provided by the European Community, the Organisation shall include appropriate acknowledgement on such vehicles, equipment and major supplies (including display of the European logo (twelve yellow stars on a blue background) provided that such actions do not jeopardise the Organisation's privileges and immunities and the safety and security of the Organisation's staff.

- 6.2. The size and prominence of the acknowledgement and European Union logo shall be clearly visible in a manner that will not create any confusion regarding the identification of the Action as an activity of the Organisation, the ownership of the equipment and supplies by the Organisation, and the application to the Action of the Organisation's privileges and immunities.
- 6.3. All publications by the Organisation pertaining to Actions that have received funding from the European Community, in whatever form and whatever medium, including the internet, shall carry the following or a similar disclaimer: "This document has been produced with the financial assistance of the European Union. The views expressed herein can in no way be taken to reflect the official opinion of the European Union."
- 6.4. If the equipment bought with a European Community contribution is not transferred to local partners of the Organisation or the final recipient of the Action at the end of the implementation period of this Agreement, the visibility requirements as regards this equipment (in particular display of the European logo) shall continue to apply between the end of the implementation period of this Agreement and the end of the overall Action, if the latter is longer.
- 6.5. Publicity pertaining to European Community contributions shall quote these contributions in Euro, in parenthesis if necessary. The Organisation's publications and reports prepared in response to, and in accordance with, its legislative directives are excluded from this provision.
- 6.6. The Organisation accepts that the Contracting Authority and the European Commission (where it is not the Contracting Authority) publish in any form and medium, including on their websites the name and address of the Organisation, the purpose of the contribution as well as the amount contributed and if relevant the percentage of cofinancing.

Upon a duly substantiated request by the Organisation, the European Commission may agree to forego such publicity if disclosure of the above information would risk threatening the Organisation's safety or harming its interests.

#### **ARTICLE 7 – OWNERSHIP/USE OF RESULTS AND EQUIPMENT**

- 7.1. Ownership, title and industrial and intellectual property rights in the results of the Action and the reports and other documents relating to it shall vest in the Organisation, as the case may be together with third parties or as may otherwise be agreed by the Organisation.
- 7.2. Notwithstanding the provisions of the first paragraph and subject to Article 5, the Organisation grants the Contracting Authority (and the European Commission where it is not the Contracting Authority) the right to use free of charge and as it sees fit all documents deriving from the Action, whatever their form, provided it does not thereby breach existing industrial and intellectual property rights.

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- 7.3. Unless otherwise specified in the Special Conditions, the equipment, vehicles and supplies paid for by the Contracting Authority's funding shall be transferred to local authorities or partners (excluding commercial contractors) of the Organisation or to the final recipients of the Action by the end of the Action. The documentary proof of those transfers shall be kept for verification along with the documents mentioned in article 16.3.

#### **ARTICLE 8 – EVALUATION OF THE ACTION**

- 8.1. Representatives of the European Commission shall be invited to participate in the main monitoring and in the evaluation missions relating to the performance of the Action. The results of such missions shall be reported to the European Commission.
- 8.2. This is without prejudice to any evaluation mission which the European Commission as a donor may wish to perform. Evaluation missions by representatives of the European Commission should be planned and completed in a collaborative manner between the Organisation's staff and the European Commission's representatives, keeping in mind the commitment of the Parties to the effective and efficient operation of this Agreement. These missions are to be planned ahead and procedural matters are to be agreed upon by the European Commission and the Organisation in advance. The mission will offer to make a draft of its report available to the Organisation for comments prior to final issuance.

#### **ARTICLE 9 – AMENDMENT OF THE AGREEMENT**

- 9.1. Any modification of the Agreement, including the annexes thereto, shall be set out in writing in an amendment.

If the request for an amendment comes from the Organisation, the latter shall submit that request to the Contracting Authority one month before the amendment is intended to enter into force, unless there are special circumstances duly substantiated by the Organisation and accepted by the Contracting Authority. A request to extend the implementation period of this Agreement must be duly justified and submitted no later than one month before the end of it.

- 9.2. Where a modification to the Description of the Action and/or the Budget does not affect the basic purpose of the Action and the financial impact is limited to a transfer within a single budget heading, including cancellation or introduction of an item, or a transfer between budget headings involving a variation (as the case may be in cumulative terms) of 15 % or less of the amount originally entered (or as modified by a formal amendment) in relation to each concerned heading for eligible costs, the Organisation may amend the Budget and shall inform the Contracting Authority accordingly in writing. This method may not be used to amend headings for administrative costs or the contingency reserve.

Changes of address and changes of bank account may simply be notified in writing to the Contracting Authority. Changes of bank account must be specified in the request for payment, using the financial identification form attached as Annex IV.

#### **ARTICLE 10 – CONTRACTING**

- 10.1. If parts of the Action are contracted, the contracting arrangements, including in particular the principles for the award of procurement and grants, will be as specified in the Description of the Action. If they are not specified therein, the Organisation will present them to the Contracting Authority as soon as they are available. The Organisation will also inform the Contracting Authority, with as much prior notice as possible, of changes in

these arrangements. The Organisation will provide detailed information on contracting arrangements in the final report.

- 10.2. Unless otherwise agreed by the Parties in writing, the procurement of any goods, works or services and the award of grants by the Organisation and its partners in the context of the Action shall be carried out in accordance with the applicable rules and procedures adopted by the Organisation.

This is based on the understanding that the Organisation's rules and procedures conform to internationally accepted standards, in compliance with the principles of transparency, proportionality, sound financial management, equal treatment and non discrimination, care being taken to avoid any conflict of interests.

Without prejudice to the specific procedures and exceptions applied by the Organisation, the award by the Organisation of grants financed by the Contracting Authority's contribution shall comply with the following principles:

- may not be cumulative, awarded retrospectively or have the purpose or effect of producing a profit for the grant beneficiary;
- must involve co-financing, save in cases of humanitarian and crisis situation, the protection of health and fundamental rights of people, where the grant beneficiaries are third countries or other international organisations and where it is in the interest of the European Commission to be the sole donor.

- 10.3. If allowed by the applicable regulatory provisions of the European Community, the origin of the goods and the nationality of the organisations, companies and experts selected for carrying out activities in the Action shall be determined in accordance with the Organisation's relevant rules. In any event goods, organisations, companies and experts eligible under the applicable regulatory provisions of the European Community shall be eligible.

In all other cases the partners, contractors, experts and goods, the cost of which are financed out of the Contracting Authority's contribution, shall originate in the European Community or the country or countries eligible under the programme of which the Action is part. Any departure from the rules of origin and nationality set out above is subject to the specific provisions of the applicable regulatory provisions of the European Community.

- 10.4. The Organisation shall adopt reasonable measures, in accordance with its own procedures, to ensure that potential candidates or tenderers and grant beneficiaries shall be excluded from the participation in a procurement or award procedure financed by the Contracting Authority's contribution, if:

- they are bankrupt or being wound up, are having their affairs administered by the courts, have entered into an arrangement with creditors, have suspended business activities, are the subject of proceedings concerning those matters, or are in any analogous situation arising from a similar procedure provided for in national legislation or regulations;
- they have been convicted of an offence concerning their professional conduct by a judgement which has the force of *res judicata*;
- they have been the subject of a judgement which has the force of *res judicata* for fraud, corruption, involvement in a criminal organisation or any other illegal activity detrimental to the Community's financial interests;
- they are guilty of misrepresentation in supplying the information required as a condition of participation in the procedure or fail to supply this information.

- are subject to a conflict of interest.

- 10.5. With due regard to the applicable rules on confidentiality, security and protection of personal data, the Organisation shall provide on an annual basis to the Contracting Authority, a list of the names of contractors and grant beneficiaries financed by the Contracting Authority for its publication (including by electronic means such as Internet), unless such ex post publication is guaranteed by the Organisation itself.
- 10.6. In the event of failure to comply with the above provisions the relevant costs shall not be eligible for funding by the Contracting Authority.

#### **ARTICLE 11 – IMPLEMENTATION PERIOD OF THE AGREEMENT, SUSPENSION, *FORCE MAJEURE***

- 11.1. Irrespective of the starting date and implementation period of the Action, the implementation period of this Agreement shall be as set out in Article 2 of the Special Conditions
- 11.2. The Organisation may suspend implementation of all or part of the Action if circumstances (chiefly *force majeure*) make it too difficult or dangerous to continue. It shall inform the Contracting Authority without delay and provide all the necessary details. This Agreement may be terminated in accordance with Article 12.1. If the Agreement is not terminated, the Organisation shall endeavour to minimise the duration of the suspension and may resume implementation of the Action once the conditions allow, and shall inform the Contracting Authority accordingly.
- 11.3. The Contracting Authority may request the Organisation to suspend implementation of all or part of the Action if circumstances (chiefly *force majeure*) make it impossible or too difficult or dangerous to continue. This Agreement may be terminated in accordance with Article 12.1. If the Agreement is not terminated, the Organisation shall endeavour to minimise the duration of the suspension and shall resume implementation of the Action once the conditions allow, with the prior written approval of the Contracting Authority.
- 11.4. The implementation period of this Agreement is automatically extended by an amount of time equivalent to the duration of the suspension. This is without prejudice to any amendments to the Agreement which may be necessary to adapt the Action to the new implementing conditions.
- 11.5. *Force majeure* shall mean any unforeseeable exceptional situation or event beyond the Parties' control which prevents either of them from fulfilling any of their obligations under this Agreement, was not attributable to error or negligence on their part (or of their partners, contractors, agents or employees), and could not have been avoided by the exercise of due diligence. Defects in equipment or material or delays in making them available, labour disputes, strikes or financial problems cannot be invoked as *force majeure* by the defaulting party. Neither of the Parties shall be held liable for breach of its obligations under the Agreement if it is prevented from fulfilling them by *force majeure*. Without prejudice to Articles 11.2 and 11.3 above, the Party invoking *force majeure* shall notify the other without delay, stating the nature, likely duration and foreseeable effect, and take any measure to minimise possible damage.

#### **ARTICLE 12 – TERMINATION OF THE AGREEMENT**

- 12.1. If, at any time, either Party believes that the purposes of this Agreement can no longer be effectively or appropriately carried out, it shall consult the other Party. Failing agreement on a solution, either Party may terminate this Agreement by serving two months' written

notice. In this event, the Organisation shall be entitled to payment of the contribution only for the part of the Action carried out, and to reimbursement of commitments entered into by the Organisation for the implementation of the Action, which the Organisation cannot reasonably terminate on legal grounds.

12.2. Where the Organisation:

- fails, without justification, to fulfil any of the obligations incumbent on it and, after being given notice by letter to comply with those obligations, still fails to do so or to furnish a satisfactory explanation within 30 days of sending of the letter;
- fails to comply with articles 1.5, 1.6 or 4;
- makes false or incomplete statements to obtain the contribution provided for in the Agreement or provides reports that do not reflect reality;
- commits financial irregularities or is guilty of grave professional misconduct;
- undergoes legal, financial, technical or organisational change that is liable to affect this Agreement substantially or to call the award decision into question;

the Contracting Authority will enter into discussions with the Organisation and, failing a proper solution within one month, may terminate this Agreement, without prior notice and without paying compensation of any kind. In that event the Contracting Authority may demand full or partial repayment of any amounts unduly paid, after allowing the Organisation to submit its observations.

12.3. Prior to or instead of terminating the Agreement as provided for in Article 12.2, the Contracting Authority may suspend payments or (exceptionally) the eligibility of expenses as a precautionary measure, informing the Organisation immediately.

12.4. This Agreement shall be automatically terminated if it has not given rise to a payment by the Contracting Authority (including pre-financing) within three years of its signature.

12.5. Unless this Agreement is earlier terminated pursuant to this Article 12, the payment obligations of the European Community hereunder shall cease at the “end date”, which shall occur 18 months after the end of the implementation period as defined in Article 2 of the Special Conditions.

The Contracting Authority notifies the Organisation of any postponement of the end date. The Contracting Authority shall postpone the end date, so as to be able to fulfil its payment obligations, in all cases where the Organisation has filed the payment request in accordance with contractual provisions or, in case of dispute, until completion of the dispute settlement procedure provided for in article 13.

### ARTICLE 13 – SETTLEMENT OF DISPUTES

13.1. The Parties shall endeavour to settle amicably any dispute or complaint relating to the interpretation, application or fulfilment of this Agreement, including its existence, validity or termination. In default of amicable settlement, any Party may refer the matter to arbitration in accordance with the Permanent Court of Arbitration Optional Rules for Arbitration Involving International Organisations and States in force at the date of this Agreement.

13.2. The language to be used in the arbitral proceedings shall be English. The appointing authority shall be the Secretary General of the Permanent Court of Arbitration following a written request submitted by either Party. The Arbitrator’s decision shall be binding on all Parties and there shall be no appeal.

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13.3. Nothing in this Agreement shall be interpreted as a waiver of any privileges or immunities accorded to any Party hereto by its constituent documents or international law.

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## FINANCIAL PROVISIONS

### ARTICLE 14 – ELIGIBLE COSTS

- 14.1. To be considered eligible as direct costs under this Agreement, costs must:
- be necessary for carrying out the Action, be provided for specifically in this Agreement and comply with the principles of sound financial management, in particular value for money and cost-effectiveness;
  - have actually been incurred during the implementation period of this Agreement as defined in article 2 of the Special Conditions, whatever the time of actual disbursement by the Organisation;
  - be recorded in the Organisation's or Organisation's partners' accounts, be identifiable, backed by originals of supporting evidence (as the case may be in electronic form), and verifiable pursuant to the provisions of article 16.4.
- 14.2. Subject to the above and without prejudice to article 10.4, the following direct costs of the Organisation or its implementing partners may in particular be eligible:
- the cost of staff assigned to the Action, corresponding to actual salaries plus social security charges and other remuneration-related costs (including in the form of provisions). Identifiable personnel costs at headquarters level arising as a direct consequence of the Action may be included. Salaries and costs will not exceed those normally borne by the Organisation or partners;
  - travel and subsistence costs for staff taking part in the Action, provided they do not exceed those normally borne by the Organisation or partners;
  - purchase costs for equipment (new or used) which are attributable to the Action;
  - purchase costs for goods and services (transport, storage and distributing, rent of equipment, etc.) which are directly attributable to the Action;
  - costs directly arising out of, or related to, accepting or distributing contributions in kind;
  - costs of consumables and supplies directly attributable to the Action;
  - expenditure on contracting directly attributable to the Action;
  - the proportion of field office costs that corresponds to the amount of activity directly attributable to the Action or to the proportion of funding by the Contracting Authority;
  - costs deriving directly from the requirements of this Agreement (dissemination of information, evaluation specific to the Action, specific reporting for the needs of the Contracting Authority, translation, reproduction, insurance, targeted training for those involved in the Action, etc.) including financial service costs (in particular bank fees for transfers).
- 14.3. The following costs shall not be considered eligible:
- debts and provisions for possible future losses or debts;
  - interest owed by the Organisation to any third party;
  - items already financed from other sources;
  - purchases of land or buildings;
  - currency exchange losses;
  - taxes, duties and charges (unless the Organisation is not able to reclaim them and if allowed by the applicable regulatory provisions of the European Community).

- 14.4. A fixed percentage of direct eligible costs, not exceeding 7 %, may be claimed as indirect costs by the Organisation to cover the administrative overheads incurred for the Action.

Subject to the above, for comparable Actions and Actions where there is more than one donor the amount recovered shall not, in percentage terms, be higher or lower than for other comparable contributions.

Indirect costs are eligible provided that they do not include costs assigned to another heading of the budget of this Agreement.

Indirect costs may be charged on the value of in-kind commodities delivered by the Contracting Authority, including their associated costs.

Where the rates applied in accordance with the Organisation's governing bodies' decisions exceed 7%, the Organisation may recover the balance as direct eligible costs, subject to the provisions governing direct eligible costs referred to in this article 14 being fulfilled.

Indirect costs shall not be eligible where the Agreement concerns the financing of an Action where the Organisation is already receiving an operating grant from the European Community during the period in question.

- 14.5. A contingency reserve may be included in the Budget of the Action, to cover any adjustment necessary in the light of changed circumstances on the ground. The contingency reserve should not be higher than 5% of eligible costs and can only be used with the prior written (by letter) authorisation of the Contracting Authority, upon a duly justified request from the Organisation.
- 14.6. In the case of co-financing, contributions in kind made by the Organisation or its partners may neither be considered as co-financing nor as eligible costs. The cost of staff assigned to the Action is not a contribution in kind and may be considered as co-financing in the Budget for the Action when paid by the Organisation or its partners.

## ARTICLE 15 – PAYMENTS

- 15.1. Payment procedures are set out in Article 4 of the Special Conditions and follow one of the two options below:

Option 1: When the implementation period of the Agreement does not exceed 12 months or the contribution is less than EUR 100 000

The Contracting Authority will provide a payment of pre-financing of from 80% up to 95% of the sum referred to in Article 3(2) of the Special Conditions less contingencies within 45 days of receiving the Agreement signed by both Parties and accompanied by a request for payment conforming to the model attached as Annex V.

The Contracting Authority will pay the balance within 45 days of approving the final report.

Option 2: When the implementation period of the Agreement exceeds 12 months and the contribution is of EUR 100 000 or more

The Contracting Authority will provide a payment of pre-financing of from 80% to 95% of that part of the forecast budget for the first 12 months of an Action which is being financed by it (excluding contingencies) within 45 days of receiving the Agreement signed by both Parties and accompanied by a request for payment conforming to the model attached as Annex V.

Each further instalment of pre-financing will cover the remainder of the Contracting Authority's part of the planned budget for the previous period (including any approved contingencies) plus a pre-financing of from 80% to 95% of that part of the forecast budget for the subsequent 12-month period (or of the remaining period if shorter as regards the last instalment of pre-financing) which is financed by it (excluding contingencies), and be made by the Contracting Authority within 45 days of approving a progress report, provided that at least 70% of the immediately preceding payment (and 100% of previous payments if any) has been incurred, as proven by the relevant report. For the purpose of this provision funds are incurred when they are the subject of a formal legal commitment between the Organisation (or its partners) and a third party.

The Contracting Authority will pay the balance within 45 days of approving the final report.

- 15.2. Any report will be deemed approved 45 days after receipt, accompanied by a request for payment conforming to the model attached as Annex V, if the Contracting Authority has not reacted.

If the Contracting Authority does not intend to approve a report, as submitted, it shall revert to the Organisation with a request explaining the reason and specifying the additional information it requires within the first 45-day period. The deadline for approving the report shall be suspended pending the receipt of the requested information. If the Contracting Authority deems that a payment request cannot be met, it shall revert to the Organisation with a request explaining the reason and specifying the additional information it requires within the second 45-day period. The payment period shall be suspended pending the registration of a properly formulated payment request.

Reports shall be presented in accordance with the stipulations of Article 2.

Approval of a report does not imply recognition of the regularity, authenticity, completeness and correctness of the declarations and information contained therein.

- 15.3. On expiry of the payment period specified in article 15.1, the Organisation may, within two months of receiving late payment, demand interest at the rate applied by the European Central Bank to its principal refinancing operations, as published in the C series of the Official Journal of the European Union on the first day of the month in which payment was due, increased by three and a half percentage points.

The interest shall be payable for the period elapsing from the day following expiry of the time limit for payment up to the day of payment. Any partial payment shall first cover the interest.

The interest shall not be treated as an income for the purposes of determining the final amount of Community financing within the meaning of article 17. The suspension of payment by the Contracting Authority may not be considered as late payment.

- 15.4. The level of pre-financing referred to in article 15.1 above shall be set at a level of between 80% and 95 % in 5% increments taking into account past record of the Organisation in particular as regards timely submission of the final report.
- 15.5. The Contracting Authority will make payments in EUR into the bank account referred to in the financial identification form in Annex IV. Where payment is to be made to a bank account which is already known to the Contracting Authority, the Beneficiary may provide a copy of the relevant financial identification form.
- 15.6. Where feasible, the funds paid by the Contracting Authority shall be maintained in Euro denominated bank accounts. They may be pooled together with contributions from other donors. They may be exchanged for other currencies in order to facilitate their disbursement.
- 15.7. For Joint Management Actions, the Organisation's rules and procedures pertaining to bank interest shall apply, and an equal treatment among donors shall be ensured. This is based on the understanding that these rules and procedures conform to internationally accepted standards.

In all other cases, interest earned by the Organisation on funds received from the Contracting Authority shall be identified as such and reflected in reports to the Contracting Authority. In such cases, subject to the conditions provided for in the applicable regulations of the European Community:

- Interests earned on pre-financing payments equal or below EUR 250 000 (or for crisis management, equal or below EUR 750 000 per agreement at the end of each financial year and for projects of a duration of more than 12 months) shall not be due to the Contracting Authority.

- Interest earned on pre-financing payments exceeding the amounts indicated above and below EUR 750 000 shall be assigned to the Action and deducted from the payment of the balance of the amounts due to the Organisation, unless the Contracting Authority requests the Organisation to reimburse the interest generated by pre-financing payments before the payment of the balance.

The Contracting Authority shall recover for each reporting period following the implementation of the Agreement the amount of earned by pre-financing payments exceeding EUR 750 000 per agreement at the end of the financial year.

#### **ARTICLE 16 – ACCOUNTS AND TECHNICAL AND FINANCIAL CHECKS**

- 16.1. The Organisation shall keep accurate and regular records and accounts of the implementation of the Action. Separate accounts shall be kept for each Action, and shall detail all income and expenditure.

For Joint Management Actions, the accounting regulations and rules of the Organisation shall apply. This is based on the understanding that these regulations and rules conform to internationally accepted standards.

In all other cases the Organisation shall use a dedicated double-entry book-keeping system as part of or as an adjunct to the Organisation's own accounts. This dedicated system shall follow the procedures dictated by professional practice and provide precise details of interest accruing on funds paid by the Contracting Authority.

- 16.2. Financial transactions and financial statements shall be subject to the internal and external auditing procedures laid down in the Financial Regulations, Rules and directives of the

Organisation. A copy of the audited financial statements shall be submitted to the European Commission by the Organisation.

- 16.3. The Organisation shall, until at least five years after the end date as specified in article 12.5:
- keep financial accounting documents concerning the activities financed by the contribution and,
  - make available to the competent bodies of the European Communities, upon request, all relevant financial information, including statements of accounts concerning the Action, whether they are executed by the Organisation or by its implementing partners or contractors.
- 16.4. In conformity with its financial regulations, the European Communities, including its Court of Auditors, may undertake, including on the spot, checks related to the Actions financed by the Contracting authority.
- 16.5. These provisions shall be applied in accordance with any specific agreement concluded in this respect by the Organisation and the European Community.

#### **ARTICLE 17 – FINAL AMOUNT OF FINANCING BY THE CONTRACTING AUTHORITY**

- 17.1. The total amount to be paid by the Contracting Authority to the Organisation may not exceed the maximum contribution established by Article 3(2) of the Special Conditions, even if the overall actual expenditure exceeds the estimated total budget set out in Annex III.
- 17.2. Where Article 3(2) of the Special Conditions sets out a maximum percentage of estimated total eligible cost to be financed by the Contracting Authority, and if the eligible costs at the end of the Action are less than the estimated total cost specified in Article 3(1) of the Special Conditions, the contribution of the Contracting Authority may be limited to the amount produced by multiplying the actual expenditure by the percentage laid down in Article 3(2) of the Special Conditions.
- Where the percentage set out in article 3(2) of the Special Conditions is likely to change in the course of implementation, the Organisation will consult the Contracting Authority without delay so as to agree on appropriate measures, in accordance with Article 9.
- 17.3. The Organisation accepts that the contribution of the Contracting Authority shall be limited to the amount required to balance income and expenditure for the Action and that it may not in any circumstances result in a surplus for the Organisation.
- 17.4. In cases where the Action is suspended or not completed within the implementation period of this Agreement, the funds that remain unexpended after all liabilities incurred in this period have been satisfied, including interest earned where applicable, will be reimbursed to the Contracting Authority.
- 17.5. Where the Action is not carried out at all, or is not carried out properly, in full or on time and without prejudice to its right to terminate this Agreement pursuant to article 12.2, the Contracting Authority may, after allowing the Organisation to submit its observations and without prejudice to article 13, reduce the contribution pro rata the actual implementation of the Action on the terms laid down in this Agreement.

## ARTICLE 18 – RECOVERY

- 18.1. Where recovery is justified, the Organisation undertakes to repay to the Contracting Authority within 45 days of receiving a request from the latter any amounts paid in excess of the final amount due.
- 18.2. If the Organisation fails to repay by the due date, the sum due shall bear interest at the rate indicated in article 15.3. The interest shall be payable for the period elapsing from the day following expiry of the time limit for payment up to the day of payment. Any partial payment shall first cover the interest.
- 18.3. Amounts to be repaid to the Contracting Authority may be offset against amounts of any kind due to the Organisation, after informing it accordingly. The Organisation's prior consent is not required. This shall not affect the Parties' option to agree on payment in instalments.
- 18.4. Bank charges incurred by the repayment of amounts due to the Contracting Authority shall be borne entirely by the Organisation.

ANNEX III – BUDGET FOR THE ACTION

| Expenses  | All Years          |            |                    |                  | Year 1             |            |                    |                |
|---|--------------------|------------|--------------------|------------------|--------------------|------------|--------------------|----------------|
|   | Unit               | # of units | Unit rate (in EUR) | Costs (in EUR)   | Unit               | # of units | Unit rate (in EUR) | Costs (in EUR) |
| <b>COMPONENT I - LDLD</b>   |                    |            |                    |                  |                    |            |                    |                |
| <b>I.1. Human Resources</b>   |                    |            |                    |                  |                    |            |                    |                |
| I.1.1 - International consultancy   | Person month       | 4          | 24,000             | 96,000           | Person month       | 2          | 24,000             | 48,000         |
| I.1.2 - National consultancy  | Person month       | 60         | 2,500              | 150,000          | Person month       | 20         | 2,500              | 50,000         |
| I.1.3 - National UNVs   | Person month       | 36         | 7,000              | 252,000          | person year        | 6          | 7,000              | 42,000         |
| I.1.4 - Programme Assistant   | Person year        | 3          | 7,000              | 21,000           | person year        | 1          | 7,000              | 7,000          |
| <b>Subtotal I.1 - LDLD Human Resources</b>  |                    |            |                    | <b>519,000</b>   |                    |            |                    |                |
| <b>I.2. Equipment and supplies</b>  |                    |            |                    |                  |                    |            |                    |                |
| I.2.1 - Desktop computes and peripherals  | Comp & accessories | 100        | 1,000              | 100,000          | Comp & accessories | 30         | 1,000              | 30,000         |
| I.2.2 - Laptop computers  | Laptop             | 10         | 2,000              | 20,000           | Laptop             | 2          | 2,000              | 4,000          |
| I.2.3 - Motor bikes   | Motor bike         | 15         | 2,000              | 30,000           | Motor bike         | 6          | 2,000              | 12,000         |
| I.2.4 - Vehicle   | Car                | 1          | 25,000             | 25,000           | Car                | 1          | 25,000             | 25,000         |
| I.2.5 - Office furniture  | Global             |            |                    | 32,000           | Global             |            |                    | 32,000         |
| I.2.6 - Office supplies   | Global             |            |                    | 51,000           | Global             |            |                    | 25,000         |
| I.2.7 - Communication equipment   | Com. Eqp set       | 16         | 5,000              | 80,000           | Com. Eqp set       | 3          | 5,000              | 15,000         |
| I.2.8 - Repairs/maintenance   | Year               | 3          | 13,320             | 39,960           | Year               | 1          | 13,320             | 13,320         |
| <b>Subtotal I.2 - LDLD Equipment and supplies</b>   |                    |            |                    | <b>377,960</b>   |                    |            |                    |                |
| <b>I.3. Other costs, services</b>   |                    |            |                    |                  |                    |            |                    |                |
| I.3.1 - Workshops   | Workshop           | 20         | 10,000             | 200,000          | Workshop           | 6          | 10,000             | 60,000         |
| I.3.2 - Trainings (Formal, on-the-job, etc.) (institutional contracts)                          | Global             |            |                    | 700,000          | Global             |            |                    | 125,000        |
| I.3.3 - Website hosting/maintenance/information and data management (with LISGIS)               | Global             |            |                    | 250,000          | Global             |            |                    | 50,000         |
| I.3.4 - Funding for piloting community projects to link to emerging decentralization structures | Project            | 15         | 10,000             | 150,000          | Project            | 4          | 10,000             | 40,000         |
| I.3.5 - Printing/publishing (manuals and guidelines)  | Global             |            |                    | 20,000           | Global             |            |                    | 5,000          |
| I.3.6 - Local travel costs (field missions)   | Year               | 3          | 50,000             | 150,000          | Year               | 1          | 50,000             | 50,000         |
| I.3.7 - International Travels (International flights - study tours/training)                    | Year               | 3          | 40,000             | 120,000          | Year               | 1          | 40,000             | 40,000         |
| <b>Subtotal I.3 - LDLD Other costs, services</b>  |                    |            |                    | <b>1,590,000</b> |                    |            |                    |                |
| <b>I.4. Other programme operating costs</b>   |                    |            |                    |                  |                    |            |                    |                |
| I.4.1 - Office rent/security/utilities  | Year               | 3          | 10,000             | 30,000           | Year               | 1          | 10,000             | 10,000         |
| I.4.2 - Miscellaneous operating and logistical costs  | Year               | 3          | 14,520             | 43,560           | Year               | 1          | 14,520             | 14,520         |
| I.4.3 - Evaluations (mid & end term)  | Global             |            |                    | 75,000           |                    |            |                    |                |
| <b>Subtotal I.4 - LDLD Other programme operating costs</b>                                      |                    |            |                    | <b>148,560</b>   |                    |            |                    |                |
| <b>Subtotal I.5. COMPONENT I - LDLD Total direct eligible costs (I.1 - I.4)</b>                 |                    |            |                    | <b>2,635,520</b> |                    |            |                    |                |
|   |                    |            |                    |                  |                    |            |                    | <b>697,840</b> |

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| Expenses  | All Years     |            |                    |                | Year 1        |            |                    |                |
|---|---------------|------------|--------------------|----------------|---------------|------------|--------------------|----------------|
|   | Unit          | # of units | Unit rate (in EUR) | Costs (in EUR) | Unit          | # of units | Unit rate (in EUR) | Costs (in EUR) |
| <b>COMPONENT II - NIMAC</b>   |               |            |                    |                |               |            |                    |                |
| <b>II.1. Human Resources</b>  |               |            |                    |                |               |            |                    |                |
| II.1.1 - A/D 3- Technical Director /Coordinator   | Person month  | 12         | 13.360             | 160.320        | Person month  | 12         | 13.360             | 160.320        |
| II.1.2 - GIS Officer SC 6   | Person month  | 18         | 867                | 15.606         | Person month  | 12         | 867                | 10.404         |
| II.1.3 - Field Information Officer- Strategy and Coordination SC6   | Person month  | 48         | 1.080              | 51.840         | Person month  | 36         | 1.080              | 38.880         |
| II.1.4 - Driver SC 2  | Person month  | 48         | 400                | 19.200         | Person month  | 36         | 400                | 14.400         |
| II.1.5 - ICT Officer / Technician SC5   | Person month  | 18         | 880                | 15.840         | Person month  | 12         | 880                | 10.560         |
| II.1.6 - Data entry / Customer Services Clerk SC3   | Person month  | 18         | 288                | 5.184          | Person month  | 12         | 288                | 3.456          |
| II.1.7 - Project data Clerk SC4   | Person month  | 12         | 560                | 6.720          | Person month  | 12         | 560                | 6.720          |
| II.1.8 - GIS Assistant SC5  | Person month  | 12         | 720                | 8.640          | Person month  | 12         | 720                | 8.640          |
| II.1.9 - Data Clerk SC 4/   | Person month  | 24         | 640                | 15.360         | Person month  | 24         | 640                | 15.360         |
| II.1.10 - Salary support to 7 LISGIS Country Statistics Officers  | Person month  | 126        | 280                | 35.280         | Person month  | 84         | 280                | 23.520         |
| II.1.11 - Salary support for 14 IMO-seconded staff to LISGIS Regional Offices (7 Data Clerks and 7 Field Monitors) Jan - Dec 2009 | Person month  | 84         | 360                | 30.240         | Person month  | 42         | 360                | 15.120         |
| II.1.12 - Insurance for staff   | Person month  | 186        | 28                 | 5.208          | Person month  | 144        | 28                 | 4.032          |
| II.1.13 - Allowance for posting conditions (hazard, distance) (where applicable)  | Person month  | 156        | 255                | 39.780         | Person month  | 144        | 255                | 36.720         |
| II.1.14 - Allowance for over time (where applicable)  | Person month  | 48         | 80                 | 3.840          | Person month  | 36         | 80                 | 2.880          |
| II.1.15 - DSA Payment for field staff   | Person month  | 54         | 325                | 17.550         | Person month  | 36         | 325                | 11.700         |
|   |               |            |                    |                |               |            |                    |                |
| <b>Subtotal II.1 - NIMAC Human Resources</b>  |               |            |                    | <b>430.608</b> |               |            |                    |                |
| <b>II.2. Equipment and supplies</b>   |               |            |                    |                |               |            |                    |                |
| II.2.1 - Miscellaneous maintenance costs (office equipment, office IT / automation, other maintenance services)                   | Month         | 18         | 573                | 10.314         | Month         | 12         | 573                | 6.876          |
| II.2.2 - Maintenance and fuel of transport equipment  | Vehicle month | 42         | 480                | 20.160         | Vehicle month | 36         | 480                | 17.280         |
| II.2.3 - Pouch, freight and related charges / services  | Month         | 18         | 62                 | 1.116          | Month         | 12         | 62                 | 744            |
| II.2.4 - Telephone charges & scratch cards  | Global        |            |                    | 3.840          | Global        |            |                    | 3.360          |
| II.2.5 - Internet and fax charges   | Month         | 18         | 400                | 7.200          | Month         | 12         | 400                | 4.800          |
| II.2.6 - Acquisition of Software  | Global        |            |                    | 2.400          | Global        |            |                    | 2.400          |
| II.2.7 - Acquisition of communications Equipment  | Global        |            | 602                | 602            | Global        |            |                    | 400            |
| II.2.8 - Data processing equipment, Software and deployment (Aid Flows Tracking System)   | Global        |            | 120.000            | 120.000        | Global        |            |                    | 120.000        |
| II.2.9 - Other Equipment  | Global        |            |                    | 6.400          | Global        |            |                    | 4.000          |
| II.2.10 - Other supplies (Stationaries, office and cleaning supplies, etc.)   | Month         | 18         | 440                | 7.920          | Month         | 12         | 440                | 5.280          |
| II.2.11 - Procurement of New Vehicle  | Vehicle       | 1          | 36.000             | 36.000         | Vehicle       | 1          | 36.000             | 36.000         |
|   |               |            |                    |                |               |            |                    |                |
| <b>Subtotal II.2 - NIMAC Equipment and supplies</b>   |               |            |                    | <b>215.952</b> |               |            |                    |                |

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| Expenses  | All Years |            |                    |                | Year 1 |            |                    |                |
|---|-----------|------------|--------------------|----------------|--------|------------|--------------------|----------------|
|   | Unit      | # of units | Unit rate (in EUR) | Costs (in EUR) | Unit   | # of units | Unit rate (in EUR) | Costs (in EUR) |
| <b>COMPONENT II - NIMAC</b>   |           |            |                    |                |        |            |                    |                |
| II.3. Other costs, services   |           |            |                    |                |        |            |                    |                |
| II.3.1 - Rental of Premises   | Month     | 18         | 800                | 14.400         | Month  | 12         | 800                | 9.600          |
| II.3.2 - Other common costs and services  | Month     | 18         | 680                | 12.240         | Month  | 12         | 680                | 8.160          |
| II.3.3 - Seminars and workshops   | Global    |            |                    | 4.800          | Global |            |                    | 2.400          |
| II.3.4 - High-end technical training, in-country  | Global    |            |                    | 6.000          | Global |            |                    | 4.000          |
| II.3.5 - External Printing/ Publications Costs  | Global    |            |                    | 4.800          | Global |            |                    | 2.400          |
| II.3.6 - Consultants - Fees   | Global    |            |                    | 12.000         | Global |            |                    | 0              |
| II.3.7 - Consultants Travel   | Global    |            |                    | 2.000          | Global |            |                    | 0              |
| II.3.8 - Support to completion of Census Data Entry, Processing, Analysis & Dissemination | Global    |            |                    | 400.000        | Global |            |                    | 400.000        |
| <i>Subtotal II.3 - NIMAC Other costs, services</i>  |           |            |                    | 456.240        |        |            |                    | 426.560        |
| <i>Subtotal II.4. COMPONENT II - NIMAC Total direct eligible costs (II.1 - II.3)</i>      |           |            |                    | 1.102.800      |        |            |                    | 990.412        |

|  |           |  |  |           |
|--|-----------|--|--|-----------|
| III. Total Direct Eligible Costs (Subtotal I.5 + Subtotal II.4)                      | 3.738.320 |  |  | 1.688.252 |
| IV. Administrative costs (maximum 7% of , total direct eligible costs of the Action) | 261.680   |  |  | 69.411    |
| V. Total eligible costs (III + IV)   | 4.000.000 |  |  | 1.757.663 |

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## Expected sources of funding

|        | Commission/EDF contribution (1) | UNDP / UNCDF contribution (2) | TOTAL             |
|--------|---------------------------------|-------------------------------|-------------------|
| In EUR | 4.000.000,00                    | 3.846.153,85 (3)              | 7.846.153,85 (3)  |
| In USD | 5.200.000,00 (3)                | 5.000.000,00                  | 10.200.000,00 (3) |

(1) Over a 3 years period

(2) Over a 5 years period

(3) Indicative amount based on the estimated exchange rate of 1 EUR = 1.3 USD

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| ACCOUNT HOLDER |                                      |
|----------------|--------------------------------------|
| NAME           | UNITED NATIONS DEVELOPMENT PROGRAMME |
| ADDRESS        | ONE UNITED NATIONS PLAZA             |
| TOWN/CITY      | NEW YORK                             |
| POSTCODE       | NY 10017                             |
| COUNTRY        | UNITED STATES                        |
| VAT NUMBER     |                                      |
| CONTACT PERSON |                                      |
| TELEPHONE      |                                      |
| FAX            |                                      |
| E-MAIL         |                                      |

| BANK           |                      |
|----------------|----------------------|
| BANK NAME      | ING BELGIUM S.A. NV. |
| BRANCH ADDRESS | 60 COURS ST MICHEL   |
| TOWN/CITY      | BRUSSELS             |
| POSTCODE       | 1040                 |
| COUNTRY        | BELGIUM              |
| ACCOUNT NUMBER | 301-0186139-77       |
| IBAN           | BE80301018613977     |

REMARKS :

**BANK STAMP + SIGNATURE of BANK REPRESENTATIVE**  
 Both Obligatory

ING BELGIUM S.A. NV.  
 60 COURS ST MICHEL  
 1040 BRUSSELS

*[Signature]*

**DATE + SIGNATURE of ACCOUNT HOLDER :**  
 (Obligatory)

*[Signature]*

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## ANNEX V

### Request for payment for contribution agreement with an international organisation

Date of the request for payment <.....>

For the attention of  
<Address of the Contracting Authority>  
<Financial unit indicated in the Agreement><sup>1</sup>

Reference number of the Agreement: ...

Title of the Agreement: ...

Name and address of the Organisation: ...

Request for payment number: ...

Period covered by the request for payment: ...

Dear Sir/Madam,

I hereby request payment of the first prefinancing/further instalment of prefinancing/balance<sup>2</sup> under the Agreement mentioned above.

The amount requested is [as indicated in Article 4.2 of the Special Conditions of the Agreement/the following: ...]<sup>3</sup>

Please find attached the following supporting documents:

- signed Agreement (for the payment of the first prefinancing)
- narrative and financial progress report (for further instalments of pre-financing)
- final implementation report (for payment of the balance)<sup>4</sup>

The payment should be made to the following bank account:....<sup>5</sup>

I hereby certify on honour that the information contained in this request for payment is full, reliable and true, that the costs incurred can be considered eligible in accordance with the Agreement and that this request for payment is substantiated by adequate supporting documents that can be checked.

Yours faithfully,

<signature>

<sup>1</sup> Please do not forget to address a copy of this letter to the Commission delegation mentioned in Article 5.1 of the Special Conditions of the Agreement.

<sup>2</sup> Delete the two options which do not apply.

<sup>3</sup> Delete the option which does not apply.

<sup>4</sup> Delete the items which do not apply.

<sup>5</sup> Indicate the account number shown on the identification form annexed to the Agreement. In the event of change of bank account, please complete and attach a new identification form as per model.

N.B.: Further instalments of prefinancing and final payments are subject to the approval of the corresponding report (see Article 15(1) of the General Conditions of Agreement)

SIGNATURE PAGE

Country: the Republic of Liberia

UNDAF Divisional Unit (s): Strengthening Governance and Policy Reform

Expected Outcome (s) Indicator (s):  
SPP/UNDP goal and service line

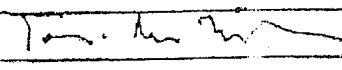
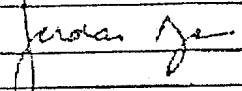
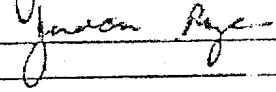
- Expected Output (s) Indicator (s):
- 1) The establishment of Liberia's local government legal framework and adoption of a national decentralization policy.
  - 2) Elaboration and establishment of procedures, processes and systems for effective and transparent management and institutional delivery.
  - 3) Introducing the District/County Fund, the framework for programming multi-program technical transfers, mandated to persons trained with awareness.
  - 4) Effectively manage the program.

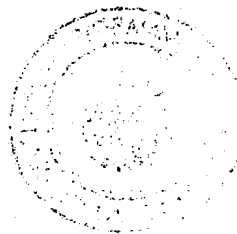
Implementing partner: The Ministry of Internal Affairs  
(Responsible institution for execution)

Co-Partner: UNDP/UNICEF/UNEP  
(Primary implementing agencies)

|                    |  |
|--------------------|--|
| Program Period:    | <u>CCF period 2007-2010</u>  |
| Program Component: | <u>Governance</u>  |
| Project Title:     | <u>Liberian National Decentralization &amp; Local Development Program (LCLD)</u> |
| Project Code:      | _____  |
| Project Duration:  | <u>2007-2011</u>   |

|                      |   |
|----------------------|---|
| Total budget:        | \$5.0 million   |
| Allocated resources: | \$ million  |
|                      | <ul style="list-style-type: none"> <li>• Government contribution in kind</li> <li>• Regular</li> <li>• Other (including in-kind contributions)</li> </ul> |
| UNDP                 | \$2.5 million   |
| UNICEF               | \$2.5 million   |

| Agreed by   | Signature and Print Name   | Date    |
|---|--|---------|
| Mr. Togo G. Moinon<br>Minister of Planning & Economic Affairs |  | 1/06/07 |
| Mr. Jason Ryan<br>Resident Representative UNDP                |  | 1/06/07 |
| Mr. Richard Wengeman<br>Executive Director UNCDF              |  | 1/06/07 |



*Handwritten initials: ans*



THE GOVERNMENT OF LIBERIA



## THE LIBERIAN NATIONAL DECENTRALIZATION AND LOCAL DEVELOPMENT PROGRAM (LDLD)

*"As we savor the new dawn of hope and expectation, I pledge to bring the Government closer to the people"*

### Project Document

#### Summary

The LDLD is a national program of innovations for supporting local government and its management, established with support from the United Nations Capital Development Fund (UNCDF) and United Nations Development Program (UNDP). It features the setting up of a capital investment and local development fund, to support Liberia's efforts in reversing historic tendencies within its centralized system of administration. This national program, based on four strategic focus areas, aims to strengthen policy and strategy development, system and institutional development, while promoting local sector-specific investments, and in the process, shall ensure the effective management of Liberia's innovations in restoring local government and its. Specifically, the program outputs are:

- Establishing Liberia's decentralization policy and its legal framework
- Elaborating and strengthening procedures, processes and systems for effective public expenditure management at the County, District and Sub-district levels;
- Launching of a District/ County Fund, designed to establish a generic fiscal framework for programming inter-governmental transfers, being part of the national system of public expenditure management
- The resultant effective management of the LDLD program, whose processes shall promote Liberia's quest for decentralization

Launching the national program intends to prepare Liberia's departure from short-term relief and emergency programming, currently set against a backdrop of systemic local government service delivery weaknesses. As returnees resettle, their livelihoods partially restored, much needs to be done to meet the growing demand for public services and improvements in management. Community based programs and their implementation require a coordinative capacity in reinvigorating Liberia's local government management and system of administration.

Establishing a national decentralization policy will require national consensus building that results in the adoption of the legal and regulatory framework to enhance the functioning of sub national governments. Introducing effective local public management expenditure systems that enable Counties and Districts to improve their roles in delivering basic services and in the coordination and support for local economic development. The program will pilot a local investment package linked to the participatory planning processes, which will form the basis of a reinvigorated developmental local government system. Thus, the LDLD intends to go beyond the scope of supporting basic needs and improve and strengthen capacities for rural and urban development.

The national program will cover 15 Counties, to support the shaping of policies and systems that underpin decentralization and local development. The program will pilot a local development program, initially based in 3 counties, and shall install a County and District financing facility, intended to demonstrate, through learning by doing, the full cycle of public expenditure management. The three counties will generate lessons that shall structure policies of the national program. This national program is estimated at \$50 million, of which \$ 5 million has been committed UNCDF and UNDP, with partial support from the government's annual allocations to the County, with parallel funding estimated at \$15 million over the 5-year duration.

The expected results include: the full adoption of policies to strengthen fiscal decentralization, administrative and governance systems in Liberia, installation of adequate organizational capacities and systems to promote pro-poor infrastructure and service delivery, local economic development and sustainable resources' management.

<sup>1</sup> H.E. Ellen Johnson-Sirleaf, Presidential Inaugural Speech, January 16, 2006

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SIGNATURE PAGE

Country: The Republic of Liberia

UNDAF Outcome(s)/Indicator(s): Strengthening Governance and Poverty Reduction

Expected Outcome(s)/Indicator (s): \_\_\_\_\_  
SRF/MYFF goal and service line \_\_\_\_\_

Expected Output(s)/Indicator(s):

- 1) The establishment of Liberia's local government legal framework and adoption of a national decentralization policy;
- 2) Elaboration and establishment of procedures, processes and systems for effective public expenditure management and infrastructure delivery;
- 3) Introducing the District/County Fund, the framework for programming inter-governmental fiscal transfers, intended to promote sector-wide investments;
- 4) Effectively manage the program

Implementing partner: The Ministry of Internal Affairs  
(Designated institution for execution)

Other Partners: UNDP, UNCDF, Others  
(Formerly implementing agencies)

|                    |  |
|--------------------|--|
| Program Period:    | <u>CCF period 2007-2010</u>  |
| Program Component: | <u>Governance</u>  |
| Project Title:     | <u>Liberian National Decentralization &amp; Local Development Program (LDDL)</u> |
| Project Code:      | _____  |
| Project Duration:  | <u>2007-2011</u>   |

|                      |   |
|----------------------|---|
| Total budget:        | <u>\$5.0 million</u>  |
| Allocated resources: | <u>\$ 5 million</u>   |
|                      | <ul style="list-style-type: none"> <li>• Government parallel funds: in kind</li> <li>• Regular _____</li> <li>• Other: (including in-kind contributions)</li> </ul> |
| UNDP                 | <u>\$ 2.5 million</u>   |
| UNCDF                | <u>\$ 2.5 million</u>   |
|                      | <u>\$ Million</u>   |

| Agreed by                               | Signature and Print Name | Date |
|---|--------------------------|------|
| Ministry of Planning & Economic Affairs |                          |      |
| Agreed by UNDP                          |                          |      |
| Agreed by UNCDF                         |                          |      |
|   |                          |      |

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## Acronyms

|                                   |   |
|-----------------------------------|---|
| CDC                               | Clan Development Committee                              |
| CBO                               | Community Based Organization                            |
| CBRP                              | Community Based Recovery Program                        |
| CDF                               | County Development Fund                                 |
| CDG                               | County Development Grant                                |
| CEP                               | Community Empowerment Project                           |
| CLCC                              | County Level Coordinating Committees                    |
| CTA                               | Chief Technical Advisor                                 |
| DC                                | District Commissioner                                   |
| DDC                               | District Development Committee                          |
| COUNTY/DISTRICT DEVELOPMENT FUNDS | District Development Fund                               |
| DDP                               | District Development Plan                               |
| DLCC                              | District Level Coordination Committees                  |
| GDP                               | Gross Domestic Product                                  |
| GRC                               | Governance Reform Commission                            |
| GoL                               | Government of Liberia                                   |
| IPRS                              | Interim Poverty Reduction Strategy                      |
| LDLD                              | Liberian Decentralization and Local Development Program |
| MoF                               | Ministry of Finance                                     |
| MIA                               | Ministry of Internal Affairs                            |
| MIS                               | Management Information System                           |
| MPEA                              | Ministry of Planning and Economic Affairs               |
| MCCs                              | Ministerial Coordinating Committees                     |
| NCC                               | National Coordination Committee                         |
| NGO                               | Non-governmental Organization                           |
| NTGL                              | National Transitional Government of Liberia             |
| PRSP                              | Poverty Reduction Strategy Paper                        |
| PEM                               | Public Expenditure Management                           |
| PMU                               | Program Management Unit                                 |
| SCC                               | Sector Coordinating Committee                           |
| TSU                               | Technical Support Unit                                  |
| UNCDF                             | United Nations Capital Development Fund                 |
| UNDP                              | United Nations Development Program                      |
| V-MAC                             | Village/Sub-District Management Advisory Committee      |

## I. SITUATION ANALYSIS

1.1 The successful democratic elections held in October and November 2005 marked a new beginning for Liberia, with the election of Mrs. Ellen Johnson Sirleaf as Africa's first female president. This marked the end of a 14 year protracted civil conflict and the installation of a government of National Unity in 2006 with a determination to break with the past and start afresh, a new beginning. Impacts of the devastation and wanton destruction of social and economic life, with physical infrastructure, continues to haunt the new order, as years of anarchy were accompanied by gruesome violence in which more than a quarter million people lost their lives, and displaced an estimated one third of the nation's current population of 3 million. This legacy has created challenges that must be addressed, as outlined in the Interim Poverty Reduction Strategy (IPRS)<sup>2</sup>.

1.2 The origins of the Liberian conflict have been separated into two categories (IPRS 2006): (a) marginalization; and (b) economic collapse. Historically the indigenous population has been systematically excluded and marginalized from institutions of political governance and access to key economic assets. Political power was centralized, thereby breeding corruption and confined the decision-making processes within the elite at the center. Marginalization was also perpetuated by urban biased policies of successive administrations, which concentrated infrastructure and basic services in Monrovia and other main urban centers and excluded the rural hinterlands.

1.3 The economic collapse was directly linked to the nature of the Liberian economy, which was and continues to be dependent on natural resources – iron ore, harvest timber, and rubber plantations. This natural resource economy was negatively affected by a fall in prices in the 1970s, which compounded an increase in inflation and unemployment. The failure of the economy to grow triggered economic hardships which resulted in the growth of illicit trade in gold and diamonds and an environment conducive to rebel groups recruiting freely from the vast pool of the unemployed youth. The economic collapse was compounded by the state collapse resulting in political and economic breakdown.

1.4 The key challenges faced by the Liberian economy include:

- *High levels of absolute and relative poverty in both the rural and urban sectors:* According to a 2001 UNDP survey, 86% of the rural population are estimated to be poor and, of those, 64 percent live in extreme poverty in towns that used to be prosperous from mining and rubber concessions; 85 percent of the latter households are poor and 6.4 percent live in severe poverty (IPRS 2006).
- *Food insecurity:* According to the GOL Food Security and Nutrition Survey 2006, 40 percent of the population is highly vulnerable and 41 percent is moderately vulnerable to food insecurity. All of Liberia's fifteen counties have high to extremely high chronic malnutrition rates (IPRS 2006). The lack of production for several consecutive years during the conflict has greatly worsened the situation.
- *Weak infrastructure:* Virtually all public infrastructure was severely damaged – schools, hospitals, clinics, and roads; roads and bridges are severely damaged and farm to market access is difficult and near to impossible during the rainy season. Only 32 percent of the population has access to safe drinking water and only 24 percent to sanitary facilities (IPRS 2006).
- *Poor state of basic social services:* Only 41 percent of the population has access to health care facilities and this indicator is much worse for rural areas. Over 50 percent of the children and youth are out of school and the war destroyed 70 percent of the schools across Liberia (IPRS 2006).
- *Poor governance:* There was severe weakening of institutions and human capacity as a result of the war and this is very severe for sub-national institutions where local governments became non- operational and defunct. Civil society, which used to be vibrant including -tribal associations, sports groups, and women-run

<sup>2</sup> The Government of Liberia, Interim Poverty Reduction Strategy, 2006

LCMS

and community-based organizations were severely disrupted by war (IPRS 2006) and will take years to revive.

1.5 The IPRS 2006 proposes four pillars to address these main challenges facing the economy: (a) Enhancing national security, (b) Revitalizing the economy, (c) Strengthening governance and the rule of law, and (d) Rehabilitating infrastructure and basic services. This forms the basis on which the LDLD will be developed. In particular, the strengthening of governance and the rule of law will focus on decentralizing political governance and social responsibilities, ensuring that local authorities understand and can manage the new responsibilities. The local authorities will be at the forefront of rehabilitating infrastructure and basic services, including restoring transport facilities and services, restoring electricity, providing water and sanitation, and enhancing investments in education and health.

### **Public Sector Reform and Decentralization Challenges**

1.6 Liberia adopted its first constitution in 1847 and has evolved as a constitutional republic, a unitary sovereign state politically sub-divided into counties for administrative purposes. The government has 3 branches: the legislative, the Executive and the Judiciary with clear separation of powers, checks and balances. The roles and responsibilities of the sub national spheres of government are not clearly articulated, thus reinforcing the centralized structure of Liberia's Government.

1.7 The majority of functions for administering and managing the economy are vested at the center, and exercised through sector ministries and parastatal bodies. Whilst some ministries have tended to deconcentrate, the majority of cases demonstrate a skewed relationship with sub-national levels, limiting the extent to which the devolution of functions to counties and other lower tiers of government is made visible. Whereas the national legislature has powers to create new counties and other political subdivisions, it is the Executive, which has overwhelming powers to appoint the County Superintendents, County Officials and District officials who serve lower political subdivisions. This is the key issue that reinforces the top-down relationship between Liberia's central and local governments, and excludes the localities from decision-making.

1.8 In the Liberia Local Government Capacity Assessment study (2006) UNDP/GRC, and the UNCDF concept paper (2006), the key challenges of sub national spheres of government were highlighted, and among them were: the highly centralized political and administrative system; lack of clarity of roles and functions of sub national levels of government; exclusion of local governments from national planning and budgeting processes; and the inability to access locally generated fiscal resources, against a backdrop of an archaic management system, whose human resource capacities are weak.

1.9 More specifically, in terms of centre –local relationships, the following challenges were noted: Weak Ministry of Internal Affairs (MIA) and other sector ministries, with no clear lines of authority and accountability with the different layers of local government; lack of a clear framework for the planning of fiscal and economic affairs at the local government level. Noteworthy is the limited capacity for citizen participation in both national and local governance. The central challenge is therefore to build capacity at both central and local levels, to put in place a system and policies that promote national decentralization and local development. This is a holistic challenge requiring a comprehensive approach to system and institutional building.

## **II. STRATEGY**

2.1 The proposed LDLD fully supports the GOL in implementing the IPRS 2006 –2008 and will primarily focus on key elements of institution development and investment reflected in pillars 3 & 4 of the Interim Poverty Reduction Strategy.

In terms of Empowering Local Governance, the IPRS 2006 states that:

*"The government is clear on its commitment to decentralize decision making and resource allocation to county and municipal governments. A key element of this is empowering and engaging communities, especially the poor and vulnerable within those, in the reconstruction process, in local governance and in addressing the root causes of poverty ----*

*The aim is to build trust between the government and the governed; to ensure this and successful decentralization happens, emphasis will be placed on building county and local government capacity"*

2.2 In an effort to strengthen current UNDP and indeed UN 's support to the Liberian government, and in line with UNCDF's mandate to support capital investments in the least developed countries, the LDLD program is designed to provide support to the GOL, through its key national and local government institutions to reform and support the drive towards the decentralization of decision making and in promoting local development. This is justified as Liberia shifts its emphasis from early recovery to the setting of its long-term base for sustainable development.

2.3 Thus, the proposed LDLD program will strengthen the capacity of the GOL through the Ministry of Internal Affairs (MIA) by providing the necessary leadership and coordination that builds a system of participatory local governance and its relevant local government institutions throughout Liberia. The MIA will steer, in close collaboration with the Governance Reform Commission (GRC), Ministry of Finance, and Ministry of Planning and Economic Affairs (MPEA), the adoption of a decentralization policy and building of the sub-national system from the County level downwards in terms of planning, financing, and local implementation of development.

2.4 The national program, over all, will be launched to cover all 15 counties and will focus on capacity building and strengthening reflected in outputs 1 & 2 of the proposed program. The Government of Liberia argued strongly for putting a national program in place at the beginning rather than initially focusing on a few pilot initiatives. Their rationale was that piloting and testing new ideas and system arrangements had to be done with a clear and agreed overarching framework for decentralization. Therefore within the national program specific piloting could be undertaken, in select counties in an effort to pilot and test the establishment of appropriate systems and procedures for the County and District levels, and the setting up Public Expenditure M (PEM).

Public Expenditure Management includes the whole cycle of planning, financing, budgeting and implementing local and national development. This requires careful calibration and detailed design taking into account the broader national systems and procedures. It was agreed that the proposed LDLD District funds and investments would focus on three counties and their respective districts (based on a nationally agreed criteria, the most critical being levels of population and that of poverty, economic potential, besides the geographic position, taking into account market and access to transport and the proximity to Monrovia). The selection of the initial three Counties has been made based on a study of district potentials with assistance from MPEA and MIA. The piloting in the agreed three counties will utilize the standard UNCDF methodology which has been globally tested to channel district funds through the Counties, develop the participatory planning procedures, undertake the prioritization of projects, budget and implement within the framework of an annual planning cycle linked to the national planning and budgeting cycle. This process will require strong collaborative support from Ministry of Planning and Economic Affairs supporting the planning processes; Ministry of Finance (Budget Control) supporting the budgeting and resource allocation formulas; Governance Reform Commission (GRC) supporting the broad decentralization policy agenda and the Ministry of Internal Affairs as the key implementing technical ministry.

2.5 The Government of Liberia will take the lead to politically champion the program within the government and ensure that the legislature adopts the necessary laws that will make Decentralization and Local Development a reality. More specifically is the adoption of the National Decentralization policy and charting the roadmap for its implementation; the reform of existing laws particularly the local government laws, centre - local regulatory framework; budget rules and regulations and sector activity laws (mining, forestry). The roles of the GRC and the Executive mansion are particularly critical in achieving this objective.

The Ministry of Finance (Budget Bureau) is key in the elaboration of a fiscal decentralization system, which reflects the desire by the Government of Liberia to empower the sub national spheres of government. Currently the Government of Liberia has begun providing County Funds (block grant to each county) annually through the budget. This is projected to grow over the next 5 years to an average of \$3 million a year (\$ 200,000 per county). This needs to be programmed and be linked to the proposed District Development Fund proposed for LDLD. Ultimately, these unconditional grants have to be linked to the sector conditional grants, which will be the source of recurrent funding for infrastructures built (schools, water points and health centers).

2.6 UNDP and UNCDF funding will provide the technical support for national capacity building, and work with the government partners to build a system that promotes fiscal and administrative decentralization in Liberia. The technical support will ensure that the policy is in place and the relevant national laws and regulations put in place. The proposed District Development Fund will support the District Planning Process, and fund the projects identified through the local government planning process. These local sector investments form the pillar of the learning by doing process, which links the villages, the clans and the Districts. Currently the District Development Committees have no investment funds to program and rely on activities of NGOs who involve them in the identification stages but not in the implementation process. This is the building block for the decentralization program in Liberia.

The LDLD program will also assist in the mobilization of the key development partners to establish sector wide support for Decentralization and local development, placing emphasis on policy coherence, pooled funding and agreeing to a set of common targets and indicators. Immediately following the launch of the program by the Government of Liberia, a major partners conference has to be organized to ensure that the "rules of the game" are agreed on and understood. There must be a clear understanding of the transition from the immediate post conflict towards a much more sustainable development path.

2.7 Currently one of the key programs in place is the County Support Program, which has deployed County Support teams in all the 15 counties to resuscitate the local public institutions focusing on the counties and districts. It is a UN wide effort, spearheaded by the UN Civil Affairs Division and UNDP to build a coherent approach in supporting and rebuilding government capacities at county levels. This process puts a premium on rationalization and ensuring that partners provide coordinated support for local administration through support to the County level and capacity to lead lower units of government. More specifically they provide logistical support to the County and District teams, provide administrative support and help central government in its monitoring role. It is also part of the peacekeeping role to ensure that the civil authorities are revived and functional. The proposed LDLD will complement and deepen CST support by focusing on public expenditure management support at the county and district levels, providing the tools to make investment a reality. While the CST is the early recovery process that secures the system, the LDLD will build and strengthen the systems and institutions for the long-term sustainability.

- The national program has been estimated to cost no less than \$50 million over a 5-year period taking into account the expansion to 15 counties from the initial 3 counties. The program will be supported initially by UNDP and UNCDF, jointly providing \$5 million over five years. The Liberian government has indicated a contribution of about \$15 million over the next five years, through its support to the County level at \$3m per year. The budget gap of \$30 million will be mobilized over the next five years, to ensure that the phasing-in of additional Counties that is consistent with the envisioned program. The Government of Liberia is committed to mobilizing the funding for the national decentralization program attracting the various development partners operating in Liberia.
- The program will cover four strategic areas of focus: (A) Policy and Strategy development: in which the main output is the adoption and implementation of the decentralization policy and the legal framework; (B). System and Institutional Development: in which the main output is: Establishment and elaboration of procedures, processes and systems for effective public expenditure management and infrastructure/service delivery (C) Sector Investments for Local Development: in which the main output is District and sub district investments are implemented (D) Effective program management in which the main output is the timely provision of inputs and effective utilization of resources for LDLD, given that the LDLD will establish the pilot system on which the national fiscal transfer mechanism will be strengthened.
- To launch the program, the sequencing is based on the envisioned scope of support to: a) 15 counties targeted to establish Strategic Areas I & II, as part of the national program, and b) 3 pilot Counties to extend their scope of work to include Strategic Area III, targeting sector investments. The sequencing of the program will be based on a three-year program cycle, to comply with the budgeted levels of resources available at the outset. 3 pilot Counties will establish the investment program over the first cycle (a cycle is the first 3 years of investments), with a minimal level of the allocated annual level, no less than \$200,000 per County, disbursed over the first tranche. Budget replenishments will be based on performance criteria to be established. Funding replenishment shall take into account the demonstration of good management, and compliance with program procedures being set up. The phasing-in of the next three Counties will depend on the lessons drawn from the mid-term reviews

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and technical backstopping of the existing pilot, with a view to improving the program implementation arrangements.

## **STRATEGIC FOCUS AREA I: POLICY AND STRATEGY DEVELOPMENT FOR STRENGTHENING GOVERNANCE**

**This strategic focus area is largely reflected in pillar (3) of the Interim Poverty Reduction Strategy 2006, which centrally focuses on redefining and refocusing the mandates, structures and functions of public institutions. Embedded in the strategic area is the objective of decentralizing political governance and social responsibilities. The proposed output ensures that a consensus has been achieved in terms of a Liberian policy and program for decentralization and that the necessary legal framework is established or reformed from the existing system.**

### **2.8.1 Output 1: Decentralization policy and the legal framework established.**

2.8.1. The LDLD will support the GOL to define and operationalize a national decentralization policy, which reverses the historic centralization of the state and strengthens the functioning of the sub-national spheres of government – counties, districts, towns, and villages. This calls for a legal framework within the Unitary State that clearly defines the roles and responsibilities of these different entities. (Counties, Districts, Towns, Clans and Villages)

2.8.2 The LDLD will support the work of the GOL through the key actors – GRC, MIA, MPEA, and Ministry of Finance – to undertake the improvement of the system. The target is to have in place several frameworks - a legal outline for formalizing local governments' roles and functions, another for fiscal aspects and that for the decentralization of sector management of programs, as well as in setting up an efficient and effective civil service.

Envisioned are the following activities:

- Creating a nationwide platform for dialogue that rekindles public discussions on decentralization and the adoption of a national strategy through district, county and national forums and preparation of detailed studies of existing systems and sharing other international experiences
- Drafting and adoption of the Government of Liberia's policy, and related legal and regulatory framework for sub national participatory planning, budgeting and program implementation, with a view to strengthening the County and District management aspects.
- Detailed studies and adoption of Fiscal Decentralization policy through articulation of the modus operandi of the full County and District fiscal management, and clearly defining inter-governmental fiscal relationships endorsed at all levels (Annex on COUNTY/DISTRICT DEVELOPMENT FUNDS).
- Adoption of sectoral decentralization policies and articulating their interaction with local governments through amendment of existing laws and regulations. (Balancing deconcentration with devolution)
- Establishment of the local civil service and equipping it with the relevant technical and administrative capacities.
- Strengthening the capacities of the Ministry of Internal Affairs as the lead technical body to spearhead the reform

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The activities of output 1 cover all the 15 counties and will involve the significant interaction and involvement of all the key ministries, national legislature and the Executive mansion. The three counties, which will pilot the local development investment cycle, will form a laboratory to generate lessons. This is particularly relevant for District and sub district planning which will engage in the annual planning cycle.

## **STRATEGIC FOCUS AREA II: SYSTEM AND INSTITUTIONAL DEVELOPMENT**

**This strategic focus area is embedded in pillar 2 of the Interim Poverty Reduction Strategy whose objective focuses on revitalizing the economy, and includes strengthening fiscal policy and financial management, capacity development including systems, processes and institutions. It also builds on pillars (3) and (4) strengthening of Governance and the rule of law; and Rehabilitating Infrastructure and basic services. This is the hub of institution building for decentralized governance**

### **2.8.3 Output 2: Establishment and elaboration of procedures, processes and systems for subnational government institutions**

The current Liberian local government system and its institutional framework are designed in a very top down manner, which inhibits local participation in development and makes local governments institutions ineffective. There is therefore a need to review the general organization and function of the system to empower local government institutions and development actors. There is need to restructure and strengthen the bottom up structures and prosedures.

The following activities are envisaged for output 2:

1. Defining and activating planning, financing and implementation roles of counties, districts, villages, towns and clans
2. Building the capacity, mission and function of the Ministry of Internal Affairs towards promoting developmental local government and the linking it with the other sector ministries.
3. Elaborating the fiscal and financial management responsibilities of the different levels of local government, and their relationships with the Ministry of Finance and design systems for District, County and Sector funding (Budget Control)
4. Supporting reform and reorganization of the local government system to remove intra local government duplication and promoting efficiency through clearly defined criteria of the different jurisdictions (cities, districts and counties)
5. Supporting and building capacities of institutions of local governance (including civil society), which promote participatory development including County Development Committees, District development Committees, Clan Development Committees.
6. Instituting the annual planning and budgeting process and strengthening the role of the elected and local institutions
7. Promoting best practices in Local Public Expenditure Management through developing a variety of accountability mechanisms and participatory planning exercises.
8. Establishing and strengthening District and County level Information Management systems, through effective interaction with all the development actors operating in the localities.

## **STRATEGIC FOCUS AREA III: INVESTMENTS FOR LOCAL DEVELOPMENT**

**The implementation of LDLD has to ultimately yield results in the form of concrete investments for local development. The fourth pillar of the Liberia Interim Poverty Reduction Strategy focuses on rehabilitating infrastructure and delivering basic services. This includes a range of sectoral investments planned, implemented and monitored by local governments, and reflecting the comparative advantage of the different levels of local governments**

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### Output 3: Local investment projects implemented at county and district levels

2.8.4. Decentralization policy has to ultimately show results in the form of local investments, which help to address poverty and improve the prosperity of communities. The proposed District Development Funding system will complement GOL County Development Funds and Sector Funds, and is designed to strengthen the capacities of Counties and Districts (local Governments) to respond to and address the long term management responsibilities that address changes and challenges to local development.

2.8.5. The current Liberian system of funding local development is largely being driven by the Non – Governmental and Community sectors responding to the immediate post war crisis. The proposed LDLD is designed to shift the focus towards developmental local governments and to strengthen State capacity for the delivery of infrastructure and services. This will promote long-term development and give responsibilities to the democratically elected bodies that have to collaborate with the other non-state actors.

The envisaged activities for output 3 are centered on implementation of the basic components of local public expenditure management cycle which include: strategic planning; investment programming, budgeting; implementation and procurement; assets management; accounting and financial reporting; internal controls and monitoring; evaluation and audit. The institutional arrangements in Liberia points to the need for a simultaneous focus are County and District local authorities.

2.8.6.. The 15 Counties have an average of 9 districts each and they are the main public sector organizational entity with capacity for local strategic planning. The Districts are currently institutionally fragile and will require significant capacity building for them to play an effective role in local investment programming. The program will pilot the local public Investment Expenditure management in three Counties selected by Government (Ministry of Internal Affairs) based on a criteria agreed by the government key stakeholders –Governance Reform Commission, Ministry Of Planning and Economic Affairs and Ministry of Finance.

1. Preparation and implementation of strategic County and District Development Plans (3-5 years)
2. Preparation and implementation of Annual County and District investment plans
3. Allocation of County and District Development Grants (combining Government County Grants and the Program District grants)
4. Developing and implementing minimum conditions of access and engaging counties and district local authorities in the planning and implementation processes
5. Developing local level accountability mechanisms for management of investment programs.
6. Undertake piloting in 3 counties and providing the District Development Funds to demonstrate the full cycle of the Public Expenditure Management (PEM) cycle
7. Prepare local training manuals for planning, budgeting, implementing, tendering, costing and building the capacities of the local governments.
8. Agree and establish investment menus at Village, Town, District and County levels in order to guide and strengthen the participatory planning processes

More specifically at District and sub district levels, output 3 envisions the following targets:

- Conducting baseline reviews of infrastructure, service delivery and coverage in all pilot cases at the District level, as the main input into the local participatory planning and budgeting process.
- The setting up of the County/District Development Funds at the County level as the mechanism for allocating externally supported fiscal transfers to Districts, and provide pilot Districts with yearly "indicative planning ceilings".
- Developing guidelines for County/District Development Funds, detailing management structures, conditions of access and fund administration procedures, consistent with an improved fiscal transfer system.

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- Negotiating with other ongoing programs (World Bank's, EU, USAID, GTZ, etc) to assist the pilot options for local government management in their elements of support to Districts.
- The LDLD will be based on the premise of extending the local government reform agenda, in support of the State's wider reform agenda in extending its fiscal management, with a focus on sub-national government institutions. It establishes a national development perspective, built on strong macro-economic and sector policies and, highlighting a significant role for local governments in Liberia's system of public management and administration.

#### STRATEGIC FOCUS AREA IV: EFFECTIVE PROGRAM MANAGEMENT

**2.8.5 This strategic focus area is on ensuring that the program is effectively and efficiently implemented. The Government of Liberia, UNDP, UNCDF, UN and other development partners will regularly convene and through annual tripartite meetings review the program. They should also convene donor roundtables to fundraise for the program and ensure donor interest and harmonization.**

#### **Output 4: To ensure the proper utilization of resources and effective management of LDLD**

To achieve output 4, the following activities are envisaged

- Set up the Programme Management Unit and its team at MIA, with its management focal points in the Counties, for effective management.
- Establish the policy support function of GRC, Ministry of Planning and Economic Affairs, Ministry of Finance and other sector Ministries
- Effectively manage the annual work-plan, monitor and report as required
- Ensure effective financial management
- Support and finance the technical missions from HQ and the County offices
- Setting up an M&E system

The LDLD is a complex program which will on one hand seek to pilot local public expenditure management in 3 counties and at the same time satisfy the desire by the Liberian Government to establish a National program covering 15 counties within the 5 year time frame. Whilst the current resources for the program will adequately pilot the three counties, there is a funding gap, which the Government and Development have indicated a desire to address the funding gap within the program timeframe. It is also likely that the interest of the other donors will be stimulated and generate investments for the rolling up of the national program.

#### **2.9. Expected End of Project Situation**

The LDLD initiative will be the piloting of a national effort that facilitates the move towards decentralized governance and the strengthening of sub-national government and its administrative capacity. The proposed 5-year program will:

- Support the determination of the decentralization model and policy for Liberia;
- Rationalize and strengthen the capacities of sub-national governments and governance: counties, districts, municipalities, cities, towns, villages and the criteria for establishing each level;
- Strengthened mechanisms for accountability, efficiency and collaboration between politicians, local administrators, local council officials, and communities;
- Define and consolidate the nature of central – local government fiscal relationships at each level: county, district, municipalities and villages will be clarified, with roles articulated, and functions strengthened;

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- The UNCDF block grant will pilot and test the planning and investment system at county and district levels (initially in 3 Counties) to ensure that financial management in local governments are made consistent with reforms at the national level, while making sure that the available flows of funds from the central government to local government and vice-versa is efficient;
- Promote the capacities of Counties, Districts, and other lower entities to mobilize local resources and improve public expenditure management in general;
- Build human resources policies for local government.
- Mobilize resources for the national program and establish long term intergovernmental fiscal arrangements for districts and counties.

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## RESULTS AND RESOURCES FRAMEWORK

|   |
|---|
| <b>Intended Outcome:</b>  |
| Strengthening of Local Governance, with the immediate objective of establishing Liberia's decentralization strategy   |
| <b>Outcome indicator</b> as stated in the Country Program Results and Resources Framework, including baseline and target:   |
| Local Government management system is re-established, functional; District Development Plans approved, projects being implemented   |
| <b>Applicable MYFF Service Line(s):</b>   |
| 1.2 Poverty reduction, localization of MDGs as a major policy, in attaining national targets  |
| 1.3. Community reconstruction and management program, including micro-finance aspects   |
| 2.6. Decentralization, local governance, and to promotion of rural – urban linkages in employment creation, economic stimulation  |
| <b>Partnership Strategy</b>   |
| The LDLD will be established at three levels of governance, each with a PMU, with responsibilities that differ in role and function, given the program elements. The main PMU will be based at an executive level, within the president's office, with the operational arm in the MIA, as the main coordinating entity for the LDLD. UNDP, UNCDF, and other potential partners will jointly fund the program. |
| <b>Project title and ID: The Liberia Decentralization and Local Development (LDLD) program</b>  |
| <b>Project Summary</b>  |
| <b>Goal</b>   |
| The LDLD program is designed to support the country's efforts to speed the transition from reconstruction to long-term development by establishing innovative solutions to local governance and to reverse the historic patterns of centralized development   |
| <b>Objective</b>  |
| The main objective is to promote the adoption of policies that establish and strengthen fiscal decentralization, administrative and local governance systems in Liberia, as the LDLD installs an adequate organizational capacity to management systems that promote pro-poor infrastructure and service delivery, while stimulating local economic development and sustainable resources' management.        |
| <b>STRATEGIC AREA I:</b>  |
| Promote policy and strategy development - The LDLD will support the GOL to define and operationalize a national decentralization policy which reverses the historic centralization of the state and strengthens the functioning of the sub-national spheres of government – counties, districts, towns, and villages  |
| <b>STRATEGIC AREA II:</b>   |
| System and Institutional Development – support for the establishment and elaboration of procedures, processes and systems for effective public expenditure management and infrastructure/service delivery   |
| <b>STRATEGIC AREA III:</b> Sectoral Investments and Local Development – to stimulate local economic development by promoting local investments in infrastructure and services, with a view to address poverty in improving prospects for long-term growth and communities prosperity  |
| <b>STRATEGIC AREA IV</b>  |
| Ensure effective program management   |

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**SUMMARY BUDGET**

| STRATEGIC FOCUS AREAS AND OUTPUTS   | Year 1       | Y2            | Y3            | Y4           | Y5           | Totals        |
|---|--------------|---------------|---------------|--------------|--------------|---------------|
| <b>Strategic Area I. POLICY AND STRATEGY DEVELOPMENT</b>  |              |               |               |              |              |               |
| 1.1 The LDLD is launched - a process for establishing the Liberian National framework for Decentralization and local government capacity building, a collaboration of the MPEA/MIA/GRC.   | 65           | 45            | 5             | 5            | 5            | \$ 125        |
| 1.2 The preparation of specialized papers and review of local government management and administrative policies for the decentralization policy to be adopted. In addition prepare support of the preparation of National fiscal policy articulated in the legal framework established. | 20           | 90            | 10            | 0            | 0            | \$ 120        |
| 1.3 Elaboration of sector Decentralization  | 5            | 70            | 40            | 35           | 5            | \$ 155        |
| 1.4 An in-depth review of Liberia's requirements for local government capacity building is done, and its wide management development strategy designed  | 0            | 70            | 60            | 40           | 40           | \$ 210        |
| <b>Sub-Total</b>  | <b>\$ 90</b> | <b>\$ 275</b> | <b>\$ 115</b> | <b>\$ 80</b> | <b>\$ 50</b> | <b>\$ 610</b> |
| <b>Strategic Area II. SYSTEM AND INSTITUTIONAL DEVELOPMENT</b>  |              |               |               |              |              |               |
| 2.1 The local government management, its defined procedures, processes and systems for effective public expenditure management are reviewed, implemented, to formalize new roles, functions   | 35           | 55            | 20            | 20           | 0            | \$ 130        |
| 2.2 The PEM procedures are institutionalized through the county/district planning process and structures in pilot Counties: the LDLD operations manual  | 10           | 50            | 30            | 30           | 30           | \$ 150        |
| 2.3 Local and national development planning are made consistent, public expenditure management is articulated, in place   | 25           | 75            | 75            | 45           | 20           | \$ 240        |
| <b>Sub-Total</b>  | <b>\$ 70</b> | <b>\$ 180</b> | <b>\$ 125</b> | <b>\$ 95</b> | <b>\$ 50</b> | <b>\$ 520</b> |

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| Strategic Area III. SECTOR INVESTMENTS AND DEVELOPMENT   |              |               |               |               |                |  |  |  |                |
|--|--------------|---------------|---------------|---------------|----------------|--|--|--|----------------|
| 3.1 The local development fund (DDF/County Fund) is established as the basis for the inter-government fiscal transfer system, institutionalized by the LDLD program operational manual | 25           | 320           | 615           | 900           | 1200           |  |  |  | \$ 3060        |
| 3.2 The county/district accountability system, articulate links to the national budgetary cycle established  | 20           | 45            | 45            | 45            | 45             |  |  |  | \$ 200         |
| 3.3 Access to, quality and extent of infrastructure and service delivery improved in line with county and district plans   | 20           | 65            | 35            | 10            | 0              |  |  |  | \$ 130         |
| <b>Sub-Total</b>   | <b>\$ 65</b> | <b>\$ 430</b> | <b>\$ 695</b> | <b>\$ 955</b> | <b>\$ 1245</b> |  |  |  | <b>\$ 3390</b> |
| Strategic Area IV. SECTOR MANAGEMENT   |              |               |               |               |                |  |  |  |                |
| 4.1 Program Management Team recruited (1 CTA and 3 experts)  |              |               |               |               |                |  |  |  |                |
| 4.2 3 Work-plans prepared, implemented, regularly updated  | 110          | 310           | 260           | 210           | 160            |  |  |  | 1060           |
| 4.3 75% of targets set in AWP accomplished by the end of the year  |              |               |               |               |                |  |  |  |                |
| 4.4 DDF established, located at the County treasury, its system of transfer made functional.   |              |               |               |               |                |  |  |  |                |
| 4.2.1 MIS system established at PMU, and County level.   |              |               |               |               |                |  |  |  |                |
| 4.2.2 Communication and Media strategy   |              |               |               |               |                |  |  |  |                |
| 4.2.3 Quarterly, and annual reports prepared   | 10           | 25            | 25            | 25            | 15             |  |  |  | 100            |
| <b>Sub-Total</b>   | <b>120</b>   | <b>335</b>    | <b>285</b>    | <b>235</b>    | <b>175</b>     |  |  |  | <b>1150</b>    |
| <b>Total Estimates</b>   | <b>345</b>   | <b>1220</b>   | <b>1220</b>   | <b>1365</b>   | <b>1520</b>    |  |  |  | <b>6670</b>    |

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| STRATEGIC FOCUS AREA I: POLICY AND STRATEGY DEVELOPMENT                 |  |   |                      |             |             |             |             |             |  |
|---|--|---|----------------------|-------------|-------------|-------------|-------------|-------------|--|
| INTENDED OUTPUTS  | OUTPUT TARGETS   | INDICATIVE ACTIVITIES   | DONORS               | 2007 ('000) | 2008 ('000) | 2009 ('000) | 2010 ('000) | 2011 ('000) |  |
| 1.Liberia's Decentralization policy and the legal framework established | 1.1 The LDLD is launched - a process for establishing the Liberian National framework for Decentralization and local government capacity building, a collaboration of the MPEANMIA/GRC.  | 1.1.1 Establish the nationwide platform for dialogue that rekindles public discussions on decentralization and the adoption of a national strategy (donors, sector ministries and counties) | UNDP<br>GOL          | 10          | 10          | 0           | 0           | 0           |  |
|   |  | 1.1.2 Engage consultants for the background technical review papers and for the Launching Conference; follow-up meetings  | UNDP/UNCDF           | 25          | 15          | 0           | 0           | 0           |  |
|   | 1.2 The preparation of background papers and review of local government management and administrative policies, the basis for decentralized governance is completed, the Decentralization policy adopted. The Fiscal Policy articulated in the legal framework established | 1.1.3 Host 3 regional consultations and 1 National conference; annual donor roundtable, annual meetings   | UNDP/GOL             | 30          | 20          | 5           | 5           | 5           |  |
|   |  | 1.1.4 Drafting and adoption of the Government of Liberia's decentralization policy, and related legal framework   | UNCDF<br>UNDP<br>GOL | 0           | 30          | 0           | 0           | 0           |  |
|   | 1.3 Elaboration of Sector Decentralization   | 1.1.5 Engage international and local consultants for the Fiscal Policy study and review   | UNCDF                | 20          | 20          | 0           | 0           | 0           |  |
|   |  | 1.3.1 Review, articulate the modus operandi of the full County and District fiscal management, and clearly define inter-governmental fiscal relationships                                   | EU/UNDP/UNCDF        | 0           | 40          | 20          | 20          | 0           |  |
|   |  | 1.3.2 Prepare sector decentralization policy and guidelines   | EU/UNDP/UNCDF        | 0           | 15          | 15          | 10          | 0           |  |

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| STRATEGIC FOCUS AREA I: POLICY AND STRATEGY DEVELOPMENT |  |  |               |      |      |      |      |      |  |
|---|--|--|---------------|------|------|------|------|------|--|
| INTENDED OUTPUTS  | OUTPUT TARGETS   | INDICATIVE ACTIVITIES  | DONORS        | 2007 | 2008 | 2009 | 2010 | 2011 |  |
|   |  | 1.3.3 Support the National Inter-Ministerial Steering Committee for Decentralization, County platforms for consultations                           | UNCDF<br>GOL  | 0    | 15   | 5    | 5    | 5    |  |
|   | 1.4 An in-depth review of Liberia's requirements for local government capacity building is done, and its wide management development strategy designed | 1.4.1 Design capacity building for the counties, districts and selected sector ministries on decentralized governance (experts to prepare modules) | EU/UNDP/UNCDF | 0    | 20   | 20   | 20   | 20   |  |
|   |  | 1.4.2 Re-establishment of the local civil service and determining technical and administrative capacities.   | UNDP          | 0    | 20   | 20   | 0    | 0    |  |
|   |  | 1.4.3 Design the capacity building strategy for the LDLD, train specific cadres, upgrade skills  | UNDP          | 0    | 30   | 20   | 20   | 20   |  |

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| STRATEGIC FOCUS AREA II: SYSTEM AND INSTITUTIONAL DEVELOPMENT  |   |  |               |             |             |             |             |             |  |
|--|---|--|---------------|-------------|-------------|-------------|-------------|-------------|--|
| INTENDED OUTPUTS   | OUTPUT TARGETS (YEARS)  | INDICATIVE ACTIVITIES  | DONORS ('000) | 2007 ('000) | 2008 ('000) | 2009 ('000) | 2010 ('000) | 2011 ('000) |  |
| 2. Establishment and elaboration of procedures, processes and systems for effective public expenditure management and infrastructure/service delivery. | 2.1 The local government management, its defined procedures, processes and systems for effective public expenditure management are reviewed, implemented, to formalize new roles, functions | 2.1.1 Redefine the role, mission and function of the Ministry of Internal  | UNDP          | 10          | 20          | 0           | 0           | 0           |  |
|  |   | 2.1.2 Planning, financing and implementation manuals for counties, districts, villages, towns and clans prepared   | UNFCU         | 10          | 20          | 20          | 20          | 0           |  |
|  |   | 2.1.3 Review and recommend fiscal and financial management responsibilities in line with fiscal policy   | UNCDF         | 15          | 15          | 0           | 0           | 0           |  |
| 2.2 The PEM procedures are institutionalized through the county/district planning process and structures in pilot Counties; the LDLD operations manual | 2.2.1 Remove duplication and promote efficiency of local government through clearly defined criteria of the different jurisdictions (Cities, districts and counties)                        | 2.2.1 Remove duplication and promote efficiency of local government through clearly defined criteria of the different jurisdictions (Cities, districts and counties) | UNDP          | 10          | 20          | 0           | 0           | 0           |  |
|  |   | 2.2.2 Support and build capacities of institutions of local governance (including civil society and private sector) which promote participatory development          | UNDP          | 0           | 15          | 15          | 15          | 15          |  |
|  |   | 2.2.3 Strengthening annual planning and budgeting, and setting up the local M & E system   | UNDP          | 0           | 15          | 15          | 15          | 15          |  |

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| STRATEGIC FOCUS AREA II: SYSTEM AND INSTITUTIONAL DEVELOPMENT |   |   |             |      |      |      |      |      |  |
|---|---|---|-------------|------|------|------|------|------|--|
| INTENDED OUTPUTS  | OUTPUT TARGETS (YEARS)  | INDICATIVE ACTIVITIES   | DONORS      | 2007 | 2008 | 2009 | 2010 | 2011 |  |
|   | 2.3 Local and national development planning are made consistent, public expenditure management is articulated, in place | 2.3.1 Participatory methods of planning and the management of resources elaborated and ultimately defining functions in local public expenditure management in the 3 counties                             | UNDP        | 10   | 20   | 20   | 10   | 10   |  |
|   |   | 2.3.2 Training and capacity building for Districts by the County management team for 3 pilot counties.  | UNDP        | 15   | 15   | 15   | 0    | 0    |  |
|   |   | 2.3.3 Strengthen sector reviews and social audits by refining the existing database under the CST program, transform it into the County Management Information System that supports the budgeting process | UNDP        | 0    | 15   | 15   | 10   | 10   |  |
|   |   | 2.3.4 Design the training program for MIS, to link national, county and district level.   | UNCDF/NIMAC | 0    | 25   | 25   | 25   | 0    |  |

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| STRATEGIC FOCUS AREA III: SECTOR INVESTMENTS & LOCAL DEVELOPMENT                                   |  |   |            |             |             |             |             |             |  |
|--|--|---|------------|-------------|-------------|-------------|-------------|-------------|--|
| INTENDED OUTPUTS   | OUTPUT TARGETS (YEARS)   | INDICATIVE ACTIVITIES   | DONORS     | 2007 ('000) | 2008 ('000) | 2009 ('000) | 2010 ('000) | 2011 ('000) |  |
| 3. Local investment projects implemented   | 3.1 The local development fund (DDF/County Fund) is established as the basis for the inter-government fiscal transfer system, institutionalized by the LDLD program operational manual | 3.1.1 Designing the County and District fund and the operational guidelines detailing the management structure, conditions of access and fund administration procedures, consistent with an improved fiscal transfer system | UNCDF      | 25          | 20          | 15          | 0           | 0           |  |
|  |  | 3.1.2 Set up the County/District Funds in the three pilot Counties, designed to be the mechanism for allocating externally supported fiscal transfers to Districts  | UNCDF      | 0           | 300         | 600         | 900         | 1,200       |  |
|  |  | 3.2 The County/District Development Funds's accountability system, articulate links to the national budgetary cycle established   | UNCDF      | 0           | 25          | 25          | 25          | 25          |  |
| 3.3 Access to, quality and extent of infrastructure and service delivery improved according to the | 3.3.1 Engage consultants to conduct baseline reviews of infrastructure, service delivery framework and coverage in 3 pilot counties  | 3.2.1 Support to training in basic financial management skills, the establishing norms and standards for County/District Funds funds, expenditure monitoring and controls   | UNCDF      | 0           | 25          | 25          | 20          | 20          |  |
|  |  | 3.2.2 Design and launch the training program for managing the county and district funds and involve local DDC's and NGOs in the participatory budget training   | UNDP/UNCDF | 20          | 20          | 20          | 20          | 20          |  |

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| STRATEGIC FOCUS AREA III: SECTOR INVESTMENTS & LOCAL DEVELOPMENT |                        |  |        |      |      |      |      |      |  |
|--|------------------------|--|--------|------|------|------|------|------|--|
| INTENDED OUTPUTS   | OUTPUT TARGETS (YEARS) | INDICATIVE ACTIVITIES  | DONORS | 2007 | 2008 | 2009 | 2010 | 2011 |  |
|  |                        | 3.3.2 Design specific investment window to support local economic development  | UNCDF  | 10   | 25   | 25   | 0    | 0    |  |
|  |                        | 3.3.3 Establish public private partnerships (PPP) in infrastructure management and service delivery, set up the coordinating system for these at county and district level | UNCDF  | 0    | 10   | 10   | 10   | 0    |  |

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| STRATEGIC FOCUS AREA IV: MANAGEMENT <sup>3</sup>             |  |   |          |               |               |               |               |               |
|--|--|---|----------|---------------|---------------|---------------|---------------|---------------|
| INTENDED   | OUTPUT TARGETS (YEARS)   | INDICATIVE ACTIVITIES   | DONORS   | 2007<br>(000) | 2008<br>(000) | 2009<br>(000) | 2010<br>(000) | 2011<br>(000) |
| 4.1 Maintain effective program management and implementation | 4.6 Program Management recruited (1 CTA and 3 experts)   | 1.1.1. Establish the Main PMU at MIA, staffed with Local Government and Decentralization<br>1.1.2. Provide resources in managing PMU operations<br>1.1.3.   | UNDP     | 100           | 300           | 250           | 200           | 150           |
|  | 4.7 3 Work-plans prepared, implemented, regularly updated<br>4.8 75% of targets set in AWP accomplished by the end of the year<br><br>4.9 County/District Funds established, located at the County treasury, its system of transfer made functional. | 4.2.1 Establish PMU antennas in the 3 pilot counties, at the County Development Superintendent's premises,<br>managed by the CST Team Leader<br>4.3.1 Provide transport and key support for management of the program costs<br>4.3.2 CST Team Leader as local program coordinator to ensure effective management of program, liaison with the HQ at PMU<br>4.3.3 Annual work-plans effectively managed<br><br>4.9.1 Steer the management of the fiscal transfer and accounting mechanism being developed, its rationalization, alignment with the national budgetary system<br>4.9.2 CST Team to provide logistics and security arrangements in operationalizing the COUNTY/DISTRICT DEVELOPMENT FUNDS/County Development Fund, securing the process of extending local system of management in distant/rural locations | UNDP/GOL | 10            | 10            | 10            | 10            | 10            |
| 4.2 Ensure effective monitoring and evaluation               | 4.2.4 MIS system established at PMU, and County level<br>4.2.5 Communication and Media strategy formulated<br>4.2.6 Quarterly, and annual reports prepared   | 4.2.1.1 M & E strategy and system formulated, its implementation ongoing<br>4.2.1.2 Communication and media strategy for the LDLD established, with support from participating donors, NGOs<br>4.2.1.3 Regularize the M & E reporting system, program accountability methods<br>4.2.1.4   | UNDP     | 10            | 25            | 25            | 25            | 15            |

<sup>3</sup> Full budgets factored in the processes in Strategic Outputs, Strategic Areas I, II, III

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### III. RISKS AND RISK MITIGATION EFFORTS

3.1 There are four key risks that have been identified for the LDLD: political commitment; low human resource and administrative capacities; resurgence of tensions and socio-political conflicts; and lack of commitment on the part of development partners.

3.2 - Lack of political will and commitment is a major stumbling block for decentralization everywhere. The challenge in Liberia is to ensure that all key stakeholders are on board and there is adequate consultation at all levels. Current commitment to reverse the highly centralized system is high and therefore the risk is **low**.

3.3 - Low Human Resource and administrative capacities exist at all levels and this poses a major risk for the LDLD. Whilst the LDLD focus is on capacity building it is important to achieve some quick wins to reduce the risks of decentralization being viewed as an impossible task. The current risk is **high**.

3.4 - Resurgence of local tensions and socio-political conflicts are a major threat to decentralization, which can be easily seen as promoting ethnic differentiation rather than the cohesiveness of a central system. It is important that decentralization is viewed as a peace building mechanism that promotes development. This threat is **medium to high**.

3.5 Support of development partners is a key input to decentralization and local development. There is need to build sector-wide support under the government's leadership in order to attract the interest of all key donors. If the process is viewed as belonging to the United Nations (UN) there is a major risk to the process in mobilizing resources. The current threat is **medium** given that most development partners are still focused on the immediate post conflict recovery.

The LDLD design has considered these risks and has program safeguards, among them:

- *Management risks* - MIA's limited experience and institutional capacity may jeopardize program implementation. In mitigating the situation, the following are support provisions to circumvent the risk.
  - Mitigation - In executing projects of this nature, questions relate to extending assistance by establishing decentralization and/or local government management entities with strong Technical Support Units (TSUs) for managing local government reforms, towards decentralization.
  - The program intends to set in motion the internal systems needed for long-term and sustainable public management for sub-national level governance, thus a Chief Technical Adviser is to be engaged, based at the PMU, the PMU for decentralization in the MIA, with additional antennas using existing UNV support in participating local governments. (See Annexes)
  - Coordination will be a critical element for successful program implementation, which shall be a major aspect of linking its ongoing policy and development planning capacity building (the LDLD System of Coordination shall link communities to national and local government), establishing the needed framework and methods for strengthening participatory governance.
  - In extending participation, civil society will be solicited in various capacity building activities, with Non-governmental Organizations (NGOs) as the interim solution for rebuilding democratic elements and empowering communities.
- *Political risks* - relate to the decentralization process, a long-term process in development, whose continued success depends both on government leadership and on how civil society may shape it, given the aftermath of the elections and the forthcoming municipal elections.
  - Mitigation - sustainable decentralization entails the adoption of new policies and new relationships with civil society, the program will engage stakeholders in involving NGOs in its implementation, formulate a public relations and marketing plan to stimulate broad-based national dialogue, establishing participatory platforms at all levels, across ongoing efforts.
  - In the establishment of a High Level Inter-Ministerial Committee at the Apex is intended to directly engage the government, linking ongoing local government dialogue to the highest level.

## IV. MANAGEMENT

### Implementation Arrangements and Roles

4.1 The LDLD's management is premised on the strengthening of the center - local dynamics and building capacities of the different spheres of government to promote decentralized governance. At the central level the key actors will include all the key national ministries who have to embrace the traditional advantages of decentralization to improve efficiency, transparency and responsiveness of local service provision compared to the traditional centralized arrangement.

### Government of Liberia

- At the apex, the LDLD will establish the Inter-Ministerial Steering Committee for decentralization, which is envisioned to be under the guidance of the GRC, to function as the main hub for the LDLD's intrinsic political support, the conduit for *promoting* decentralized governance within the central government ministries. The Committee shall be the coordinating entity that promotes wide program changes among specific sector ministries.
- The MIA will be the central technical and coordinating hub through the PMU, which will provide support to counties, districts, clans and villages and liaise with all the key technical branches of government.
- The MPEA provides planning support and will build capacities to make the national planning calendar a reality.
- The Ministry of Finance is responsible for the overall budgeting and allocation of resources annually.
- The MIA shall execute the project, with support provided via the PMU based at its main office in Monrovia. The PMU will be led by the Chief Technical Advisor (CTA - see Annex 2: TOR - CTA), with assistance from a Technical Team of specialists in Local Government planning and management, fiscal decentralization, municipal finance, infrastructure and service delivery, in conjunction with MIA staff and with support from their counterparts in MPEA and MoF, with the GRC.
- At the County level, the focal point will be based at the Superintendent's office, to be made up of the Development Superintendent with his team of officers, with the accounting officer in charge of the Treasury. In addition, the County Support Teams will assist in the management of the portfolio of programs to be extended to the districts.
- At the lower level, the focal points will be established at the District Commissioner's (DC) offices. As may be required, other elements in program implementation may be contracted to local NGOs, in an effort to extend participation.
- Nationally, a system of Committees will be established with a view to connecting the local government and decentralization policy debate surrounding the project's implementation, with a view to widen the debate to speed up the policy agenda (see Annex).

### Development Partners

- UNDP shall monitor the program and will ensure the effective management of the LDLD. It is the coordinating entity on the ground ensuring coordination with all UN entities. With assistance from the UN family, UNDP shall steer the establishment of the PMU and in recruiting staff, and will monitor and coordinate with the County aspect through the CST. In addition, UNDP will ensure timely disbursement of funding, while monitoring implementation.
- UNCDF will provide technical support and invest resources for the programme. This will allow for the necessary resources for establishing the County/District Fund.
- Other donors - with time, it is anticipated that lessons learned will be replicated in the expansion of the pilot phase to the national level, with demonstrable successes that attract additional support from key donors, among which are the World Bank, USAID, EU, DFID, GTZ and others working in local government management elsewhere.

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- UN County Support Team – UNMIL will provide the technical and logistical support to the CST programme, resources of which will be used as an input in the implementation of this project.
- LACE/World Bank – involved in community infrastructure with a focus on local communities from village to clan level. New phase of project includes up scaling to district and county level and will be working with DDC's.
- European Union – involved in providing support to development of sector policy for decentralization and capacity and institutional development.
- Other donor which support local development include World Bank, USAID and GTZ and they will be consulted on the way forward for LDLD.

## V. MONITORING & EVALUATION

### 5.1 The Project baseline data mapping and survey

To establish the basis of planning and management for the county, district and village level, and in a bid to set out the monitoring and evaluation outlook that informs regularly on the design and progress of the project, the program will conduct an evaluation of the institutional set up, administrative system, and capacity in the counties and the districts. The survey's results shall be made in advance of the full project start-up, and will be used to inform on the detailed technical inputs required at program inception.

#### Monitoring and evaluation of activities

In the start-up phase of the project, the CTA with the support of UNCDF shall be responsible for the design of the project's monitoring and evaluation system (ME), which will:

- Avail stakeholders with information on project progress against assigned outputs and activities. This aspect of the ME will provide quantitative indicators enabling stakeholders to assess the project's progress;
- Provide "process" indicators, those which track the quality of the processes and procedures of the implementation effort, and their likely impact on service delivery shall also be established. The ME will identify additional qualitative indicators, many of which are likely to require periodic surveys and the use of participatory methodologies;
- Ensure that the UNDP and UNCDF reporting requirements are adequately met.

#### Mid term and final evaluations/reviews

A mid term evaluation/review (MTE) shall be undertaken within 18 months after the project has been established, to coincide with completion of the first planning and budgeting cycle and partial completion of the second planning and budgeting cycle. The MTE is intended to:

- Assess overall project progress;
- Evaluate and (if necessary) fine tune arrangements for planning and budgeting;
- Financing and implementation of the project;
- Examine project management arrangements to ensure adequacy;
- For consistency with the attainment of assigned project outcomes and
- Implementation of agreed project activities.



## VI. THE LEGAL CONTEXT

6.1 This LDLD project document shall be the instrument referred to in Article 1 of the Standard Basic Assistance Agreement between the Government of Sierra Leone and the UNDP, signed between the two established parties on of 1977. The host country-implementing agency shall, for the purposes of the Standard Basic Agreement, refer to the Government co-operating agency described in the Agreement. The following types of revisions may be made to this project document under the signature of the UNDP Resident Representative only, provided assurance is given that the other signatories of the project document have no objection to the proposed changes:

- Revisions in, or addition of, any of the annexes of the project document;
- Revisions which do not involve significant changes in the outcomes, outputs or
- Activities of the project, but are caused by the rearrangement of inputs
- Already agreed to or by cost increases due to inflation; and
- Mandatory annual revisions that rephrase the delivery of agreed project

Inputs or increased expert or other costs due to inflation or taken into account  
Agency expenditure flexibility

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## ANNEX 1: Criteria for Geographic Selection

**The Criteria for Selection** - Given the requirements for establishing the aforementioned process for any district, there is a need to set up a programmed with which to launch its pilot. With programmed budget constraints, the pilot programmed will entail the establishment of a project to install a district-focused planning process in three distinct districts. The results will provide the basis on which to phase-in subsequent districts each year. Districts to be included in the initial test program will be selected based of the following:

- Economic development potential
  - Level of population, state, and extent of welfare, poverty
  - Extent of the natural resource base (agriculture, mining) capacity
  - Employment generation and income earning potential
  - Existing modes of communication
- Existence of a functional DDC, that it is effective, i.e.
  - Effectiveness is defined by the number of meetings held over the past six month period
  - Number of projects identified and are ongoing
  - Member capacity to attend regularly scheduled meetings
  - Caliber of ad-hoc and in-kind assistance to its members
- Management capacity of the district
  - Available staffing capacity
  - Nature of support to the ongoing implementation process
  - Extent to which clans, chiefdoms are involved
- Level of poverty and state of gender balance
  - Leadership of women in key positions
  - Support to major aspects of income generating activities
  - Level and state of poverty
  - Number of widows/orphans, as indicators of poverty

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## ANNEX 2: TOR - CTA

### Background

The LDLD is designed to address three major objectives of: 1) enhancing local government policy and strategy development, 2) strengthening system and institutional development, as well as 3) investing in sector development with the ultimate objective of contributing to the Government's poverty reduction program. Essentially, the activities of the LDLD intend to support the overall agenda for reforming the local government management system towards Liberia's adoption of a decentralization program. The CTA's role will entail a scope of work that assists in the strengthening the MIA, the training aspects in the participatory PEM, of which the planning and budgeting elements are the focus, and to supervise the work program formulated in strengthening the local government units, at the County and District levels. The program builds on UNDP's ongoing support to the establishment of the DDCs under its Community Based Recovery Program (CBRP) and shall be installed on a pilot basis, with the intention of phasing in the rest of Liberia's Counties and their Districts. The budget outlook is estimated initially at \$5 million, over three years, with the possibilities of expansion. The current effort will be financed by the UNDP, in collaboration with the UNCDF.

### Duties and Responsibilities

Under the overall supervision of the Minister of Internal Affairs, the CTA will supervise and manage the implementation of the LDLD, taking into consideration the institutional framework and the existing legislation, Government objectives, plans and strategies. The CTA will also work under the guidance of the Inter-Ministerial Steering Committee for Local Government Reforms (to be established, with the CTA's support).

### Major Tasks

The major tasks of the Chief Technical Adviser will entail:

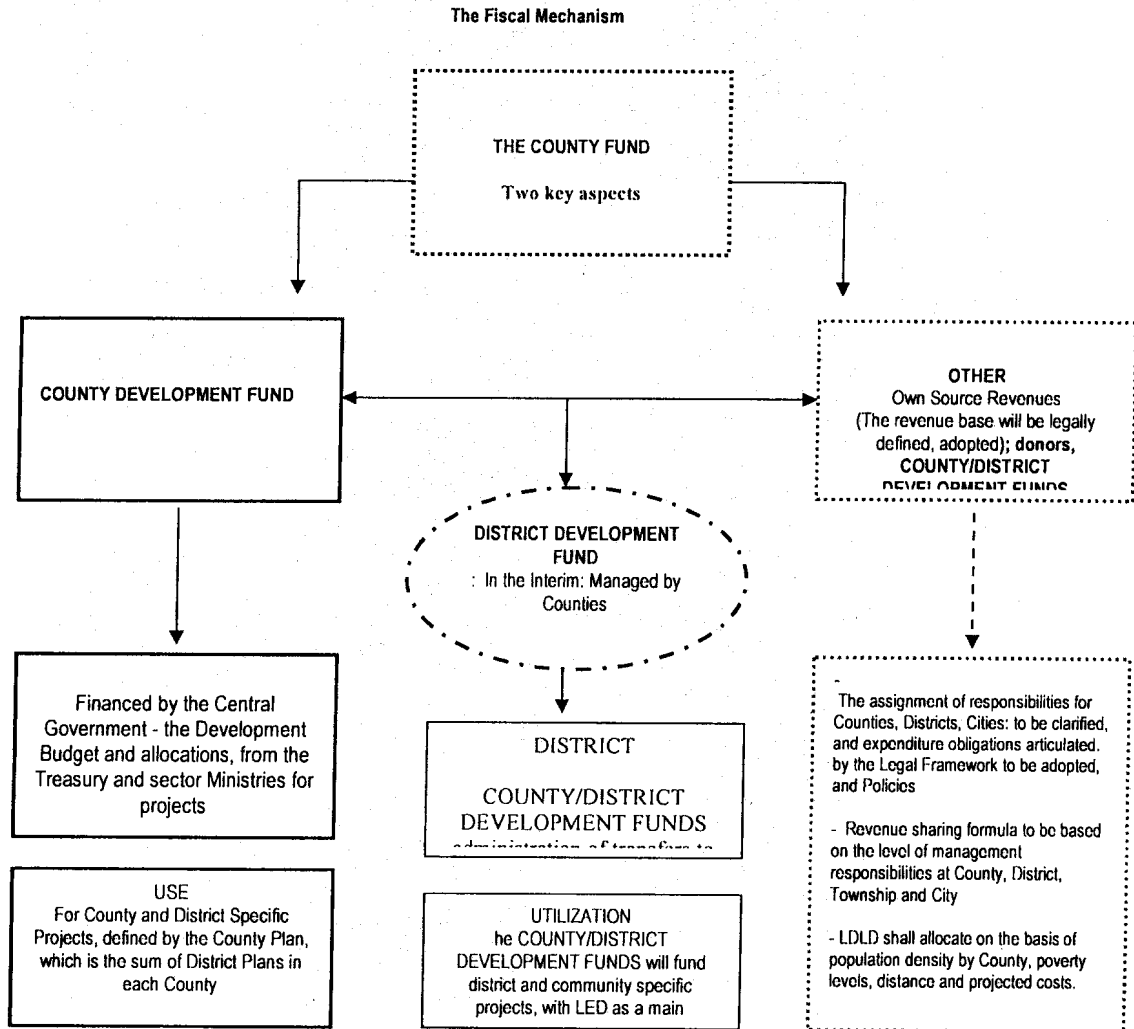
1. Managing the daily and routine operations of the program;
2. Supervision of project personnel and consultants, preparation of work plans, progress reports and budget revisions;
3. Liaison with Government institutions, international organizations, and development cooperating agencies;
4. Assisting the MIA in strengthening selected aspects of its management capacity;
5. Providing leadership and strategic thinking to ensure that program activities focus on critical areas of support;
6. Drafting terms of reference for national and international consultants, as well as in the identification of consultants, while also being responsible for monitoring and reviewing assignments;
7. Informing the Steering Committee regularly on progress made in the implementation of the program;
8. Providing support to the MIA and the County/District local governments in the mobilization of additional resources for capacity development of public administration institutions;
9. The Planning and coordination of the LDLD's monitoring missions;
10. In the preparation and submission of the Annual Progress Report to the Government and the executing agency for review;
11. Preparation of the Terminal Report for the program;
12. Coordination and collaboration with other programs or projects implemented by other UN agencies and development partners within the LDLD's framework;
13. The coordination and support in the final independent evaluation at the end of the program.

### Required Skills and Experience

A post-graduate degree in public administration, business management, political science, public expenditure, and financial management or related discipline is desirable, with at least 12 years' work experience, including consulting, in Local Government management and reforms in the public sector. Experience in the design and/or implementation of local economic development with administrative reform programs is highly recommended, with a good grasp of *change management concepts and approaches*, with an experience in conducting training, including facilitation skills. A solid background in economic and/or regional/urban/rural planning, system development and organizational skills will be a major asset. Excellent verbal communication and written skills, with proficiency in English is mandatory. Equally, experience in participatory approaches to problem solving in public organizations will be an asset, given the outlook in planning and budgeting using these techniques. Previous work experience in advisory positions and/or capacity development in technical cooperation related to the public sector in developing countries required. Proficiency in the following software applications is crucial: Microsoft Word, Excel, and Power point.

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**ANNEX 3: The COUNTY/DISTRICT DEVELOPMENT FUNDS Local Development Fund - Investment Menu**



**Investment Menu**

The types of projects to be financed by the COUNTY/DISTRICT DEVELOPMENT FUNDS shall be one of the following:

- a. District Specific projects – these are sourced from the following:
  - i. Community specific – village, neighborhood levels.
  - ii. District specific – these are those that can serve the needs of various communities, targeting a larger segment of its population – e.g. district clinics, which serve the district-wide population, and access roads linking different communities. In the selection of district-level projects targeting larger populations in multiple communities will be required to prove that a particular project is a priority by all, in which case the project in excess of \$100,000 will be required to provide at least 50 percent of the initial investment costs as matching funds; the LDLD will avail resources to complete the project.
- b. County Specific projects – these are identified by the County government, with the intention of serving its larger population based in all its districts – these tend to be much too large for such a budget, unless otherwise agreed to by the entire district system of planning – e.g. a larger County Hospital; in which case it may exceed the level of allocations and would not qualify. To qualify for projects, which exceed \$100,000, the County must be in a position to finance the required 50 percent of this type of project, as its matching fund. Details of the allocation limits for large-scale projects will be refined later.

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2. The typical LDF investments are of developmental value and target poverty reduction, initially, with priority for the following:
  - a. Establishing the offices and setting up the system of planning and its management
  - b. Providing the technical assistance in project definition by the private sector, NGOs – supervision of studies by NGOs, research, community and district consultations, etc.
  - c. Social and economic investments in sector specific target areas (to be defined by the District Plan)
  - d. Support to the LED elements made in the plan preparation, of priority activities
3. Specific LED Projects might include, for example:
  - a. Small Generators (capacity to be defined by costing made by the project plans)
  - b. Establishment of small scale artisanal business ventures, in setting up cooperatives; for training and skills improvement
  - c. Providing training that improves access to agricultural marketing and its opportunities
  - d. Bus-parks and taxi ranks to enhance revenue mobilization by the District/County
  - e. Establishing markets and warehouses to be managed by the County and District/village
4. The County and District Offices will establish accounts with the PMU in Monrovia, in the absence of a viable banking system at the district level. Replenishment of the COUNTY/DISTRICT DEVELOPMENT FUNDS will be based on performance.

### COUNTY/DISTRICT DEVELOPMENT FUNDS Program Allocations

The COUNTY/DISTRICT DEVELOPMENT FUNDS is the LDLD Local Development Fund that shall be equally allocated to the District by the County level, based on a number of criteria that shall be made to capture the principle of equity in its allocation, transparency in its management and distribution. Initially, the local development grant is shared evenly among the three Counties in the pilot LDLD, each of which shall be allocated a fixed amount totaling 10 percent of its share, to cover its administrative expenditures. Onward transfers of the funds to the lower level unit (District) shall be equally shared on the basis of the LDLD distribution formula (to be agreed upon by the LDLD management, to ensure that allocation formula is transparent). The initial allocation will provide for establishing the district's participatory planning system, finance the research and community consultations made part of the process. The District Plan shall provide the types of projects to be financed at the lower level. Budgetary aspects of the

The COUNTY/DISTRICT DEVELOPMENT FUNDS shall be made available through the UNDP's Program Management for the utilization by the LDLD as follows:

5. The fund shall be managed by the County Treasurer, with support from the TSU for decentralization, to be established as the main PMU for the program, in the MIA, within the Research and Development Planning Section. At the County level, the COUNTY/DISTRICT DEVELOPMENT FUNDS/County Treasury serves the purpose of implementing the government's management of diverse aspects of local development management. It derives from the Ministry of Finance and will be reporting to the Ministry of Finance.
6. The Main PMU CTA, with direct assistance from the MIA's Director of Development Planning shall be in charge of ensuring daily management of the program and that allocations are directed as envisioned
7. 10 percent of the total annual COUNTY/DISTRICT DEVELOPMENT FUNDS level allocated to the district shall be the standard payment to a County, to offset its management and oversight of District program
8. The LDLD will provide the County and District with basic logistics and with a minimum salary for a number of staff for the first year, with declining levels of support thereafter (to be defined and articulated by the program management, in Year 1, resources permitting).
9. Onward transfers to lower levels of government may be made either by opting to establish the Statutory District as the conduit for channeling the resources or through the regular Administrative District, with suggestions. The criteria for allocating the onward transfers to lower units of the districts will be based on simple population levels and other agreed principles that capture the levels of poverty, need, or a community's capacity to manage funds. In the interim, population will be used.
10. A fixed grant totaling 3 percent of each project implemented will accrue to the administrative district, or 3 percent to the Statutory District, as its management fee (to be refined, based on the potential project portfolio). The choice of selecting the location of the COUNTY/DISTRICT DEVELOPMENT FUNDS Local Development Fund shall be based on criteria to be developed in programming of its vast resources (see chart on the next page, for the four options in its management).

**Allocations: (See Table).**

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ALLOCATIONS TO COUNTIES

| County Accounts for Disbursements                                      |   | Year 1     | Year 2     | Year 3     | Year 4     | Year 5     |
|--|---|------------|------------|------------|------------|------------|
| Grant distributed to Counties made in 2 tranches, based on performance |   |            |            |            |            |            |
| Grant per County - Tranche 1 = \$200,000                               |   |            |            |            |            |            |
| Replenishment - based on performance                                   |   |            |            |            |            |            |
|  | Phases  |            |            |            |            |            |
| Year 1   | 3 Main Counties                                     |            |            |            |            |            |
|  | Tranche 1   | \$ 450,000 |            |            |            |            |
|  | Tranche 2   |            | \$ 600,000 |            |            |            |
| Year 2   |   |            |            |            |            |            |
|  | Review, replenish Funds                             |            |            | \$ 600,000 |            |            |
| Year 3   | 3 Additional Counties                               |            |            |            |            |            |
|  | Tranche 1   |            |            |            | \$ 300,000 |            |
|  | Tranche 2   |            |            |            |            |            |
| Year 4   |   |            |            |            |            |            |
|  | Review, replenish Funds                             |            |            |            |            | \$ 450,000 |
| Year 5   | 3 New Counties                                      |            |            |            |            |            |
|  | Tranche 1   |            |            |            |            |            |
|  | Tranche 2   |            |            |            |            |            |
| National   | Total COUNTY/DISTRICT DEVELOPMENT FUNDS Allocations | \$ 450,000 | \$ 600,000 | \$ 600,000 | \$ 300,000 | \$ 450,000 |

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## ANNEX 4: The Decentralization Committee System Outline and Terms of Reference

### THE INTER-GOVERNMENTAL COORDINATING SYSTEM IN LIBERIA'S DECENTRALIZATION AND LOCAL DEVELOPMENT REFORMS

Coordination is a major element in the administration of development and shall play a major role in shaping the outcome of the decentralization program proposed as a UNCDF supported initiative. To implement an effective program, there is a need to establish a variety of platforms and regular foras for meeting to exchange information, discuss progress, and address major questions arising from the management of programs. There are various levels of coordination, with different platforms and roles for key players in moulding the pace and character of the program proposed for strengthening the development of local government institutions in Liberia. A system of major committees established at various government institutions is needed to ensure effective management of the decentralized approach to development.

Ministries, with their own roles and functions, shall need to focus on their specific sector management questions that pertain to regular flow of work while at the same time merging these concerns with ongoing decentralization program priorities for the local government managed elements. To effectively begin the synchronization of sector programming with envisioned management of a decentralized approach will require the establishment of a system of coordination, the critical strategy through which checks-and- balances in the national scope of the LDLD's administration is maximized, to influence the outcome of policies and programs proposed. The system of coordination proposed seeks to establish a national mechanism that ultimately works to institutionalize the process of decentralization. High-level committees, assigned with specific roles and functions shall be appropriately organized and managed to administer the implementation of policies and programs that arise from the implementation of the decentralized program envisioned in the LDLD.

Among the most important of these Committees shall be:

1. **The High Level Inter-Ministerial Steering Committee on Decentralization (MSC)**
  - a. **Role** - Its main role is to coordinate the strategic elements in programming the rest of the agenda for decentralization
    - i. Another major task is to lead the program for reforming the extensive resource management questions (financial and human aspects) pertaining to decentralization, with particular reference to reforming the local aspects of the Liberian civil service and its current PEM improvement agenda
  - b. **Composition**
    - i. The Head of Cabinet (Secretary or an equally prominent position) will act as chair
    - ii. Head of Administration in the Ministry of Finance and Economic Planning (these are supposed to be merged into the main ministry, as anticipated)
    - iii. Head of Administration in the MIA
    - iv. A member of the Development Management team at the Executive Mansion
    - v. Head of the Governance Reform Committee

This Committee shall regularly meet to coordinate policy matters pertaining to decentralization and appraise the status of implementation, with a view to decision making at the highest level of government. Policies made on the basis of these decisions are made for reference to the cabinet, and the ultimate approval.

2. **The LDLD National Coordination Committee (NCC)**
  - a. This Committee shall function under the guidance of the Ministerial Committee, which essentially manages the administration of Local Government Management reforms, based on the ongoing devolution of Ministerial functions. It will be made up of the following:
    - i. The Executive Mansion
      1. Cabinet office
      2. County administration and internal security
      3. Personnel management and administration
    - ii. The Ministry of Finance
      1. Budget and procurement affairs
      2. The Accountant General
    - iii. MPEA
      1. Development planning and policy making in the general sense of economic management
    - iv. The MIA
      1. County and district administration
      2. The physical planning and management of rural development

The role of this Committee shall be to monitor and coordinate the implementation of the LDLD, with a view to addressing major policy constraints and implementation lags. This Committee shall make recommendations based on wide views, for the actions taken by the Ministerial Committee in policy and management reforms.

3. **The LDLD Program Management Advisory Committee (P-MAC)**
  - a. This Committee shall be within the Executive Mansion
  - b. Its role is to be responsible overall for the implementation of the program and its policy management, and shall provide guidance to the lower level (County, District and Ministerial) system of coordinating committees for decentralization

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4. **The Ministerial Coordinating Committees (MCCs)**
  - a. Each Ministry shall establish its Sector Coordinating Committee (SCC) at the highest office in administration, and will be composed of:
    - i. Administrative Head in the Ministry
    - ii. Section heads in each ministry
  - b. **Envisioned Role of each Ministry's SCC**
    - i. Provide County and District management teams guidance on the management of a Ministry's policies and programs pertaining to the proposed National Plan and Strategic Vision for Liberia
    - ii. Guidance shall be made through regular meetings, policy papers, seminars, and official circulars, as need be
    - iii. Regular communication channels shall be set up and the system of information management will be established by the DDCs as the District Management Information Centres (D-MICs)
    - iv. The SCCs shall regularly update information and inform the MCC on the progress of sector programs under implementation in specific locations
    - v. Another major responsibility is the monitoring of sector budget and expenditure management at the County and District levels, as an effort to strengthen sector programs

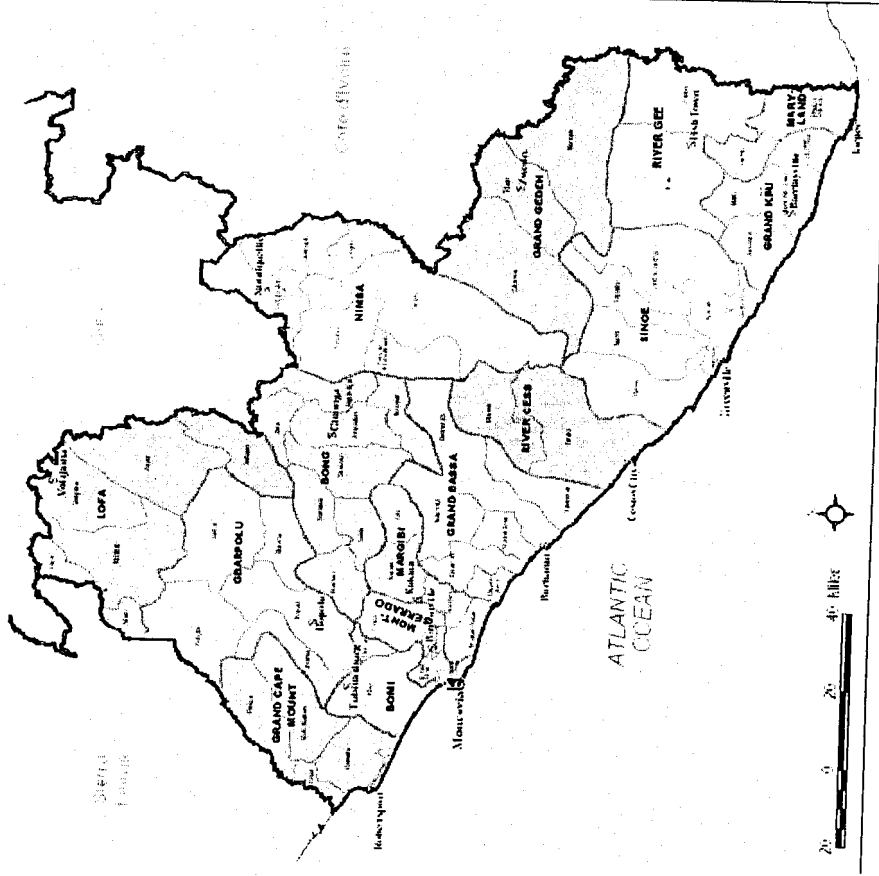
This Committee shall meet at least three times annually to comply with the expectations of the decentralization program.

5. **County Level Coordinating Committees (CLCC)**
  - a. The County shall set up an Evaluation and Monitoring Facility as part of its PMU, under the direction of the County Superintendent. The Committee shall be made up of:
    - i. The County Superintendent – Chair
    - ii. The County Planning Officer – Secretary
    - iii. Sector Ministry Heads
    - iv. DCs
    - v. Legislative Representatives
    - vi. The Development Superintendent
6. **District Level Coordination Committees (DLCC)**
  - a. A District Executive and Advisory Committee made up of the chiefs and key officials at the district level, will be established to provide counsel and advise on related program issues, with meetings held on a quarterly basis
  - b. In addition to the DDCs, the district shall set up the village/sub-district and village level committees as envisioned, with roles and functions (outlined in the Annexes)
7. **7. Village/Sub-District Management Advisory Committee (V-MAC)**
  - a. The Village/a sub district Level Management Committee existing shall be made into the main conduit through which participation will take place, with additional support provided through the services of a non-government organization (NGO), sub-contracted to undertake the extension of management training, see ToR in Annex 2.

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# MAP: LIBERIA'S COUNTIES



## Liberia Counties and Districts



- U National Capital
- S County Capital
- Country boundary
- Inter-national boundary
- County
- District
- Urban

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Boundaries captured do not represent official endorsement by the Government of Liberia or by the United Nations. The boundaries were derived from available maps and will be updated as soon as better information is available.

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**LDLD Final County Phasing, by Rank**

**Phase I**

- Gbarpolu County
- River Gee County
- Margibi County

**Phase II**

- Bomi County
- Grand Gedeh County
- Grand Bassa County

**Phase III**

- Sinoe County
- Bong County
- Grand Cape mount County

**Phase IV**

- Lofa County
- Grand Kru County
- Nimba County

**Phase V**

- Maryland County
- Rivercess County
- Montserrado County

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