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WORLD DEVELOPMENT REPORT 2011

CASE STUDY

HOLDING ON TO MONROVIA

PROTECTING A FRAGILE PEACE THROUGH ECONOMIC GOVERNANCE AND SHORT-TERM EMPLOYMENT

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July 2010 (Final revisions received May 2011)

Public Disclosure Authorized

The findings, interpretations, and conclusions expressed in this paper are entirely those of the authors. They do not necessarily represent the views of the World Development Report 2011 team, the World Bank and its affiliated organizations, or those of the Executive Directors of the World Bank or the governments they represent.

* Thanks are also extended to Mats Karlsson (former World Bank Country Director for Liberia, 2004-2007), Juana De Catheu (International Network on Conflict and Fragility – INCAF), Madalene O'Donnel, Wendy MacClinchy (United Nations, Department of Peacekeeping Operations, Best Practices Unit) and Serena Cavicchi (Consultant, World Bank, Liberia) for their diverse significant contributions to the this case study. Giovine was World Bank Country Manager for Liberia between 2004 and early 2008; Krech, Ionkova, and Bach were all members of the World Bank's Liberia team at different times between 2004 and 2007. Portions of this paper, especially the section on GEMAP, reproduce portions of, or draw heavily from, a paper by Krech and Matt Chessen (former economic and commercial officer with the US State Department in Liberia). That paper is here . The authors would like to thank Anthony Gambino (international consultant on development and foreign policy issues), Laura Bailey (World Bank), Joseph Saba (World Bank), and Shanta Devarajan (World Bank) for insightful comments on earlier drafts.

Holding on to Monrovia
Protecting a fragile peace through economic governance and short-term employment

Introduction

A key driver of Liberia's re-emergence from utter destruction, between 2004 and 2008, was the willingness of international actors to accept the responsibility and risks associated with stabilization. This was accomplished by confronting these risks directly, even at the cost of temporarily filling institutional voids and "sharing sovereignty" with the Liberian transitional authorities. The main international diplomatic representations and aid agencies on the ground came to accept – from their varying perspectives – that peace in Liberia was fragile and that the Accra Comprehensive Peace Agreement (ACPA) of September 2003 was only the beginning of a protracted stabilization effort. Based on this logic ("peace consolidation first"), the international community, ECOWAS included, came to understand that the level of corruption reached by the National Transitional Government of Liberia (NTGL)[1] could precipitate a resumption of war prior to the 2006 democratic elections. Similarly, it was by looking through the prism of peace consolidation that the international community – unusually united – recognized that neither markets nor traditional development projects were going to secure a minimum peace dividend. This dividend was required for unemployed youth to resist the prospect of recruitment (or re-recruitment) into militias, generating an equally direct threat to peace. The domestic market for consultants and goods did not exist, requiring the World Bank to innovate with new modes of delivering assistance. Thus, peace consolidation compelled international partners[2] to *simultaneously* (i) prevent full state capture by corrupt elites in advance of elections and (ii) secure a peace dividend to vulnerable groups which could most directly threaten peace (young ex-combatants and refugees).

Building on a solid UN-World Bank partnership (underpinned by ECOWAS), the international community found the internal consensus to address each of the two complementary peace consolidation challenges, adopting two highly innovative instruments: (i) an anti-corruption scheme labeled Governance and Economic Management Assistance Program (GEMAP), involving such robust measures as expatriate co-signing authority, and (ii) a short-term employment-generation scheme now known as "Roads-with-UNMIL", centered on a rare direct collaboration between the Bank and the engineering units of the UN's military peacekeeping force on the ground.

Following a context-setting background section, the remainder of this paper examines these two instruments more closely, in their successes and failures as well as from the perspective of temporary "shared sovereignty" and "co-production". While running counter to a central pillar of established development practice (national ownership) for a circumscribed period of two years, we argue that in fact robust and pragmatic involvement of the international community in

[1] Mandated under the ACPA to rule for two years, from January 2004 until the simultaneous presidential and legislative elections scheduled for November/December 2005. Members of the NTGL were prevented from participating in the 2006 presidential and legislative elections.
[2] In particular, the UN, EU, US, ECOWAS, World Bank and the IMF

economic governance (shared sovereignty) and employment generation (co-production) directly contributed to averting disaster (resumption of war) and served as a *bridge* between the short-term imperative of stabilization and long-term reconstruction. The authors wish to clarify from the outset that this paper *does not* aim to establish a direct *causal* link between the specific governance and employment-generating activities described and Liberia's current stability and persisting peace. The country's resurgence from conflict is the result of innumerable factors, including the resilience of the Liberian people themselves. In the name of that resilience, Liberians are preparing for their second consecutive open and democratic elections, scheduled for October 2011.

Liberia at the end of the war – "tabula rasa" and the international community's response

The lasting effects of Liberia's post-war devastation were daunting. Approximately 450,000 Liberians were displaced as refugees or IDPs, and an additional 103,019 registered with the UN as combatants, including 11,282 child combatants[3]. The health and education sectors were devastated as facilities were destroyed and staff killed or displaced. The under-five infant mortality rate was estimated as one of the highest in the world, at 196 per 1000 live births. Maternal mortality was likewise one of the highest in the world at an estimated 578 per 100,000 live births. The national literacy rate was thought to be 37% and net primary enrolment was around 35%. The widespread destruction of homes and public facilities meant that electricity and water utilities were essentially non-functioning throughout the country. GDP contracted by 30% in 2003, and per capita GDP in 2004 was approximately US$116.[4] Over 85% of Liberia's estimated 3.5 million people were – formally – unemployed.[5] Equally devastating was the near absence of basic services, leaving relief efforts to international NGOs and charitable organizations, which were in turn severely constrained by the hostile environment.

The signing of the Accra Comprehensive Peace Accord (ACPA) and the subsequent departure of ousted President Charles Taylor, ended the civil war between the Government of Liberia (GOL) and the two rebel factions – Liberia United for Reconciliation and Democracy (LURD) and the Movement for Democracy in Liberia (MODEL). Rule was turned over to the National Transitional Government of Liberia (NTGL) on October 14, 2003. According to the terms of the Accra Comprehensive Peace Accord (ACPA,) each of the factions – GOL, LURD and MODEL – was allocated a share of the main leadership positions in Ministries, Agencies, State Owned Enterprises (SOEs), and the National Transitional Legislative Assembly. Civil Society was also allocated a small number of positions. This power-sharing arrangement insured broad representation of all factions across the government. It is important to note, however, that the transitional government operated under a two-year "sunset" clause, which prevented any member of the NTGL (with the exception of a number of high-level advisers) from participating in the country's first presidential and legislative elections scheduled for the end of 2005. While necessary to usher in representative government, this clause produced a strong incentive for short-term state capture and corruption within the NTGL, whose top leaders were warlords intent

[3] National Commission on Disarmament, Demobilization, Rehabilitation and Reintegration (NCDDRR) and UNMIL. 2005. "Fortnightly DDRR Consolidated Report for Phases 1, 2 & 3. Status of Disarmament and Demobilization Activities as at 1/16/2005."
[4] IMF. 2005. "Liberia: 2005 Article IV Consultation—Staff Report; Public Information Notice on the Executive Board Discussion; and Statement by the Executive Director for Liberia." IMF Country Report No. 05/166.
[5] CIA Factbook: https://www.cia.gov/library/publications/the-world-factbook/geos/li.html

on seeking "compensation" for themselves and their dwindling but still active constituencies (local chiefs, commanders of lower rank, etc.).

Leveraging a very robust Chapter 7 peace enforcement mandate, the UN rapidly mobilized a peacekeeping mission of 25,000 troops, representing the highest troop-to-population ratio ever in the history of peacekeeping. Underpinning this credible security deterrent was also a general perception that the small size of the country and the mercenary nature of the conflict that had just ended, made the Liberian stabilization and reconstruction challenge difficult yet manageable and winnable (comparably to Sierra Leone's). The size and caliber of the UNMIL deployment essentially precluded attempts by warring parties to resume violence. Despite the volatile environment, this credible UN DPKO deterrent created the minimal security conditions that allowed the World Bank and other international partners to participate in GEMAP and in a road construction project specifically targeted to stabilization (peace-building).

Against this background, the international community in Liberia spearheaded reforms that were critical to mitigating organized resistance by potential spoilers (the warlords holding two-year governing mandate under the ACPA) but could have been destabilizing in places where elites are entrenched rather than in power temporarily. While necessary to confront the transitional challenge, the trust built among key partners during this highly unpredictable phase also was critical later in addressing the challenges of reconstruction under the democratically elected government led by Ellen Johnson Sirleaf.

The international community operated collectively, under the aegis of an OECD-ECOWAS consensus on the primacy of peace and on deep engagement in Liberia. This informal coalition for peace, which included Ghana and Nigeria (key Regional partners and ECOWAS members), saw each multilateral or bilateral actor contributing their expertise and influence based on their mandate/competence/political capital: The UN on security and elections; the Bank on economic governance and managing pooled reconstruction funds; the EU through large resources earmarked for the social sector, and its internal knowledge of key State Owned Enterprises. Finally, the US leveraged its historical ties and political influence (including the large US-based Liberian diaspora), as well as an apparent alignment for peace consolidation between the State Department and USAID, under the leadership of the Embassy.

With the benefit of such a broad and solid commitment by key bilateral actors, the UN and the Bank were able to develop an extremely solid multi-dimensional partnership as early as November 2003, immediately following the signing of the peace agreement. The partnership was strategic, based on the two institutions' naturally complementary objectives, namely: (i) the UN's need to entertain a medium-term disengagement plan – at some point along the continuum between *stabilization* and *sustained recovery* – required to eventually wind up the expensive peacekeeping mission, and (ii) the Bank's search for early relevance in an unstable and still dangerous setting, in order to build the foundations of medium-term support to institutional reform and large scale infrastructure reconstruction towards service delivery. While data and analysis establishing a causal relationship are not available and transcend the scope of this paper, there is little doubt, among practitioners and Liberia analysts, that this strategic bond, underpinned operationally by close project-level collaboration between World Bank sector teams and several UN agencies, contributed decisively to the ultimate success of Liberia's stabilization and reconstruction effort during the transitional period. The discussion that follows below aims

to illustrate how this strategic alliance, underpinned by critical support by ECOWAS and key bilateral agencies, addressed the core challenges of economic governance and corruption (through GEMAP) and the delivery of a peace dividend under conditions of extreme unemployment through the "Roads-with-UNMIL" scheme)

GEMAP – Economic governance in defense of peace[6]

Corruption is by no means unique to post-conflict countries, though countries recovering from conflict, where state institutions have been severely weakened or have collapsed, are especially vulnerable to it. As observed in Cambodia, Lebanon, Angola, Sierra Leone, Bosnia, Iraq, and many other nations recovering from conflict, corruption can serve as the root cause of conflict, or as the key factor perpetuating the war economy of a conflict. Corruption of a petty sort can stimulate a sense of grievance at the micro level, in communities, by blocking access to economic, political, or even education opportunities. Corruption on a grand scale, on the other hand, can contribute to conflict when competition for control of resources by elites (e.g., in the extractive industries) through the state apparatus fails. Factions may perceive resource capture or the establishment of a monopoly through violence as an attractive path towards their economic goals.[7]

In the case of Liberia, a decades-long perception that 'Americo-Liberians'(early immigrants from the US who reached the country following the Emancipation Act) enjoyed total control Liberia's politics and economy, often through exclusion or even force, seeded a narrative of resentment among 'indigenous' Liberians. These dynamics caused repeated setbacks to Liberia's democratic and economic growth, as in the case of the brutal coup lead by Samuel Doe – a non-'Americo-Liberian' army NCO – in 1980, where 15 members of sitting President Tolbert's government were executed on a beach. Between 1980 and 1987, the economy shrunk by 2.1% per annum and external debt grew rapidly[8]. A rigged election in 1985, followed by the violent suppression of an attempted counter-coup, prompted Doe to increasingly draw from his own Krahn tribe for government and military appointments. Further violent reprisals against the Gio and Mano tribes, from which the 1985 counter-coup leader Thomas Quiwonkpa came, only sharpened hostility against the Doe government. The Gio and Mano tribes thus became the natural pool of recruits for Charles Taylor's nascent rebel group, named the National Patriotic Front of Liberia (NPFL), bolstered by Taylor's relation to Quiwonkpa, by marriage. The twenty years of near-continues conflict between 1985 and 2004, fueled by ethnic and political exclusion, not only spilled over into Sierra Leone but definitively shredding what was left of the texture of the Liberian polity. As a result, when robust political and military intervention in 2003 led to

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[6] As stated earlier, the section on GEMAP reproduces or draws heavily from a paper by Robert Krech (co-author, and former economic and governance technical lead in Liberia for the World Bank) and Matt Chessen (former economic and commercial officer with the US State Department in Liberia). That paper is available at http://www.mattlesnake.com/Gemap%20paper_files/Peace_Corr_Mar%2022%5B1%5D.pdf.

[7] Paul Collier. 2000. "Economic Causes of Civil Conflict and Their Implications for Policy." World Bank: Washington, DC; Phillipe Le Billon. (2003). "Buying Peace or Fueling War? The Role of Corruption in Armed Conflicts." *Journal of International Development*. 15: 413-426.

[8] *Europa World Year Book*. 1996. London: Europa Publications; Jacob Pereira-Lunghu. "Trends in Government Deficits in the Liberian Economy from 1912 to 1990: Implications for Fiscal Policy in Post Civil War Liberia." *Liberia Studies Journal*. 20:2. 1995.

Charles Taylor's demise and exile and to the signing of the ACPA, the fragmented and war lord-led NTGL found ideal conditions to complete the plunder of the country's remaining resources for factional or individual gain, and took full advantage of the opportunity

Decades of mismanagement of public resources had already eroded most institutional controls, while President Charles Taylor's kleptocratic rule had all but reduced the public sector, and large shares of the private sector, to his personal property. In particular, Liberia's forests were wildly exploited in "arms for timber" trade. As a result of the war, the civil service was almost inexistent. Even before the outbreak of the most recent conflict, as rebel factions gained ground in the course of the 1990s, Taylor's government was able to retain power by directing the gains of the timber- and diamonds-for-weapons trade towards military deployment, at the cost of civil servant salaries. As a matter of entitlement, key officials in revenue generating entities who supported this trade became wealthy through graft. Overall, the national budget contracted from $300 million in 1980 to US$48 million in 2003. In non-accrual status vis-à-vis International Financial Institutions, Liberia was also placed under UN sanctions on diamond and timber exports, whose revenues had financed conflict in several parts of West Africa, most notably Sierra Leone.

By early 2005, while the international community had made considerable progress on the security and humanitarian fronts (protection of civilians and basic livelihoods), the economic situation was stagnant at best. Contracts and concessions were a primary concern, with a number of signed agreements which did not, in the opinion of these authors and other observers of Liberia affairs, seem to be in the national interest, in terms of both revenue and recourse against the investor, if that became necessary. One example among many involved a contract signed with a Chinese company for the disposal of state assets at absurdly low prices and the sale of scrap iron ore at a fraction of the market price. A further, more striking, example involved a signed agreement granting a company the exclusive rights to all minerals extracted from roughly a third of the country's surface (with an option for the remainder!). The NTGL initially denied having signed these contracts, but the officials were later exposed, and the contracts voided (under GEMAP's "contracts and concession review" – see below). The international community began to react. The EU funded audits of state-owned enterprises, which revealed free-for-all corruption throughout the state-owned "productive" sector, and then proceeded to dispatch, jointly with ECOWAS, a criminal corruption investigation team. Both efforts suffered repeated stonewalling by the NTGL, but offered unequivocal evidence of the international community's resolve not to allow economic governance to plunge the country back into conflict.

The outcome of these inconclusive corrective initiatives by the EU and ECOWAS was that the international coalition in favor of robust action to contain the NTGL actually broadened, and could now rely on ECOWAS' full backing, since any residual hope that the NTGL included real champions of the rule of law - that there could be a purely "Liberian" solution to Liberian ills - evaporated. Civil society, in the meantime, had been reporting cases of corruption with ever-growing frequency, in part as a result of the population's growing sense of security derived from the presence of UNMIL's military and police deterrent and a growing appetite for public sector accountability. The incidence of embezzlement, kick-backs and "sale of signatures" on contracts or on false concessions had become dizzying, and by mid-2005 the prospect of a complete meltdown of the public sector – defined as the inability to meet any short-term financial

commitments whatsoever, including a potentially violence-triggering suspension of all salary payments - was becoming realistic. It is telling that the last six months of the two-year transitional administration (from July to December 2005) were referred to in Monrovia as 'rush hour', or the last chance for NTGL officials to claim their bounty before leaving office. The stage was set for bold defensive measures against a realistic threat to peace stemming directly from corruption and a possible consequent breakdown of the rule of law. As it prepared a robust response, the international community could now rely also on some measure of domestic popular (i.e., beneficiary) support, critical to legitimizing a hard dialectic with the transitional authorities and introducing far-reaching control measures. The argument in favor of exceptional external intervention against corruption, in defense of rule of law and – by extension – of peace, was gaining traction.

The International Community's Response – the core of GEMAP[9]

In early May 2005, the international community organized a one-day extraordinary meeting in Copenhagen at the back of a standard donor coordination conference, to take stock of the situation in Liberia. The USG, the EU, the IMF and the World Bank circulated a short proposal laying out the basic justification for a new system of economic governance. The Plan's core purpose was to introduce controls that would block the hemorrhaging of financial resources and the mismanagement of the country's potential future wealth, including the illegal auctioning of forestry and other concessions in the extractive industries, as well as the pillaging of state-owned agencies.

In the weeks that followed, the World Bank took the lead in developing the technical details of the proposal, while the EU crafted its political framework. This revised proposal was presented at an NTGL-ECOWAS-UNMIL coordination meeting in Abuja mid-May 2005, where ECOWAS members reacted to the strong interventionist wording of the proposal. Additionally, ECOWAS members were concerned that the proposal would undermine ECOWAS' role monitoring the CPA. The proposal was consolidated by the US Ambassador as the Economic Governance and Action Plan (EGAP) and it became the focus of discussion going forward. Amid suggestions that international partners present EGAP to the NTGL anyway, the US, EU, and European governments worked throughout June to ensure ECOWAS members' support. The UN for its part began to reconsider its stance towards EGAP, culminating in the Security Council mentioning EGAP in its June 21 resolution on UNMIL's mandate. UNMIL also reconsidered its involvement in EGAP, identifying a role for UNDP and UNMIL's civil affairs units at the field level in the capacity building and judicial reform components of EGAP. Moreover, Kofi Annan lobbied ECOWAS leaders at an AU Summit July 4-5 2005 on behalf of EGAP, helping secure their support. The NTGL during this period actively resisted EGAP, including through a press campaign decrying EGAP as 'trusteeship' and through developing its own counter proposal to EGAP that it brought to international partners two days ahead of the June 27 date for partners to present a revised EGAP to the NTGL. With ECOWAS now fully on board, in mid-July a joint international-Liberian working group was established to finalize a version of EGAP to be called

[9] This section draws substantively from Renata Dwan and Laura Bailey. 2006. "Liberia's Governance and Economic Management Assistance Programme (GEMAP): A joint review by the Department of Peacekeeping Operations' Peacekeeping Best Practices Section and the World Bank's Fragile States Group," available at http://siteresources.worldbank.org/INTLICUS/Resources/DPKOWBGEMAPFINAL.pdf.

the Governance and Economic Management Assistance Program. In subsequent weeks, the NTGL continuously attempted to resist finalization of the draft, until the US, EU, and European governments made it clear that further financial assistance – and especially security sector reform from the US – was dependent on the signing of GEMAP. On September 9, the head of the NTGL signed GEMAP, but not the Annexes detailing its implementation, and left for a UN conference. The international signatories of GEMAP flew to Accra, where they brought the unsigned Annexes to him and secured his signature on them.

At the heart of GEMAP was the controversial introduction of "co-signing authority", which could be – and often was - exercised across public agencies (the Central Bank, select Ministries, other agencies and state-owned enterprises - see below) by the international experts mobilized under the program. By allowing international experts to co-sign, jointly with the responsible Liberian official, actionable instruments approving expenditures and other operations subject to corrupt practices, GEMAP introduced a bold, credible enforcement instrument for transparent economic governance. While co-signing authority was not systematically enforced, its very existence defined the program and its potential for success. Though co-signing authority ultimately depended on the acquiescence of the Liberian government and the responsible Liberian official, instances when co-signing authority was not enforced were reported to the Economic Governance Steering Committee (see below) through a technical working group. In parallel, as the ultimate objective of GEMAP was long-term institutional reform towards better governance, the program funded institutional development and capacity-building components, so as to ensure that the plan could evolve in response to improvements in economic governance and progressively transition from its control functions (notably, co-signing-authority) to supporting traditional national ownership of public management. This transition did in fact occur, on an incremental basis, between 2007 and early 2010, when GEMAP was dismantled.[10] One of the strengths of GEMAP was its flexibility and adaptability, which allowed its contributors to calibrate the intensity of its enforcement, which could range, depending on the economic governance risk, from very robust/coercive to consultative, depending on the risk to peace posed by corruption at any given moment.

With expatriate co-signing authority as its main enforcement measure (the "teeth" of the program), GEMAP's provisions targeted key junctures along the entire revenue-expenditure stream, from collection to auditing, in an attempt to enhance the credibility of the state by bringing the country's public finances under control, while introducing a modicum of transparency and predictability in expenditures. Key measures included:

- *Financial management and accountability* – Protecting the funds flowing into the government accounts from key revenue-generating institutions, as well as customs charges, fees, and taxes, through the establishment of transparent and accountable financial systems and procedures; building capacity, and reinforcing transparency with internationally recruited technical assistance and oversight.

- *Improving budgeting and expenditure management* – Strengthening and clarifying the budget formulation and execution procedures, as well as the financial management processes of

[10] The GEMAP Treaty stated that the Plan would expire either after three years or at HIPC completion point, whichever occurred later.

Liberian government expenditure by building capacity, introducing reliable systems, and making information on the budget and on spending publicly available.

- *Improving procurement practices and granting of concessions* – Ensuring that all government procurement, concessions, contracts, and licensing were undertaken openly, transparently, and according to international standards, based on value for money

- *Establishing effective processes to control corruption* – Establishing an independent Anti-Corruption Commission, as well as provide technical assistance from the sub-region to help the Liberian judiciary investigate serious fraud and corruption, while rebuilding the capacity of Liberia's judiciary.

- *Supporting key institutions* --– Strengthening institutions that are key to promoting and sustaining accountable government and good financial management, such as the General Auditing Commission, the General Services Agency, the Governance Reform Commission, and the Public Procurement and Concessions Commission. The aim being to ensure that good governance reforms are permanent and sustainable.

- *Capacity building* – Reforming institutional mandates, structures, and incentives, including the civil service and public sector wages, to support the short-term measures described in the above components.

In terms of structure, GEMAP was overseen and coordinated by the Economic Governance Steering Committee (EGSC), supported by a technical team. The EGSC was chaired by the elected President and included ministers and heads of state-owned enterprises, as well as the principals of the international agencies in GEMAP. The technical team was similarly comprised, but chaired by the US Government. The modalities of implementation were worked out by the technical team, with the EGSC providing final resolution, if needed. It was critical to the negotiation of GEMAP under the NTGL, and to its successive implementation under the elected government, that the EGSC be chaired by the Head of State, thus providing a counter-weight (reassurance regarding ultimate national sovereignty) to the international experts' co-signing authority.

GEMAP's performance - *Political Will*

To many observers, GEMAP made an essential contribution to rule of law and peace consolidation. It averted a public sector meltdown at the end of the transitional government's mandate, and successively equipped the elected administration with a viable system of economic governance through which it could implement reform while sharing the responsibility – and, occasionally, the backlash – for prudent public spending with the international community. President Ellen Johnson Sirleaf strongly supported GEMAP from her first days in office, despite not having openly endorsed it during the first round of Presidential elections. In her inaugural speech of January 2006, President Sirleaf emphasized her commitment to governance reform and improved fiduciary management, but promised to "render GEMAP non-applicable in a reasonable period of time." When confronted with hostility towards the program, even among close political allies, she defended it on the grounds that it was consistent with her own reform

agenda, indicating that Liberia's complex transition to peace and capacity challenges made GEMAP a necessity, in the short-term. GEMAP also provided the Executive with an expedient vehicle to deflect internal discontent with certain reforms, attributing them to the "demands of the international community under GEMAP". In the name of peace consolidation, the EU, the IMF, the UN, the World Bank, the US and other key bilateral partners – by and large – accepted these dynamics as an inevitable consequence of the "shared responsibility" embedded in GEMAP's robust measures.

Much of GEMAP's success did not lend itself to traditional development-specific monitoring and evaluation. Efficacy was observed by insiders to the program. Confidential reports and anecdotes by international experts and national converts to the program described what malfeasance was averted by their-day-to-day interventions, while systemic issues were flagged to members of the international partners for an appropriate response either ad hoc or through the EGSC. While not systematic, threats to international experts were indeed reported, and provided further confirmation that the program was targeting the vital entrenched interests it was intended to target.

In August 2010, Liberia reached the HIPC Completion Point, obtaining the largest per capita write off of public debt in history. In the view of the authors, GEMAP may be counted as an important factor leading to this milestone. By containing the fiscal hemorrhage of 2004-early 2006, in fact, GEMAP "bought time for reform" and made the decision point possible, in addition to providing a coherent framework for the institutional capacity-building effort required to satisfy HIPC's stringent conditions.

Reactions to GEMAP – vindication from the base

GEMAP sent a strong signal to the Liberian public that economic governance concerns mattered to reform-minded Liberians and to the international community, which was not standing idle. After years of "imperial presidencies" founded on corruption, the public welcomed the direct involvement of the international community in economic governance, particularly in light of ECOWAS' endorsement of the program. To many, GEMAP restored (or instilled) the hope that the public sector could start targeting the public interest. At the same time, GEMAP sent an important message in support of transparency in the private sector, leading both domestic and foreign investors to seek cleaner business practices, under the assumption that "GEMAP was watching".

Challenges- Lessons Learned

While successful in achieving its peace building objectives, GEMAP faced considerable challenges. At various stages of implementation, donors were often blamed for delays in transactions, sometimes deservedly. The major donor partners (US, EC, World Bank,) were too slow to fund and staff GEMAP positions following the signing of the agreement, while technical experts often reached Liberia unprepared on the country context and consequently faced a steep learning curve. International partners could and should have secured a better and faster launch of the program, to match – in implementation – their performance in the design and negotiation of the controversial GEMAP Agreement itself. Looking ahead to future efforts (country cases) in

robust, intrusive, international support to economic governance, quick and predictable implementation needs to be a top priority. Another challenge pertains to the ability of supportive national institutions to participate in GEMAP at all. The very capacity limitations which necessitated GEMAP genuinely inhibited the Government's ability to partner in its implementation. At times, international experts arguably transcended their terms of reference, taking on a larger-than-planned share of the day-to-day management of the agencies to which they were seconded. At the same time, however, "lack of capacity" was often invoked expediently by corrupt officials as a diversion, in order to mask non-compliance with GEMAP's provisions. These dynamics are bound to surface in any country context, and the international community would need to manage them nimbly when implementing a holistic economic governance scheme comparable to GEMAP, for example by reaching out to the reform-minded diaspora as early as possible.

Jobs for Peace – "Roads-with-UNMIL" Initiative

As GEMAP was "buying time for reform" by helping to avert a public sector meltdown, the battle to deliver a tangible peace dividend (a better life after war) to the population at large was being waged on all fronts. Turning to this second, simultaneous challenge of peace consolidation (see introduction), this section discusses the conception and launch of an innovative *short-term employment creation scheme,* later baptized "Roads-with-UNMIL", which roughly coincided with GEMAP's early implementation. The initiative was the direct result of the international community's resolve to look at every opportunity for innovation in seeking to further "secure" peace, building o a credible deterrent peacekeeping force. Under GEMAP, the international coalition had to be broad, in order to respond to the politically charged decisions associated with a robust and intrusive anti-corruption scheme (thus ECOWAS' pivotal role). The main challenge consisted in keeping that broad front united, despite the NTGL's opportunistic recriminations about infringement of sovereignty. These could have created a schism within that international partnership, especially between Regional and OECD Partners, torpedoing GEMAP at conception. "Roads-with-UNMIL", on the other hand, offers an example of how the UN and the World Bank responded to their "mission-critical" need to create jobs and how they did so by exploiting the complementarity between development agents (the Bank, UNDP and the Reintegration, Rehabilitation and Recovery Section of UNMIL) and UNMIL's military outfit deployed on the ground, specifically the engineering units of various military contingents. This development-security nexus was not conceived and implemented as a model, but rather as a pragmatic, expedient solution to consolidate peace through employment generation in the absence of private investment or large national public works program. . Viewed through this prism, GEMAP and "Roads-with-UNMIL" share a key characteristic: They were both context-specific opportunistic strategies targeted primarily to stabilization and peace consolidation, at a time when "traditional" development instruments were still "over the horizon", and contingent upon stabilization.

Repairing Roads – A priority among priorities

As mentioned, the condition of Liberia's infrastructure at the time of the signing of the Accra Comprehensive Peace Agreement was abysmal (see Box 1).

Box 1: State of infrastructure (2003)

Power. No grid power was produced in 2003, compared to 70 MW of peak load in the 1980s. All parts of the system were in a state beyond repair (hydropower station in ruins; dam wall washed away; thermal units vandalized; grid destroyed; electricity poles irreparably damaged and all copper wire looted).

Water Supply and Sanitation. No piped water outside the capital city, compared to nine cities with water supply networks before the war. Water produced in Monrovia (population of about 1 million) was at 10% of pre-war capacity (60 thousand cub m/day). Monrovia's waste water treatment plant was vandalized; the majority of sewer pipes had collapsed; all 9 sewer lift stations were out of operation; system records were lost).

Waste Collection. No regular waste collection in place for 14 years; mountains of waste around town (667 tons/day generated domestic waste); waste was being burned or dumped in drains and water bodies contaminating water sources, with serious environmental and public health-related consequences (cholera and typhoid endemic).

Road network. With annual rainfall between 2000 and 5000 mm and left for years without maintenance, the road infrastructure was dilapidated. Parts of the country were cut off for months during the rainy seasons (93% of the road network consists of unpaved "dirt" roads). Travel time was prohibitive, despite the country's small size.

Ports. The port of Monrovia, entry point of 100% of Liberia's fuel and 90% of bulk and container imports – in a heavily import-oriented economy – was on the verge of collapse and closure. The country's remaining five smaller ports were closed.

Note: Data from multiple World Bank sources.

Poor international road links and minimal mobility within the country left communities dangerously isolated and deprived of the slow, yet steady, progress in peace consolidation and reconstruction witnessed by the citizens of the capital, Monrovia. Lack of roads-to-market linkages, in turn, prevented business development and trade, just as UN sanctions on the export of timber and diamonds – desirable, of course – increased the need for alternative local sources of income. From the standpoint of humanitarian support and peace consolidation, the impassable road network left UNHCR, WFP, other UN Agencies and NGOs unable to reach some of the neediest and most conflict-affected population groups. UNMIL's military component, in the meantime, struggled to keep minimal supply lines open through emergency repairs ,which rarely survived the yearly torrential rains (on average, Liberia's rainy season lasts 5.5 to 6 months). Mobility defines the peacekeepers' ability to react rapidly and fulfill their mandate to protect civilians. Similarly, UN Agencies and NGOs' access to the population defines their ability to restore basic emergency services, thus providing a peace dividend and keeping hope alive. Minimally passable roads are often a key prerequisite to both the protection of civilians from violence and the delivery of a peace dividend.

The NTGL and, later, the Johnson Sirleaf government, lacked both the equipment (vehicles, specialized engineering gear, and even office equipment), as well as the human resources to contribute significantly to reconstruction. Most skilled civil servants and workers had left the country in the generalized flight of qualified individuals during the war. In the short and medium-term, any large-scale road works project had to be carried out directly by donors, albeit

with the Ministry of Public Works always associated with the project in an observing mode, initially, and then gradually taking on greater responsibility as its capacity improved.

Employment for Peace

If the devastated road network hindered economic and social recovery, mass unemployment, especially among young men, directly threatened peace. The factors that induce young men (and a much smaller number of women) to take up arms are diverse and complex, but it is widely accepted that in "mercenary" conflicts like the ones that devastated Liberia, a steady income provides a disincentive to fight. The link between conflict and employment has been supported by recent research: in a survey-based study conducted in the spring of 2007, the United States Institute for Peace found that 'poverty, unemployment, and lack of benefits' would drive some Liberian ex-combatants to go back to fighting.[11] Those more likely to fight to secure subsistence were those who had been employed before the war, but found themselves unemployed at the time of the survey.

The problem was a general one, as ordinary Liberians, especially the young men and women who had not fought, also faced few prospects for employment. Unlike the ex-combatants, however, they received no 'reintegration' benefits whatsoever. Communities were growing resentful of paying the "price of peace", i.e., of receiving less international support than those who had fought and still had the potential to rearm. The international community, in the aftermath of any peace agreement, generally targets its initial stabilization effort – and associated resources – primarily to disarmament and demobilization. Refugees are also given priority, but not to the extent of the main source of potential peace-breakers, ex-combatants. The disproportionate amount of international resources initially channeled to ex-combatants is often referred to as the "price of peace" among stabilization and development practitioners. Most agree that the less that period lasts, the greater the prospects of restoring social inclusion, at all levels. In Liberia, by end-2005, a re-balancing act, a concerted effort to distribute the peace dividend more evenly across the population, was overdue. Generalized employment of unskilled and semi-skilled workers held the promise of two mutually reinforcing benefits: (i) to contain recruitment or re-recruitment of young men into militias through the offer of a job[12]; and (ii) to expand the peace dividend to the broader population through self-selection, by simply recruiting workers from the community at large and thus hiring people who had mostly been victims of the country's conflicts. In an effort to de-stigmatize ex-combatants and give reconciliation efforts a chance, geographic targeting (favoring areas of high potential for conflict, such as the counties where refugees and ex-combatants were likely to be reunited through the parallel demobilization and repatriation efforts) was favored over hiring quotas by category (ex-combatants vs. refugees or common citizens).

Leveraging the Security-Development nexus - "Roads-with-UNMIL"

[11] Richard Hill, Gwendolyn Taylor, and Jonathan Temin. 2008. "Would You Fight Again? Understanding Liberian Ex-Combatant Reintegration." United States Institute for Peace Special Report. Available at http://www.usip.org/files/resources/sr211.pdf.

[12] Self-reliance as the de facto follow-on support to the short-term benefits of DDR (for ex-combatants) and relocation packages (for returnees), both dangerously underfunded.

In response to the employment challenge, the World Bank, UNDP, and UNMIL, with the assent and participation of the Ministry of Public Works, established a partnership for road repairs, which secured short-term employment (six months to one year, on average) for thousands of ex-combatants, conflict-affected people and common citizens. In 2005, as the World Bank office was working to develop its portfolio, the UN leadership informed donors that UNMIL had some limited spare engineering capacity, available for simple civil works. As UNMIL had already used its civilian and military engineers, as well as its heavy equipment to secure its own mobility, the project now aimed to generate employment while increasing humanitarian access. The UN and the Bank developed a pragmatic/opportunistic methodology: The World Bank could provide funding for repairs of rural roads (for the payment of labor and material inputs), as well as upstream project management competence. In parallel, UNMIL would make an in-kind contribution of equipment, engineering support and security on construction sites (as per its core mandate). As a result of this partnership, the minimalist military function of the engineering units of the force would be converted to a more ambitious, labor intensive activity generating a peace dividend.

There were obstacles to surmount: UN Peacekeeping missions, UNMIL included, are prevented from accepting any funds outside of the Security Council's assessed budget for the mission itself. Even if UNMIL had been willing and able to directly execute the works under Bank funding, it also lacked the knowledge of basic Bank procedures[13]. Direct non-government execution posed a problem for the Bank as well. Though using its most flexible funding facility[14], the World Bank lacked both an adequate non-government execution mechanism institutionally and the required staff on the ground. UNDP, with its "direct execution" (DEX) window, emerged as the natural partner to carry out procurement, financial management, and other supervision tasks. Through its numerous field offices, UNDP would be able to provide the on-the-ground support and supervision that the Bank was unable to offer. UNDP's experience running a Community-Based Recovery (CBR) program was also of particular relevance to rural road works, whose smooth implementation depended on community participation. UNMIL's RRR section, with its close operational linkages to the peacekeeping contingents deployed throughout the country, joined the partnership as well.

The Partnership Piloted

The road chosen to pilot the scheme was 95 km long, connecting the small-to-mid-size towns of Voinjama-Zorzor, in the country's North. The choice was an ambitious one, as a first test of the methodology, for several logistical reasons. However, the road fit the plan's objectives squarely. The adverse impact on peace consolidation of the road not staying open during the rainy season was considered especially high. The diverse "families" composing the international community (the humanitarian, military and development practices) all converged on the notion that this road was a priority among priorities. Moreover, the local peacekeeping engineering units were among the best-prepared and equipped in the entire Liberian theater of operations. Their collaboration with UNPD in quickly hiring and paying as many laborers as possible had to

[13] The Fiduciary Principles Accord, providing for mutual recognition of procurement and financial management procedures between the Bank and the UN, did not yet exist in 2004-2005.
[14] Drawn from the grant facility for Low Income Countries Under Stress (LICUS), recently supplanted by the similar State and Peace Building Fund (SPF)

be forged from scratch by reconciling the different institutional cultures and approaches of the military and development communities, fostering immediate collaboration for peace building. The pilot was rather successful. First and foremost, the road was indeed kept open during the entire rainy season; secondly, the operational lessons learned, big and small, allowed for rapid scaling up. Thanks to the pilot, the respective roles of partners[15] were formalized in a Memorandum of Understanding (MOU), which enabled a more rapid start-up of road repairs across the country.

Outcomes

The pilot phase of the project was a relative success in terms of job creation: It resulted in more than 131,000 days of work distributed among 1,668 people in the course of a single year. More than USD $1.2 million was injected into the local economy surrounding the road sites (approximately $600,000 from the World Bank contribution and $600,000 by UNMIL in equipment and materials). More than a third of the amount, US$ 430,000, was disbursed as wages. While the absolute amount disbursed was relatively small, the ratio, equivalent to 35% of the total cost, is very high for any infrastructure project, and was sustained throughout the program, underlining the explicit intent to create jobs in order *to award a peace-preserving short-term dividend (benefit to the population)* [16]. According to an UNMIL study, incidents of petty crime declined considerably during and after the projects, due in part to the fact that the road repairs provided a legal income-generation opportunity for war-affected youth. The study, covering 23 locations in three counties (Lofa, Nimba and Grand Gedeh), revealed that the employment initiatives contributed to peace and stability at the local level, fostering security and reintegration, as well as some limited gains in good governance and in the revival of the local economy. [17] Finally, by eschewing quotas for ex-combatants, the program was not contested as biased, and mostly viewed as inclusive, with everyone living in the area eligible to benefit from the work, including, *among others*, ex-combatants and returnees.

Once again, the main strength of the arrangement among UNMIL, UNDP and the Bank was that it rested on identity among security and development actors, and on their complementary competences. The methodology, moreover, while admittedly short-term, did not crowd-out different options targeted to medium-term development that were being prepared in parallel, or building on the "Roads-with-UNMIL" scheme. This prompts an important reflection with regard to the post-conflict challenge faced by development agencies, which rightly defend sustainability

[15] World Bank was to provide funding and upstream expertise; UNDP would be responsible for financial management, procurement, contracting, and community linkages through its CBR program; UNMIL would make an in-kind contribution of heavy equipment, materials, tools, and staff time (civilian and military); and MPW would offer on-site engineering and project coordination support

[16] Liberia Institute of Public Administration (LIPA). 2008. *Final Impact Assessment Report on Infrastructure for Employment Projects*, p.15-17. The Liberia Institute of Public Administration (LIPA) and the United Nations Development Programme (UNDP), on behalf of the partners engaged in the joint road rehabilitation projects, namely: UNMIL, the World Bank and the Ministry of Public Works (MoPW),entered into a Memorandum of Understanding (MOU) through which LIPA was contracted to conduct an assessment of the impact of the socioeconomic wellbeing of communities which benefited from first phase of the labor intensive employment creation program which was implemented during the period from July 2006 to July 2007.

[17] *Ibid.*

as a paramount goal. A focus on immediate post-conflict needs is often wrongly viewed as hindering medium-term institutional development. There is no question that the emphasis was on the urgent short-term priorities, as connectivity/access provided by even these fairly rudimentary road repairs facilitated the work of relief and security actors, and the works themselves created much-needed jobs, buying time for peace. At the same time, the roads-with-UNMIL scheme was expected to lay the foundations for longer-term reconstruction, in a *de facto* sense committing the Bank to project preparation earlier and faster than usual. Nothing prevented asphalting these roads in the future, once capital became available and international, qualified firms became more willing to bid on projects in Liberia (this was clearly not the case in 2006). Training was provided to MPW engineers, with special provision made for the inclusion of younger staff. Finally, roads are very tangible and helped restore the credibility of the international community first and of the elected government later.

Challenges

Inter-disciplinary interventions targeting the root sources of conflict are generally considered to be excessively ambitious, and therefore disruptive to the standard modus operandi of all communities of practice (security, diplomacy, development). Success demands pragmatic compromises, foregoing "best practice", however defined under each discipline, in the name of results which can only achieved collectively, through an inter-disciplinary effort. The "Roads-with-UNMIL" case offers many examples of specific challenges which each community of practice had to grapple with and resolve:

- From the standpoint of the military engineering battalions, the division of labor among the three main agents involved (UNMIL, UNDP, and the World Bank) infringed on command-and-control standards, and diffused accountability for the outcome, which is anathema to military discipline.

- UNDP normally executes activities independently, and reports on implementation periodically, taking corrective measures in response to comments by beneficiary governments, donors, or other UN agencies. The road repairs scheme forced UNDP into direct civil-military collaboration, i.e., into new ground.

- The "Roads-with-UNMIL" methodology initially placed the Bank's field based team – with its insistence on speed – at odds with both the fiduciary (procurement, financial management) and operational practices at headquarters. Implementation arrangements were very ad hoc (context-specific), the prospects of sustainability very limited and the idea of the World Bank working so closely with military outfits unpalatable to many. Innovation in any large bureaucracy is rarely painless. Two key factors became critical to resolving these differences of perspective, which were sometimes perceived rather than real: (i) the operational and mediating role of the LICUS team, whose grants were targeted precisely to peace-building and early recovery, and (ii) the gradual buy-in of the infrastructure sector team, initially skeptical about the undertaking.

In sum, each organization could point to real "reputational' risks associated with the joint effort, and the case against it was made in each, authoritatively. What allowed the favorable camp to prevail in each community of practice, making the project possible, was the realization

that only inter-disciplinary, complementary interventions could match the challenge of mass unemployment at that particular juncture, with peace hanging in the balance.

In addition to the collaboration among the three main organizations, each organization faced the challenge of outreach to community stakeholders. In reflection, the project would have benefited from more careful and extensive community outreach and sensitization, and more involvement by local authorities (both formal and traditional) in the maintenance and the "ownership" of the roads[18]. None of the partners placed sufficient emphasis on ensuring community ownership of the works; this perhaps explains why, even with UNMIL supervision, some the repaired roads were vandalized, with individuals and groups stealing the newly laid laterite and gravel. This lesson was also initially missed in design and the implementation of GEMAP, and only in its later stages was a combination of radio and print media used to educate the public and generate support among local stakeholders[19].

Finally, it would have been useful to start this intervention much earlier, ideally in early 2004, immediately after the signing of the comprehensive peace agreement. Giving ex-combatants and others quicker access to jobs would have had an even greater impact on stabilization and humanitarian access. Hopefully, a faster start-up in other operational scenarios would be at hand, as UNDP, the Bank and the UN's Department of Peacekeeping Operations (DPKO) have codified the methodology, to varying degrees of precision. Notably, DPKO produced formal guidelines based on Liberia's MOU, for use under any of its peacekeeping operations. While the military initially had difficulty accepting this "hybrid" model of collaboration, it can now implement it quickly – if the equipment is available - as an operational procedures explicitly endorsed by DPKO and transmissible along the chain of command[20].

Conclusion – The benefits of placing peace at the top

(i) A parallel can be drawn between the two challenges and, by extension, between GEMAP and "Roads-with-UNMIL". In hindsight, robust international involvement in Liberia's economic governance (through anti-corruption measures) in the aftermath of the war was a precondition for the eventual full transfer of ownership of the polity to Liberia's elected government. A myopic interpretation of the Paris Declaration could have threatened stability, by inducing the international community to prematurely operate "traditionally" with the transitional authority, handing over ownership to spoilers intent on state capture. Similarly, if the World Bank and the UN (Mission and agencies) had abided by a more rigid interpretation of long-term project sustainability (the Bank) and the confines of the peacekeeping mandate (the UN), the "Roads-with-UNMIL" scheme would have never seen the light of day. GEMAP set a new frontier in benevolent, time-bound, international intervention in the economic policy of a country temporarily, as well as complementing the equally time-bound monopoly of force detained by the UN Security Council-mandated peacekeeping mission. In parallel, civil-military

18 LIPA. p. ix.
[19] Dwan and Bailey.
[20] It should be notes that not all Troop-Contributing Countries (TCCs) to peacekeeping operations are supportive of employing engineering capacity for civilian purposes. While most see it as a net contribution of the military component top the UN's overall mandate in a given country, others see it as a potential distraction from the military's core purpose (through "mission-creep").

collaboration under a labor-intensive public work program with limited government involvement helped address the imperative of a peace dividend.

(ii) Under GEMAP, robust international presence in the short-term helped secure sustainable reform for the medium-term. Under the "Roads-with-UNMIL" employment scheme, short-term interventions targeting mobility and employment generation helped provide the peace consolidation "oxygen" for medium-term sustainable transport projects, which could in the meantime be planned.

(iii) Whether these interventions were decisive in preserving peace in Liberia between 2004 and 2006 cannot be established. At a minimum, the two experiences represent a solid attempt at a "whole-of-system" approach, bringing to bear a wide array of diverse actors and assets from the security, diplomatic and development communities. This approach leveraged the legitimacy enshrined in successive Security Council resolutions, which were critical to placing GEMAP fully within the UN's mandate in Liberia, and formalized the use of military engineering assets in employment generation and reconstruction. The same "whole of system" approach" underpinned the collaboration on every construction site under the "Roads-with-UNMIL" project, converting the legitimacy and operational remit into results.

(iv) Did the short-term oriented, peace building approach place obstacles to medium-term sustainable reconstruction efforts? Peace still holds today (2010), while GEMAP has been dismantled. Albeit with difficulty, road construction contracts are assigned through competitive bidding. It is reasonable to conclude, therefore, that GEMAP and "Roads-with-UNMIL" helped secure development in the short term, at a critical stage, without thereby preventing a transition to full national ownership of reconstruction in the medium term.

(iv) The Liberian case shows that nimble and inter-disciplinary peace consolidation efforts can address inequalities that are both horizontal, through political and social exclusion of those outside the warring factions (both among the elites and among the physical victims of violence) and vertical, by targeting the most vulnerable among the victims.

(v) Key operating principles in peace consolidation include: Context-specific innovation; operational adaptability (correcting a project/activity during implementation rather than delaying its launch); and speed of execution, i.e. identifying narrow open windows of opportunity and "squeezing" the best possible outcome through them.

(vi) Bank-UN collaboration married legitimacy/political convening power (e.g., under GEMAP) with technical credibility operational innovation (as under "Roads-with-UNMIL"); at its best, that relationship lays the most solid foundation for stabilization and reconstruction in almost any country scenario, and gives bilateral partners a strong incentive to pool resources and negotiate multilaterally.