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LIBERIA

Review of Ongoing Agricultural Development Efforts

Agriculture provided the mainstay of the economy throughout the Liberian conflict and has accounted for over half of GDP in the postwar period (compared to one-tenth in the late 1970s). The sector accounted for 42.2% of real GDP for 2008. A large proportion of the economically active population of Liberia is engaged either directly or indirectly in smallholder subsistence agriculture.

Total employment more than doubled from 141,581 in 2007 to 295,354 in 2008 with agriculture accounting for nearly 60% of that increase. Women, who are major players in the agricultural sector, constitute the majority of smallholder producers and agricultural labor force. Women produce about 60% of agricultural products. Rice and cassava are the main food crops and rubber, oil

palm and cocoa are the dominant export-oriented tree crops. Currently, rubber accounts for almost 90% of total exports because timber, which made up 50–60% of total exports until the early 2000s, was until recently eliminated from trading due to sanctions. The rubber industry generated approximately US\$218 million in revenues in 2007.

However, despite the huge involvement of the population in agriculture, productivity remains very low due to a host of factors: lack of farm inputs, high pre- and post-harvest losses caused by the use of traditional production techniques, poor pest management combined with extremely limited use of fertilizer and other modern cultivation methods, and lack of incentive to produce beyond subsistence, given that marketing is difficult due to bad road conditions and high transport costs. Rice, which is the country's main staple food with annual per capita consumption of 53 kilograms, is cultivated by 71% of farm families. The resumption of agricultural activities in post-conflict Liberia has led to improvement in food production. Rice production increased sharply from 85,000 tons in 2005 to 144,000 tons in 2007. The government currently plans to expand agricultural production by 6% by the end of 2010 and 2011. This will be based on a strong supply response in the food crop sector, with traditional crops such as rice and cassava recovering strongly. Production of non-traditional export crops such as vegetables is also expected to expand rapidly. With support measures being put in place, the tree crop sector is expected to start recovering by the end of 2009, with cocoa, coffee and oil palm taking the lead. Rubber production, a critical component of agricultural growth, is expected to plateau or decline for some years before starting to recover toward the end of 2011. Revitalizing the agricultural sector is crucial to overall economic recovery, ensuring that growth is inclusive, promoting peace and stability, and sustaining poverty reduction.

Per capita income in Liberia was US\$132 in 2008 while most of its nearly 3.5 million people were poor. In 2007, 84% of the population lived on less than one US dollar per day (PPP). Even with 70% increase in domestic rice production, Liberia remains a net importer of rice. Imports accounted for 60% of the 322,000 tons consumed in 2007 and the import bill doubled from about US\$100 million in 2007 to approximately US\$200 million in 2008 due largely to global food price increases.

LONG-TERM ECONOMIC DEVELOPMENT STRATEGIES & AGRICULTURAL DEVELOPMENT FRAMEWORKS

Lift Liberia Poverty Reduction Strategy (PRS)

The Lift Liberia Poverty Reduction Strategy (PRS) which covers the period 2008–2011 articulates the government's overall vision and major strategy for moving toward rapid, inclusive and sustainable growth and

development. The PRS took into consideration the country's aspirations for achieving the Millennium Development Goals (MDGs), especially halving of hunger and extreme poverty by 2015. The PRS recognizes the role of natural resources, agriculture in particular, in achieving or realizing the country's growth potential. It believes that revitalizing the agricultural sector is crucial to overall economic recovery, ensuring that growth is inclusive, promoting peace and stability, and sustaining poverty reduction. Natural resource-based industries are believed to have the potential to create significant numbers of jobs, provide substantial budget revenues and initiate rapid growth.

The three-pronged growth strategy underlying the PRS comprises: (i) rebuilding of basic infrastructure, especially roads; (ii) restoration of production of rubber, timber, mining, cash crops and other key natural resource products; and (iii) reduction of production costs to encourage diversification of the economy over the medium-to-long term. To meet agricultural growth target of 6% by the end of 2010 and in 2011, the government will develop more competitive, efficient, and sustainable food and agricultural value chains and linkages to markets; improve food security and nutrition, especially for vulnerable groups, including pregnant and lactating women and children under five; and strengthen human and institutional capacity.

National Food Security and Nutrition Strategy (FSNS)

The key objective of the FSNS is to make certain that "all Liberians have reliable access to the food they need to live active and healthy lives". Although the strategy encompasses the food security and nutrition needs of all Liberians, it prioritizes the needs of food insecure and nutritionally vulnerable groups in the society, including the elderly who have little support, female-headed households, orphans, and HIV-affected households. The FSNS addresses four separate dimensions of food security, namely, availability, access to food, utilization and vulnerability. To enhance food availability, the FSNS calls for the formulation of a policy statement on food self-sufficiency; exploiting all opportunities for food production by addressing the production constraints farmers face; diversifying food production; improving post-harvest processing; safeguarding of communal resources that are important food sources; maintaining predictable and stable food imports; strengthening of Liberia's strategic food reserve mechanisms; and making appropriate use of international food assistance.

To improve access to food, factors of production are to be secured; markets for both food and non-food produce improved; and safety net programs strengthened. To promote better food utilization and improved nutritional status, the strategy calls for the promotion of

child growth; taking of essential nutrition actions; making efforts to save acutely undernourished children; addressing the food and nutrition needs of those affected by HIV; improving nutritional caring practices; fortifying foods with micronutrients; enforcing food standards; diversifying diet; and increasing access to safe water, sanitation and proper housing. In addressing the needs of nutritionally vulnerable households, and in working to safeguard the food security and good nutritional status of others, two demographic groups are targeted – infants and children under 5 years of age and pregnant and lactating women. Thus, the central outcome measures of whether this strategy can be judged successful are those that establish whether the food and nutritional needs of young children in Liberia are being met.

Food and Agriculture Policy and Strategy (FAPS): From Subsistence to Sufficiency

The Food and Agriculture Policy and Strategy (FAPS) was developed within the context of the Government of Liberia's framework for national reconstruction and development and the PRS. It was developed through a participatory process involving all stakeholders, i.e. the public sector, private sector, civil society organizations, and development partners. It is evidence-based, as it relied on findings and recommendations emanating from the Comprehensive Assessment of the Agriculture Sector of Liberia (CAAS-Lib). FAPS identifies specific sector and sub-sector policies and strategies that will be implemented to revitalize and strengthen the food and agriculture sector, enabling it to maximize its contribution to the Government's overall development goals.

FAPS accentuates pro-poor policies and associated strategies that will harness and utilize the potentials of the large number of smallholders in the sector. It envisions "a nation with food and nutritional adequacy and security enabling a nourished population, thus contributing to optimal health, education and training, economic growth and development, and improved and sustained quality of life of the people." Its goal is "a revitalized and modernized agriculture sector that is contributing to shared, inclusive and sustainable economic growth and development of Liberia." Its guiding principles are macroeconomic stability, pluralism and clarity of roles; enhanced private sector involvement and competition; self-reliance; maximization of comparative advantage; value addition; sustainable development management and decentralization. Specific objectives are: (i) safe and nutritious foods available in sufficient quantity and quality at all times to satisfy the nutritional needs for optimal health of all Liberians throughout their life cycles; (ii) enhanced, inclusive and pro-poor growth in agricultural production, productivity, competitiveness, value addition and diversification, and linkages to markets; and (iii)

effective and efficient human and institutional capacities of stakeholders (public sector, private sector, civil society organizations, especially grassroots community based organizations) to undertake planning, delivery of services, investments, and monitoring activities, while concurrently sustaining natural resources, mitigating risks to producers and mainstreaming gender and youth considerations in sector activities.

Integrated Water Resources Management Policy (IWRMP)

Although the FAPS addresses water resource issues from the perspective of the agricultural sector, it is the Integrated Water Resources Management Policy (IWRMP) that constitutes the national policy for this valuable asset. The policy covers two broad areas, water resource management and water resource use. The goals are to ensure: (i) full socio-economic benefits for present and future generations; (ii) access to safe and adequate water for people; (iii) the availability of adequate quantity and quality of water for the environment and ecology; (iv) the availability of sufficient quantity and quality water for food security; and (v) the availability of water for other uses such as hydropower generation, industry, transportation, recreation, etc. Key strategies comprise: (i) decentralization of economic incentives and efficient and proper disposal of solid and liquid wastes; (ii) establishment of appropriate bodies responsible for water resources management; (iii) development and enhancement of national human resources and technological capacities; (iv) fostering of international cooperation in the management of shared river basins; (v) ensuring efficient means of domestic water supply; (vi) integrated and sustainable development and management of water resources for all sectors; (vii) protection of all water resources; and (viii) prevention of natural disasters and the effects of climate change.

Liberia Agriculture Sector Investment Program (LASIP)

The Liberia Agriculture Investment Program (LASIP) seeks to transform Liberian agriculture and in so doing maximize the sector's contribution to economic growth, employment and income generation, food and nutrition security, and poverty reduction. To overcome pervasive structural impediments and a poor policy environment which have undermined agricultural growth and development, LASIP adopts a pro-poor approach to raising agricultural productivity, strengthening institutions, and making markets work for households and communities through commercialization and private sector initiatives. LASIP identifies priority areas from which investment projects aligning national objectives and CAADP are to be developed. These objectives are embodied in Liberia's national

vision and goal for the agricultural sector as stated in the PRS as well as the food and agricultural vision contained in the FAPS.

INVESTMENT PROGRAMS UNDER THE PRS/LASIP

The PRS/LASIP will have four major programs: (i) land and water development, (ii) food and nutrition security, (iii) competitive value chains and market linkages, (iv) institutional development.

Land and Water Development

The program's objective is to ensure that the country's endowment of land and water are used to accelerate food production and facilitate income generation through proper planning, development and management.

Land policy reform and capacity building: to ensure that statutes and policies regarding ownership as well as tenure of land are reviewed to facilitate the availability of land for sustained crop area expansion and for investment in agriculture.

Enhanced land husbandry: to improve and maintain soil fertility and promote complementary utilization of organic, mineral and physical components of soil management in support of agricultural intensification.

Expansion of irrigable land: to increase the share of arable land under cultivation under irrigation from less than 0.2 to 5%.

Improved wet and degraded land management: to develop and increase the total area of wet and degraded land for year-round utilization to produce food crops, particularly rice and vegetables.

Food and Nutrition Security

This program aims to achieve the goal of the FSNS, to ensure that all Liberians have reliable access to the food they need and are able to utilize that food to live active and healthy lives.

Food crop production and productivity enhancement: to make food available, accessible and moving towards achieving MDGI by 2015.

Smallholder tree crops and agro-forestry development: to increase smallholder participation in the tree crop and forestry sub sector by 50% between 2011 and 2015.

Sustainable fisheries sub-sector development: to increase fisheries contribution to food supply and GDP.

Livestock development and promotion: to expand domestic livestock production to meet more than half of domestic demand.

Special women and youth initiative: to increase participation of women and youth in agriculture-related activities by 50% by 2015.

Competitive Value Chains and Market Linkages

This program seeks to improve market access through increased investment in rural roads, marketing infrastructure, such as physical marketplaces, storage and processing facilities for crops, livestock and fisheries, and energy.

Rehabilitation and expansion of rural roads: to rehabilitate and upgrade the network of rural roads, which are of major importance to agriculture. At least 250 km of feeder roads are to be rehabilitated/constructed in five years.

Rural agricultural infrastructure and energy: to improve market accessibility of agricultural products through the construction and operation of rural agricultural infrastructure.

Rural financial services: to increase the share of total commercial bank credits allocated to the agricultural sector from 5% to at least 15% and expand the

Table 1 – Cost of PRS/LASIP Programmes

	Cost (million \$)
1. Land and Water Development	35
2. Food and Nutrition Security	60
3. Competitive Value Chains and Market Linkages	115
4. Institutional Development	67.5
Total Cost	277.5

accessibility of farmers and farm-based organizations to formal rural financial services in 5 years.

Labor-saving intermediate devices and technologies: to enhance productivity and expand acreage through small-scale mechanization by formulating a targeted mechanization strategy that encourages and supports individual farmers, farm-based organizations and other private sector entities in the acquisition and utilization of transitional devices and technologies throughout the value chain.

Market and enterprise development: to rebuild and commercialize value chains using various approaches including out-grower schemes that link commercial entities and smallholders in an effort to increase agricultural productivity and farmer income.

Institutional Development

This program will develop enduring capacities in the public sector for evidence-based policy formulation, planning, coordination and supervision, together with the implementation of programs and projects.

Rebuilding the Ministry of Agriculture and Agricultural Parastatals: rebuilding and decentralizing the ministry's activities to achieve its pre-war status in the next five years.

Revitalizing agricultural research: achieving the Central Agricultural Research (CARI) pre-war status and bringing it at par with other national research institutes in the sub-region.

Technology dissemination and adoption: to have a decentralized demand driven agricultural extension service in the next three years.

Renewing agricultural education and training: improving training institutions to meet pre-war status and include higher education in specialized fields in agriculture.

Reframing agricultural parastatals: Redefining the role of all agricultural parastatals to conform to present day reality.

Promoting and strengthening farm-based organizations: the establishment and offering of training and other technical skills to at least ten farm-based organizations in each country.

AGRICULTURAL FUNDING AND PUBLIC SECTOR INSTITUTIONS

Public Agricultural Sector Funding

Public financing of agriculture falls significantly short of Government's stated commitment to developing the sector and the Maputo Declaration. Past expenditures in the agricultural sector have been only a fraction of the total budget. Between 2003 and 2005, the share of the national budget allocated to MOA hardly reached 1%. The low budgetary share is also confirmed by a review of allocations since then. In 2005/2006, during which the total national budget was US\$80m, MOA was allocated US\$0.74m, slightly less than 1% of the total. In the 2006/2007, 2007/2008 and 2008/2009 fiscal years, MOA was allocated US\$3.1m, US\$3.8m and US\$7.0m. This represents budget shares of 2.0%, 1.8% and 2.3%, respectively, which are lower than the shares of any major ministry or agency except Lands, Mines and Energy and National Defense. These investments fall far short of the NEPAD commitment to allocate 10% of expenditure to agriculture.

Private Sector Agricultural Funding

The two major sources of private sector funding to agriculture are commercial banks loans and microfinance services (some of which also come from commercial banks). Although commercial bank credit has been low, agriculture experienced a slight increase in 2008, from 4.9% of credit outstanding in 2007 to 5.0% out of a total of L\$310.8 million. However, this was a lower share of commercial bank credit compared to 2006 when the sector received 7.1%. Microfinance services in Liberia are offered by a number of diverse providers. In addition to commercial banks and private microfinance institutions, NGOs, credit unions, rotating savings and credit associations known as "susu" groups, and informal credit providers such as money changers also offer services. Despite this array of groups and institutions, the provision of sustainable microfinance services is limited.

Public Sector Institutions

To facilitate an effective implementation of its agricultural programs, the government of Liberia has some institutions that it can rely on although some are undergoing rehabilitation after the conflict.

The Ministry of Agriculture (MOA): MOA is the central policy-making body of government, and is responsible for promoting agricultural development and regulating the sector. It seeks to achieve these development objectives by focusing on planning and policy development,

and applied research and extension services. It is organized at the headquarters level into four major departments: Planning and Development, Rural Development, Research and Extension, Technical Services and Administration. A deputy minister, supported by an assistant minister, heads each department.

The Central Agricultural Research Institute (CARI):

CARI is a semi-autonomous organ of the MOA, having evolved (in 1980) from the Central Agricultural Experimental Station (CAES). It is the main institution for agricultural research and it developed rapidly into a reputable centre of excellence in applied and adaptive research in West Africa prior to Liberia's civil crisis. However, the war devastated CARI.

The Liberia Produce Marketing Corporation (LPMC):

LPMC is an agency of government that was created by an act of legislation in 1961 to market Liberian produce (cocoa, coffee, palm kernel and palm products and piassava). It was also charged with the responsibility of providing farm advisory services at all levels. The Corporation exercises a monopoly mainly over the purchase and export of coffee and cocoa.

The Liberia Rubber Development Authority (LRDA),

formerly the Liberia Rubber Development Unit (LRDU), was established to build the capacity of smallholder rubber producers with farm sizes within the range of 2–5 acres by providing improved seedlings, extension services and marketing. It currently lacks the capacity to carry out any of these functions despite receiving allocations from the National Budget since 2006, albeit far below its minimum requirements. Efforts are underway to ensure its responsibilities are executed in some form.

The Cooperative Development Authority (CDA) is

the government agency responsible for facilitating and strengthening cooperative societies throughout the country. It was set up to build awareness of the cooperative movement and its benefits to the economy, assist in the organization and development of cooperatives, register and certify cooperatives, and advocate on their behalf.

The Liberia Market Association (LMA) was founded in 1963 to seek President Tubman's assistance in providing better marketplaces in Monrovia. It became a semi-

autonomous government institution during the Tolbert administration with the mandate to manage markets. The LMA has generally failed to meet its obligations despite extracting fees from traders.

The Agricultural and Cooperative Development Bank:

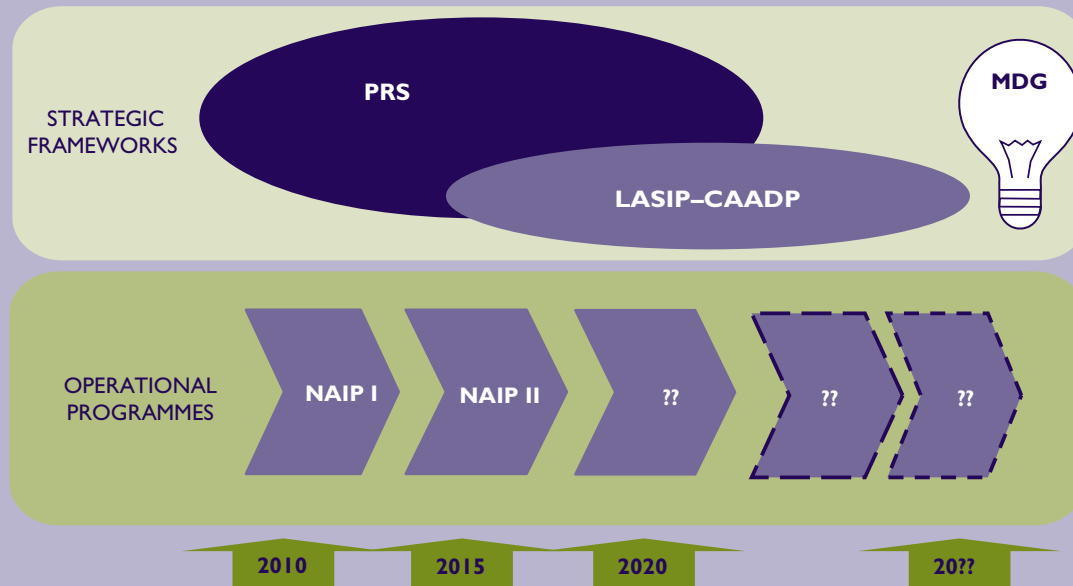
The bank was established in 1978 and created by government through an act of legislation. Its main functions and responsibilities were to make loans to farmers and their organizations in order to increase agricultural production.

The University of Liberia College of Agriculture and Forestry (ULCAF) trains individuals in agriculture and related disciplines as means of meeting the human resource needs of the Ministry of Agriculture and the agricultural sector at large.

PRS, LASIP AND CAADP

The goal of the Common ECOWAS Agricultural Policy (ECOWAP) and Comprehensive Africa Agricultural Development Programme (CAADP) is to serve as a framework for intervention in agricultural policies and development strategies in West Africa and in Africa, respectively. These frameworks are also intended to be integral parts of national efforts to promote agriculture sector growth and overall economic development in the countries. The overriding goal of ECOWAP/CAADP is to help African countries increase their economic growth through agriculture-based development. The Liberia PRS growth strategies and action matrix are developed in accordance with the CAADP and Millennium Development Goals (MDGs). LASIP identifies priority areas from which investment projects aligning national objectives and CAADP are to be developed. The key performance indicator for LASIP will be an increase in agricultural growth of 6% by 2015 to sustain food and nutrition security, increase employment and income and reduce poverty.

Figure I– Relationship between PRS, LASIP and CAADP



Definitions and Descriptions	Programmatic Relationships
<p>PRS (Lift Liberia Poverty Reduction Strategy): A medium term, multi-sector, comprehensive framework with a current time horizon to 2011.</p> <p>ECOWAP/CAADP (Common ECOWAS Agricultural Policy/Comprehensive Africa Agriculture Development Programme): A long-term agricultural sector specific framework for agricultural development in the region.</p> <p>LASIP (Liberia Agriculture Sector Investment Program): A long-term program (2015) that seeks to transform Liberian agriculture and in doing so maximize the sector’s contribution to economic growth, employment and income generation, food and nutrition security and poverty reduction.</p>	<ul style="list-style-type: none"> • CAADP programmatically translates the PRS by giving it a substantive content for the agricultural sector. • CAADP provides sector-specific guidance for the definition of the agricultural sector component of current and subsequent PRS programs. • CAADP sets the strategic framework that guides the implementation of the current and future NAIP or similar subsector investment programs.

Based on modeling conducted by ReSAKSS-West Africa in collaboration with experts from Liberia and financial and technical assistance from the Economic Community of West African States (ECOWAS), the African Union Commission (AUC), the International Food Policy Research Institute (IFPRI), USAID (United States Agency for International Development), SIDA (Swedish International Development Cooperation Agency), GTZ (German Agency for Technical Cooperation) and International Institute of Tropical Agriculture (IITA).

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