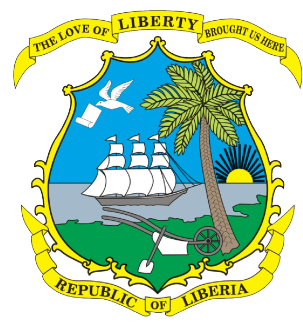
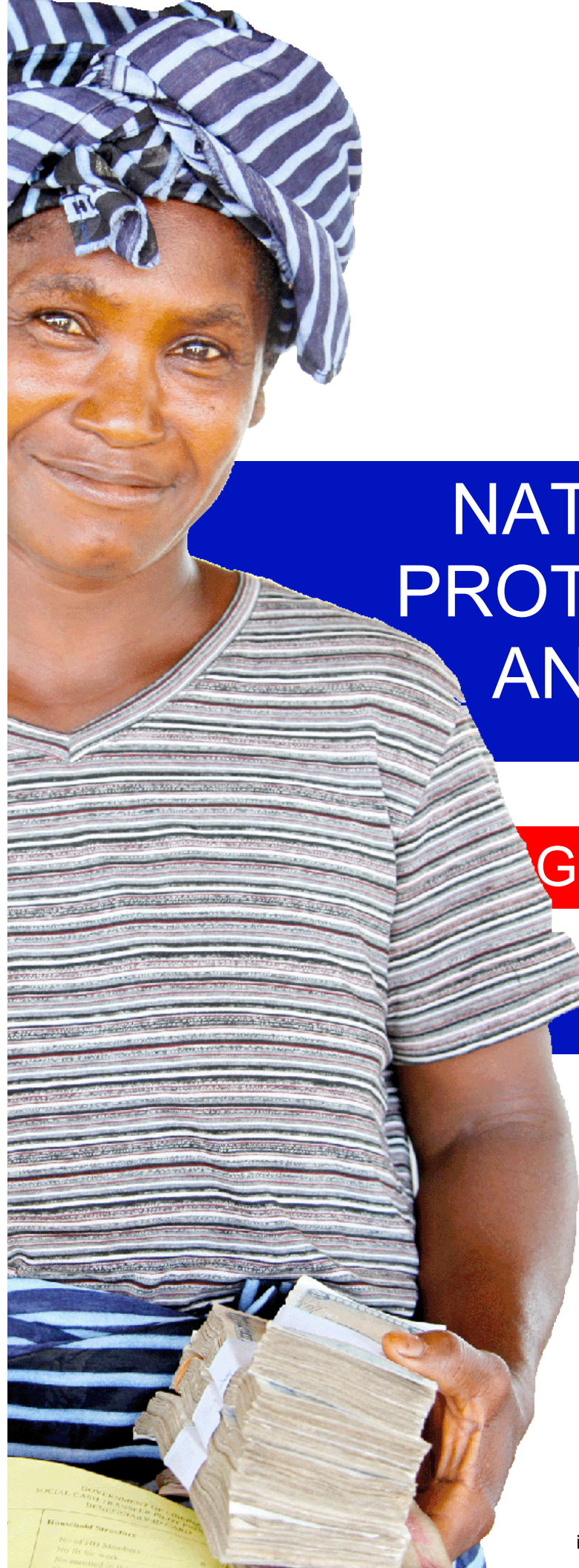




NATIONAL SOCIAL PROTECTION POLICY AND STRATEGY

Government of LIBERIA

August 2013



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Foreword

In early July 2012, Liberia held a three day national consultation during which a National Social Protection Strategy and Policy for Liberia was validated by relevant government ministries, County representatives, UN agencies, donors and key stakeholders including civil society, beneficiaries from the Bomi pilot social cash transfer programme, and children from the Children's Parliament. Almost one year later on July 5, 2013, the Cabinet unanimously adopted the Social Protection Strategy and Policy.

The need for social protection, a new and relatively under-developed policy area in Liberia is large and multi-faceted. Although significant gains were achieved in the last six years with a steady increase in our GDP, external debt relief of \$5 billion and the growth of the national budget from \$80 million in 2006 to over \$600 for 2012/2013, poverty analyses have revealed that a significant proportion of the Liberian population remains extremely poor and vulnerable to economic shocks and risks, and they are increasingly unable to access labour market and basic social services. Moreover, about 300,000 households (48 percent nationally) are classified as being in extreme poverty, and an additional sixteen percent are below the absolute poverty line with the risk of slipping into extreme poverty. Further, an estimated 77% of the active work force can be classified as being only vulnerable employed—without access to a pension, insurance, such as health benefits or employment protections. In fact, vulnerable groups, such as people living with HIV/AIDS (PLWHA), persons with disabilities and orphaned children, also face risks of violence, exploitation, discrimination, abuse and neglect. Today, about 4,300 children are classified as orphans, and another 92,000 people (mainly adults) live with disabilities.¹ Finally, vulnerable groups such as children involved in unlawful child labour and victims of trafficking also need significant social protections.

The Government of Liberia has clearly demonstrated its commitment to social protection by including it under the Human Development Pillar in its '**Agenda for Transformation**' (PRS II). The overall goal of the Government in this Sector, is to "improve protection of the poorest individuals and groups from poverty, deprivation and hunger, and to enhance their resilience to risks and shocks". The "**Agenda for Transformation**" (Aft) is the Government's articulation of the new medium-term economic growth and development strategy, which seeks to catalyze the country's transition from recovery to inclusive growth. Also, the **Aft** is a milestone towards the long term national vision of attaining "middle income country status" by 2030.

The multi-dimensional nature of poverty throughout Liberia requires a comprehensive social protection system which meets the needs of the most vulnerable groups, particularly children, women, people with disabilities, the elderly and also people affected by HIV and AIDS. In short, social protection provides a unique opportunity to make a difference in the lives of the most vulnerable segments of our population by integrating them into mainstream development. Furthermore, the government of Liberia recognizes the imperative of maintaining peace and security as a key pre-condition for economic growth, and through social protection, the government is dedicated to supporting programs that can restore human dignity and foster social cohesion.

This Social Protection Strategy and Policy will assist the Government in translating its commitment to providing for state interventions that will address vulnerability and reduce poverty. However, we are aware that most of the current social protection funding is being provided by our development partners, and therefore there is an urgent need to mobilize national budgetary resources for this Sector. Therefore, I believe this strategy will be key in assisting us achieve this objective.

At this point, I would like to express our thanks and appreciation for all the support and views that contributed to the development of the social protection strategy and policy. This was the result of extensive regional consultations conducted in Liberia since March of 2012 through the National Social Protection Secretariat with technical and financial support from the United Nations Children's Fund (UNICEF), the European Union (EU), the World Food Program (WFP), the World Bank, and CONCERN Worldwide, among other development partners. Also, the Government wishes to acknowledge the Resource Team comprised of Andrew Tehmeh, Deputy Minister of Gender and Development, Lydia Sherman, Senior Coordinator, Social Welfare, in the Ministry of Health and Social Welfare, and Christopher Ngwerume, Social Protection Specialist, UNICEF, for their leadership and oversight role for this process. Invaluable inputs and insights were received from Dorbor Jallah (former Deputy Minister for Regional and Sectoral Planning in the Ministry of Planning and Economic Affairs), Endashaw Tadesse and Emily Weedon from the World Bank, Stephen Kidd (Senior Social Policy Specialist at Development Pathways, Nicholas Freeland (independent consultant in social protection and former Programme Director of the Regional Hunger and Vulnerability Programme – RHVP), Richard Chirchir (international consultant specializing in Management information Systems for Social Protection),. Help Age International UK provided key costing models for the policy options proposed in the strategy. Special thanks go to Gabriel Fernandez, National Social Protection Coordinator in the Ministry of Planning and Economic Affairs who provided coordination and oversight for the entire process, and Gabrielle Smith of CONCERN worldwide, who was the lead consultant supported by Tanya Garnett-Murcy, the national consultant for their technical inputs, who were able to make this strategy and policy comprehensive and cohesive.

Finally, the Government looks forward to forging a strong partnership with communities, civil society, and it's cooperating partners to support an effective implementation of this Social Protection Strategy and Policy that will ensure that we protect the poorest and most vulnerable households from sinking further into destitution, prevent the moderately poor from sliding into extreme poverty, and improve the livelihoods of our at-risk populations. It is only when we achieve these objectives, that our quest to attain a middle income status by 2030 will achieve its fullest significance.

Julia Duncan-Cassell

Minister of Gender and Development

Chairperson, National Social Protection Steering Committee &

Government Lead for Social Protection Sector under the 'Agenda for Transformation'- (PRS II)

Acronyms

AfDB	African Development Bank (AfDB).
AfT	Agenda For Transformation (new PRS II: 2013-2017)
CDO	County Development Officer
CSA	Civil Service Agency
CSO	Civil Society Organisation
CfWTEP	Cash for Work Temporary Employment Program
CFSNS	Comprehensive Food Security and Nutrition Survey
CWC	Child Welfare Committee
CWIQ	Core Welfare Indicator Questionnaire
DHS	Demographic and Health Survey
EU	European Union
FFW	Food-For-Work
GDP	Gross Domestic Product
GoL	Government of Liberia
HIV/AIDS	Human Immunodeficiency Virus/Acquired Immunodeficiency Syndrome
ICT	Information & Communication Technology
IDP	Internally Displaced Person
ILO	International Labour Organisation
IMF	International Monetary Fund
LACE	Liberian Agency for Community Empowerment
LISGIS	Liberia Institute of Statistics and Geo-Information Services
MOA	Ministry of Agriculture
MOE	Ministry of Education
MOPEA	Ministry of Planning and Economic Affairs (merged with Ministry of Finance in 2013)
MOGCSP	Ministry of Gender, Children and Social Protection
MOHSW	Ministry of Health and Social Welfare
MOFDP	Ministry of Finance and Development Planning

MSME	Micro, Small & Medium Enterprise
NAC	National AIDS Council
NASSCORP	National Social Security and Welfare Corporation
NGO	Non-Governmental Organization
NSWP	National Social Welfare Policy
OVC	Orphans and Vulnerable Children
P4P	Purchase for Progress
PRRO	Protracted Relief and Recovery Operation
PRS	Poverty Reduction Strategy
PSNP	Productive Safety Net Programme
PSPP	Productive Social Protection Programme
PTA	Parents Teachers Association
SCT	Social Cash Transfer
SFP	Supplementary Feeding Program
UN	United Nations
UNDP	United Nations Development Program
UNICEF	United Nations Children's Fund
USAID	United States Agency for International Development
USD	United States Dollars
YES	Youth Employment Scheme
WFP	World Food Programme

Definitions

Conditional Transfers	Transfers in cash or in kind that are provided to beneficiaries on condition that they complete some requirement, e.g. doing some work, or attendance at health clinics or schools.
Labour Constrained Household	Households that are incapable of supporting their own needs through productive work and have little immediate prospect of doing so. These households have either no adult who is fit to work, or a high dependency ratio making it virtually impossible for any fit adult to maintain the household.
Risk	A dangerous event that may cause loss or damage if it occurs. It is a set of circumstances, which if and when they occur will have a negative impact on people who are vulnerable to that risk. Also used in the context of livelihood decision making, where higher risk activities usually result in potentially higher yields. However, for vulnerable people, the impact of failure may be so great that people adopt “risk-averse” strategies that focus on avoiding disaster, rather than seeking growth.
Shock	The occurrence of a risk event causes a shock for vulnerable people.
Social Assistance	Non-contributory programs funded by the Government of Liberia (with development partner support). These include predictable cash transfers as well as in kind transfers to the poorest and most vulnerable households; fee waivers; and school feeding.
Social Insurance	Contributory programs that enable contributors to manage risk. These include contributory pension schemes and relevant micro insurance products for workers in the formal and informal sectors.
Social Protection	A package of policies and programs, implemented as part of public action that provide income or consumption transfers to the poorest, protect the most vulnerable against livelihood risks , and improve access to economic opportunities, with the aim of reducing food insecurity and deprivation, while increasing resilience of vulnerable households and groups to shocks.
Social Protection Floor	A comprehensive national social protection system that provides a minimum level of support to protect against shocks throughout the lifecycle including in childhood, unemployment, disability and old age. It is comprised of: Universal access to essential services (such as health, education, housing, water and sanitation and other services, as nationally defined); Social transfers in cash or in kind, to ensure income security, food security, adequate nutrition and access to these essential services.
Vulnerability	Vulnerability implies susceptibility to the impact of risky events, as a result of particular weakness or lack of defences, and resulting in a worsened situation for the sufferer(s). The long-term poor are clearly vulnerable, as are particular groups in society. This is based on both economic and social factors.

0. Executive Summary

This is the national Social Protection Strategy and Policy document. The document contains the background, justification, vision, overall policy objectives and strategies for the social protection system in Liberia. It outlines the priority actions for the Government of Liberia (GoL) for the next 5 years in order to establish a coherent social protection system and expand coverage of integrated protections programs that will begin in 2014. It also provides a national framework to achieve the overall goal of tackling poverty, vulnerability to extreme poverty and inequality in Liberia. Finally, it is in line with Liberia's vision 2030 and Liberia's Poverty Reduction Strategy (PRS II) 2013-2017, referred to as the "**Agenda for Transformation**" (Aft).

This strategy and policy has been developed by the Ministry of Planning and Economic Affairs (MoPEA) under the National Social Protection Steering Committee (NSPSC), and in consultation with key stakeholders from the Counties, and a range of Ministries and development partners, including local government and civil society. It represents the collective thinking of all stakeholders in Liberia.

Poverty, Vulnerability and Inequality in Liberia

Liberia has made extraordinary progress in the years since the civil conflict which caused such devastation to the nation and the people of Liberia. However these **gains have been unequal** and have not reached a significant portion of the population which remains extremely poor and **vulnerable** to shocks and stresses, **unable to access labour markets or services**. This represents a threat to continued stability in Liberia and to future development and economic growth.

The incidence of poverty is estimated at 63.8% with extreme poverty at 47.9%. Poverty is predominantly a rural phenomenon, with a rural poverty incidence of 67.7% and it is strongly linked to age. Almost one third of the Liberian population is between 0 and 9 years of age and 63.3% are living in poverty; nearly a quarter of the population belongs to the range 10 to 19 year-old and their share of poverty is 67.4%. For those over 60 years old, their poverty indicators remain at 66.3%.

Additional evidence shows a high concentration of poverty in the informal sector. In the agriculture sector for example, over 70% of those serving as heads of household were living in poverty. Vulnerability to poverty also strongly correlates with food insecurity. The counties that make up the south-east and north-west of the country experience some of the highest levels of poverty and food insecurity levels tend to reach as high as seventy-five percent.

In 2008, the UN commissioned a study '**Social Protection Issues in Liberia**' and found that nearly 17 % **were extremely poor due to structural factors**, and that these persons **did not have access to sufficient adult labour** in the household to undertake productive work resulting in reasonable means of support. This included households headed by **children, the elderly, or persons living with a disability or with a chronic illness**. The study also included households headed by an adult unable to fully engage in work due to their role as dependent **caregivers**. The remaining 83% of households in the study were estimated to be **extremely poor because of pre-existing poverty conditions and the impact of these conditions on the formation of additional poverty**. Simply put, limited productivity in rural areas is often caused by inadequacies in other economic sustainability engines such as infrastructure, agricultural inputs, transportation, education, etc. As a direct result of the civil conflict for example, young people literally missed out on their right to a high quality education

and therefore, generally lack the skills required to engage in productive employment. Similarly, those in the informal sector lack access to finance and services for small enterprise development and sustainability.

Poverty also affects access to services. Liberia suffers from a scarcity of essential social services particularly in rural areas (education, health, water and sanitation). The inability to pay for these essential services then leads to more serious consequences in terms of long term health care access, and the ability to further generate income.

A rudimentary examination of larger society will show that vulnerable groups are likely to be most easily and adversely affected by those deficits which lead to poverty. Vulnerable groups are more likely to have limited access to the means and factors of production and are therefore, more likely to be dependent on others for their basic needs and more likely to be exposed to risks of violence, exploitation, discrimination, abuse and neglect. In Liberia these include children and young people, women, the elderly, people living with disabilities and HIV/AIDS. There are also large groups of the population suffering from specific problems deriving from the war.

In conjunctural terms, extremely poor and poor families and vulnerable groups living on low and volatile income brackets are vulnerable to the risk of falling further into poverty due to their low capacity to guard against risks or shocks. Even small shocks result to negative coping strategies resulting in low school attendance, poor health and nutrition, and increase in child labour. These in turn drive longer-term adverse outcomes in cognition, productivity and asset accumulation, generating a vicious cycle that may sustain households in extreme poverty generation after generation.

Rationale for Investing in Social Protection in Liberia

Social protection is a critical component of the Human Development Pillar of the national development strategy alongside Health, Education, and Water and Sanitation. It also cuts across other sectors and will support the achievement of wider development objectives. Improving the quality of life for persons living under the internationally established poverty line, while at the same time caring for the specific problems of vulnerable groups, are primary challenges to which a robust social protection policy must respond.

Over the last two decades, social protection – particularly long term, predictable cash transfers - to poor and vulnerable households, have proved to be an essential component of a number of developing countries' progress out of poverty. Cash transfers are implemented in over a twenty countries in sub-Saharan Africa, alongside a variety of other social assistance and development programs.

Where markets function well, cash transfers give recipients the flexibility to use the transfers in accordance with their own needs and priorities; they do not interfere with production and they stimulate economic activities by injecting purchasing power into local markets; they are more efficient to deliver and can achieve both social welfare and livelihood promotion objectives. While not a substitute for income security, food transfers can also play an important role in promoting health and education. They have a role to play in preventing or addressing severe food insecurity caused by shocks in environments where markets are weak and beset with access challenges.

Evidence from programs in Africa and around the world proves that social protection and cash transfers in particular, enable the extreme poor and vulnerable to **better manage risks** and generate a wide range of positive **economic and social impacts**. In fact, social protection is essential for **inclusive economic growth**. In countries that have emerged from conflict social protection contributes to peace and security by **rebuilding of the social contract** between state and citizen. Redistribution to the poorest through social protection programs **reduces inequality**, allowing a broader section of society to benefit from economic growth. Evidence further shows that cash transfers also contribute to enhanced household **food security**, improving **nutritional outcomes**, the **reduction of barriers to accessing essential social services**. Cash transfers assure the poorest households a minimum, consistent level of consumption which allows for greater **investment in future production** while increasing **engagement in the labor market**. Aside from directly **reducing income and expenditure poverty**, social protection strategies can meaningfully contribute to **long-term poverty reduction** by building resilience to economic shock and breaking the inter-generational transmission of deprivation.

The Government of Liberia has articulated a new medium-term economic growth and development strategy, the **‘Agenda for Transformation’ (Aft)** linked to the long term national vision, **‘Liberia Rising’**, to achieve middle income status by 2030. This is built upon the recognition of the **importance of peace and security** to growth and development; that **economic growth alone is insufficient** to bring about the transformation that Liberia needs; and the need to take additional policy measures more directly focused on **reducing inequalities**. Achieving middle income status is more than the growth in per capita income: it is about a greater proportion of the population **accessing their rights to access a minimum standard of living and minimum level of services**. The national development strategy aims to ensure that resources are directed at programs supporting **redistribution of wealth, investment in public goods and equitable growth** and which uphold the responsibility of the GoL as **duty bearer protecting the rights of all citizens**, through four strategic pillars: Economic Transformation; Peace and Security; Human Development; and Governance.

Improving quality of life for those under the extreme poverty line, while at the same time caring for the specific problems of vulnerable groups, are challenges which require an effective social protection policy and programs. Social protection is a critical component of the human development pillar of the national development strategy alongside health and social welfare, and education. It also cuts across other sectors and will support achievement of wider development objectives.

The strategy and policy document draws its authority from and must be read in conjunction with prevailing legislations and conventions in Liberia. This includes the Constitution and domestic legal instruments such as the 1972 Executive Law; the 2005 Act Establishing the Commission on Disabilities; the Children’s Law; the 1975 Public Health Law; and the Education Law.

Defining Social Protection in Liberia

Social Protection is defined **“as a package of policies and programs, implemented as part of public action, that provide income or consumption transfers to the poorest, protect the most vulnerable against livelihood risks, and improve access to economic opportunities, with the aim of reducing food insecurity and deprivation, while increasing resilience of vulnerable households and groups to shocks”**.

The Social Protection system in Liberia will comprise:

- **Social assistance programs:** These programs are **non-contributory and should** include **predictable cash transfers** as well as **in kind transfers** to the poorest and most vulnerable households, individuals and groups; **fee waivers** that reduce barriers to accessing essential social services; and a national **school feeding** program.
- **Social insurance schemes:** These programs are **contributory** and enable contributors to effectively **manage risk**. Some schemes can be provided and co-funded by government, while others can be provided by the **private sector**. Such programs include **contributory pension** schemes and **micro insurance** products for workers in formal and informal sectors.
- **Social legislation:** This refers to labour focused legislation that mandates employers to provide mechanisms **protecting employees from risks**, including legislation on child labour, working conditions, discrimination in the work place, sexual and other forms of harassment, maternity benefits, and health and safety measures.

An effective social protection system in Liberia will be **an on-budget service**, with the provision of **income security to vulnerable citizens being at the core of its functionality**. Such a system should also play a **cross-cutting** role of ensuring that the poorest and most vulnerable can access basic services such as health, education, and social services.

Ultimately, a social protection system must be **protective** – it should protect the poor and vulnerable from the worst consequences of poverty. The social protection system should also be **preventive** in that it will establish mechanisms to prevent people from falling into poverty as a result of a livelihood shock. Social protection should be **promotive**, supporting poor people's investment in their future while also providing those who are fit for productive work, the means for self-development and actualization. Finally, the system should be **transformative** in that it will respond to the complex and critical needs of traditionally marginalised groups while defining and legislating minimum standards for changing class relationships in society.

To maximize positive impact, the social protection system in Liberia must be comprehensive, providing a **minimum floor** which will protect the poor and most vulnerable **against shocks experienced at various stages of the life cycle as a result of shifting economic tides in society**.

Purpose of the Social Protection Strategy and Policy

On-going social protection interventions in Liberia provide a strong foundation on which the Government can build a comprehensive, inclusive and responsive national social protection system. Today, social protection spending in Liberia equates to approximately 1.6% of GDP. The vast majority of these expenditures are external donor based and focused on short term, project-based assistance programs which are primarily delivered as in kind (food) assistance. Pilot programs such as the Bomi and Maryland Social Cash Transfer as well as the Youth Employment Scheme, are providing income security and are proving to have positive results. Other social assistance interventions of note include school feeding programs and fee waivers for essential services. Still, the need for social protection in Liberia remains large and multi-faceted and the current protection system in Liberia faces challenges relating to coordination, coverage, capacity and costs. This social protection strategy and policy will aim to:

- Reduce system fragmentation and increase coordination of interventions
- Increase the coverage of effective social protection interventions which link to wider sector objectives
- Ensure benefit sizes are set at an effective and reasonable level
- Address capacity constraints
- Move towards adoption of cash rather than food based transfers
- Move towards a comprehensive packaging of social protection interventions as capacity and resources allow
- Create fiscal space for the sustainable financing of social protection

Vision and Policy Objectives

Long Term Vision

The long term vision of social protection in Liberia which is aligned with Liberia's **Vision 2030**, will be:

By 2030 Liberia, will have progressively established a comprehensive social protection system that complements and contributes to equitable and inclusive economic growth by ensuring that the poorest along with the most vulnerable households, people and groups are guaranteed a minimum income and access to core public services providing security against critical levels of deprivation and extreme vulnerability through the life cycle, that those who can work are provided with the means of escaping poverty and that those in the informal sector are able to access mechanisms that protect them from risks and shocks.

The provision of this security will allow people to live with dignity and independence in meeting their essential and basic needs. It will allow people to maintain a stable minimum livelihood; for those who are fit for productive work and build their confidence to undertake on new economic activities.

Overall Objective

The overall social protection objective of the Government of Liberia is to build a social protection system that tackles extreme poverty, vulnerability and inequality in Liberia whilst contributing to economic growth and peace and security, through social protection programs which improve food security, access to health and education and enable the working poor to access improved income.

Policy Objective 1

Strengthen Liberia's National Social Protection System to develop a nationally owned and implemented sector delivering coordinated and targeted protection programs.

To develop a coherent national social protection system and ensure effective implementation of social protection programs, a range of structures will be strengthened across all levels of the Government, and where there are gaps, new structures will be put in place. These will strengthen leadership, coordination and implementation of programs by government and partners and build capacity at all levels to support decentralisation, whilst creating efficiencies through partnerships with service providers. These actions will enable programs to be more appropriately and effectively targeted and will address bottlenecks due to human resources, information systems, weak service

delivery and funding limitations. It will allow decision makers and donors to make commitments for longer term, predictable, sustainable financing which will better support efforts to fight chronic poverty and the shift from ad hoc emergency interventions to a more developmental approach.

Specific Objectives

- 1.1 Adopt enabling legislation towards a national social protection strategy and provide a legal mandate for a comprehensive social protection system.
- 1.2 Develop a robust national monitoring and evaluation system that ensures efficiency and effectiveness in national social protection services for the most vulnerable and facilitates informed policy decisions.
- 1.3 Develop innovative delivery systems to improve access to social protection services in isolated and food insecure areas.
- 1.4. Strengthen capacity at the local and national level to deliver an effective social protection system and plan the phased introduction of agreed schemes.
- 1.5 Expand the fiscal space for sustained long-term financing of social protection interventions.

Five-Year Strategic Priorities

- Support the legislature, in collaboration with wider government and NGOs, to review legislation options for social protection programs and build a consensus on changes needed on policy and budgeting.
- Undertake a capacity assessment of institutions and organisations involved in delivering social protections.
- Scope, design and build a comprehensive and integrated management information system (MIS) for social protection interventions.
- Increase the capacity of key policy, planning and implementing organisations to monitor and deliver effective social protection programs through training, resources and technology.
- Develop an integrated M&E framework with procedures and tools to guide the scoping of appropriate delivery options.
- Undertake a mapping of suitable structures and resources for social protection at County and district level.
- Develop a five-year transparent costing model in order to rationalise expenditure, identify leakages, make spending decisions aligned to political priorities and resource availability, and to secure additional financing.
- Develop and implement a fiscal strategy for the expansion of social protection interventions including the establishment of pooled funding for protection services that are coordinated with other social services.

Policy Objective 2:

Provide Social Assistance to support the poorest and most vulnerable groups including children, the disabled and the elderly in attaining an improved standard of living consistent with a minimum social protection floor, and which enables those with labour capacity to graduate from extreme poverty.

Poverty and vulnerability in Liberia is widespread and multi-dimensional and consequently a comprehensive social protection system is necessary to meet the needs of vulnerable groups. In the short to medium term social assistance programs as a priority will be incrementally implemented as the system develops and capacity is strengthened. Over the next two decades Liberia will move to provide the most vulnerable with a targeted package of essential social protection services. Over time and with expanded resources, a scaling up of interventions will emerge with emphasis on family preservation, social cohesion and protection for groups such as the elderly, children and the disabled. This package will reduce the burden of food insecurity and will enable households to access essential services and invest smartly in their future. This approach is in line with the Minimum Social Protection package as defined in the Africa Union Social Protection Framework (2008) to protect against risks throughout the life-cycle.

In Phase 1 Liberia will continue to develop four primary social assistance instruments – the Social Cash Transfer for households that are labour constrained; the Productive Social Protection Program for those with capacity to earn a living and graduate out of extreme poverty; School Feeding and Old Age Grant. Simultaneously, the GoL will undertake a review of other social assistance instruments which can support a move towards a social protection floor. This will inform long-term decisions for the up-scaling to effectively targeted, national social protection programs appropriate to the Liberia context and the joint aims of poverty reduction, reducing marginalisation and realising rights for vulnerable groups such as children, women, elderly and disabled, so as to address risks and vulnerabilities through the lifecycle.

Specific Objectives

- 2.1 Provide a regular income transfers to support the basic needs of the most vulnerable individuals and groups who due to old age or poor health cannot easily undertake productive work to provide an adequate livelihood for themselves and their dependents.
- 2.2 Ensure children from the poorest and most vulnerable households can obtain a birth certificate, access health, education and wider basic social services.
- 2.3 Improve the sustainability of livelihoods for the poorest and most vulnerable households, individuals and groups through increased opportunities for employment and income generation, to support them graduate from extreme poverty.

Five-Year Strategic Priorities

- Progressive expansion of the unconditional Social Cash Transfer providing minimum income security to at least 25% of extreme poor households.
- Expand school feeding as a national program with appropriate budget supports and measures for improving education and nutritional outcomes for low income households.
- Continue to support fee waivers for universal access to essential basic services, especially for health and education.
- Assess the appropriateness and feasibility of alternative social protection instruments and targeting options which more effectively and equitably target the poorest and most vulnerable groups. Effective and equitable targeting will include long term child and old age benefits and disability grants growing out of the Social Cash Transfer as soon as capacity and systems allow.

- Design a progressive implementation of an employment-based, time limited social protection program (Productive Social Protection Program) which builds on experiences from on-going public works programs and provides income security to the poorest and most vulnerable households, while building capacity for sustainable livelihood development.
- Review and compare type and quantity of benefits provided under on-going social protection interventions in order to inform future resource allocations.

Policy Objective 3:

Provide Social Insurance to the poorest and most vulnerable to protect them against risks and shocks.

As the economy develops and private sector expands, social insurance schemes can increase their scope and effectiveness. In Phase 1 priority will be given to improving sustainable contributory schemes for formal and informal sector workers. This will include reform of the services offered by the National Social Security and Welfare Corporation (NASSCORP) and creating space for private sector involvement in provision of insurance schemes for the self-employed. The government will also continue to support lean season 'safety nets' to mitigate the impact of seasonal shortages and high food prices on vulnerable rural and urban households

Specific Objectives

- 3.1 Maintain and continue to improve on compulsory insurance schemes for formal sector employees and increase the coverage of contributory social insurance schemes to benefit the informal sector.
- 3.2 Ensure poor vulnerable households are protected from shocks caused by seasonality and price volatility.
- 3.3 Improve accessibility of traditional community support for marginalised groups.

Five-Year Strategic Priorities

- Review the pension and employment disability schemes offered through NASSCORP and undertake measures to improve the sustainability of the system.
- Undertake study for widening social insurance to the informal sector, investigating the potential of extending NASSCORP schemes to informal sector employees and for private sector provision of micro-insurance products including health and weather-indexed insurance.
- Protect against shocks through early warning systems linked to short term cash and food transfers and nutrition support for vulnerable groups.
- Promote and monitor the entrance of cash transfer recipients into community Susu membership.

Policy Objective 4:

Improve coordination and strengthen linkages to policies and programs of other sectors, to ensure the poorest and most vulnerable households, people and groups can access basic social services and engage in economic activities to enhance acquisition of assets and capital as well as protect against risks.

Social protection as a sector plays a vital role in ensuring that citizens have adequate purchasing power thus enabling them to plan for and invest in their future. Social protection also offers the potential to support the achievement of a variety of objectives across sectors. Effectively linking the sector through coordinated social protection programs ensures that vulnerable populations are indeed able to graduate from extreme poverty and reduce the social marginalisation they face.

Specific Objectives

- 4.1 Collaborate with key ministries and stakeholders to ensure that the poor and vulnerable can access social services e.g. access to school, essential package of education, treatment for malnutrition, treatment for people living with HIV&AIDS, social welfare and legal services;
- 4.2 Collaborate with key ministries and stakeholders in the economic sector to provide opportunities for the poor and vulnerable to participate in economic activities and contribute to economic growth.

Five-Year Strategic Priorities

- Undertake a sector mapping exercise to align social protection system implementation with **AfT** priorities for economic development (especially agricultural, transportation and infrastructure); education and health service development as well as social welfare service decentralisation.
- Establish health and social welfare referral services for vulnerable households enrolled on the Social Cash Transfer to access “Essential Package of Health and Social Welfare” and other government social protection programs.
- Improve access to vocational training and skills development opportunities for the poor and vulnerable, in particular youth.
- Establish linkages with financial services and link income support through social protection programs to savings schemes and approved collateral for microfinance.
- Take action to ensure that existing legal frameworks addressing the needs of vulnerable groups are enforced.

Implementation

The GoL will establish a robust and integrated system for the coordinated delivery of protection programs. Over a five year period all institutional arrangements, such as coordination mechanisms, financing arrangements, data management and M&E systems will all be consolidated into a unified system. This will ensure information sharing and efficiency, refining of targeting mechanisms and delivery of benefits and it will reduce administrative and program coordination costs. Finally, such an implementation strategy will link existing structures in a coordinated fashion and strengthen their capacity while building new systems.

Institutional Arrangements

The institutional arrangements set out below will align social protection interventions to the existing implementation of strategies for the Government of Liberia’s decentralization objectives.

Based on its statutory mandate to coordinate development planning, the Ministry of Planning and Economic Affairs will be the coordinating agency for implementation of the social protection policy and strategy and will host the National Social Protection Secretariat. The Social Protection Steering Committee (SPSC) comprising Deputy Ministers and other senior officers from line Ministries, heads of missions for several development partners and government agencies will be responsible for policy and resource mobilization. Under the SPSC, the Technical Task Team, a technical working group made up of members of the national SPSC as well as key stakeholders including civil society organisations will have the responsibility for technical direction and implementing recommendations for particular social protection programs.

Administration of the social protection system will be devolved to County administration through a Social Protection Sub-Committee of the County Development Committee, under the auspices of the Development Superintendent. Involvement of community level governance structures in delivery of the social protection services in districts and communities will support effective program implementation and build community confidence in collective action. Community Social Protection committees will oversee targeting, verification and implementation of social protection activities.

Management Information System

The Government of Liberia will develop a high quality Management Information System (MIS) for effective monitoring of social protection programs. This will be consistent with wider government objectives to rationalise expenditures through investment in systems. The information management system will also allow for the creation of comprehensive database of all households, individuals and groups enrolled in social protection programs throughout the nation Liberia. Finally, this approach will help the GoL to increase efficiencies in targeting beneficiaries and in developing policy decisions and budget allocations.

Payment Delivery Mechanisms

To improve payment delivery processes, the GoL will establish a public private partnership to manage payments during cash transfers. This strategy will allow payment functions to be overseen by the national government and run directly by a regulated entity with reputation for safety and accountability. The methodology will also provide timely and predictable payments to recipients, reduce administrative burdens for county level staff, and reduce opportunities for loss or diversion of funds. Finally, the GoL will consider using technology based innovations such as mobile money transfer and card based payment systems for the maximum benefit of beneficiaries. Early investment in this kind of electronic delivery system, will minimize opportunities for fraud and leakage and while strengthening efficiency gains and cost savings over time.

Monitoring, Evaluation and Reporting

The GoL will develop a robust system to undertake regular monitoring and rigorous evaluation of programs delivered under the social protection system as well as monitoring progress towards the delivery of policy objectives. This will be a unified M&E system for the sector based on an integrated results framework. This will enhance coordination of social protection efforts across government and will generate evidence of efficiency, effectiveness and impact to guide adjustments to current activities and inform design of new programs as well as resource management.

Partnerships

The GoL will make extensive use of partnerships in implementing its social protection strategy and policy. Partners will include international development organizations, civil society, government agencies and the private sector.

Financing Social Protection

The Government will prioritise the creation and optimisation of fiscal space to finance social protection interventions outlined in the strategy through (i) integrating all social protection financing in the national budget planning processes and improving the coordination of external resources; (ii) assessing reallocation of expenditures both within and between sectors; and (iii) developing a strategy to increase sector revenues.

1. Introduction

1.1 About this Document

This is the national Social Protection Strategy and Policy document. The document contains the background, justification, vision, overall policy objectives and strategies for a social protection system in Liberia. It outlines priority actions for the Government of Liberia (GoL) for the next five years to establish a coherent social protection system and to expand coverage of integrated beginning in 2014.

This strategy and policy was developed by the Ministry of Planning and Economic Affairs (MoPEA) through a commissioned study of existing social protection interventions in Liberia, and a series of meetings and consultations with various Ministries, development partners, local government representatives, and civil society.

The first parts of the document feature the overall strategy context including background, identified gaps, justifications, and the prioritization for social protection interventions. It provides the reasons why social protection is critical for poverty reduction, equitable economic growth, human development, social cohesion and the attainment of basic human rights for all of Liberia's citizens

The document goes on to provide the vision and objectives of the policy and the long term social protection strategy by providing a national framework to achieve the goal of tackling poverty, vulnerability to extreme poverty and inequality in Liberia. This is in line with Liberia's vision 2030 and Liberia's second Poverty Reduction Strategy (PRS II) 2013-2017, - "**Agenda for Transformation**" (**AfT**). It explains why the strategy has been focussed in the way that it has. It also identifies new, cross sector approaches that need to be designed and gradually rolled out, and it outlines the priority actions for Phase One of the strategy 2013-2017 which focuses on system and capacity strengthening, integration and the expansion of proven interventions.

The final part of the document provides details on the systems and coordination structures required for implementation of the strategy along with the actions for the Government of Liberia to finance the strategy in the short to medium and longer term. The full roll out of this strategy is a vital component of the human development pillar of the **AfT** to achieve poverty reduction, growth with equity and realise the National Vision 2030.

1.2 Strategy and Policy Development Process

In 2010, MoPEA established the national Social Protection Steering Committee (SPSC) supported by a Secretariat under the Department of Regional and Sectoral Planning. The SPSC is composed of representatives from relevant line ministries of the Government of Liberia and development partners. With support provided from UNICEF, MoPEA recruited a National Social Protection Coordinator in April 2011 to manage the Secretariat.

The Secretariat facilitated the coordination of Government ministries and other partners in the implementation of social protection and has spearheaded the development and finalization of the results framework of the social protection system in the **AfT**.

The Secretariat facilitated the coordination of Government ministries and other partners in the implementation of social protection and has spearheaded the development and finalization of the

results framework of the Social Protection Sector in the new PRS II – **Agenda for Transformation (AfT)**. Social protection is a key Sector under the Human Development pillar, alongside health and social welfare, education and water and sanitation.

During coordination meetings of the SPSC, decisions were taken providing oversight and guidance in the sector. Key among these were the selection of UNICEF as donor lead for the sector, establishment of Technical Task Teams under the SPSC and endorsement of action by the Ministry of Gender and Development (MoGD) to scale up the Bomi Social Cash Transfer pilot program to Maryland County.

In May 2011, the SPSC commissioned a diagnostic analysis of current social protection approaches of the GoL and its development partners. This study informed the strategy and policy development process. Additionally, an impact evaluation of the Bomi pilot Social Cash Transfer program was conducted by Boston University with technical and financial support from UNICEF, which provided additional evidence to guide the strategy development.

Between March and May 2012, three regional consultations were held with county leaders and other key development actors, including civil society leaders from all 15 Counties in Liberia.

Key informant interviews were undertaken with members of the Social Steering Committee to ensure that the strategy was aligned to other sector priorities of the Government of Liberia and addressed concerns of the government and development partners. This was triangulated with inputs from international experts² concerning global lessons, best practices and constraints.

Help Age International UK led the development of costing models for the policy options proposed.

In July 2012, a three day national workshop involving line ministries of the GoL, development partners, County level government and civil society was convened in Monrovia to validate the draft strategy and policy. At the end of the workshop, the Minister for Gender and Development, after a unanimous endorsement, announced that the proposed strategy and policy was validated. The draft was finalized by incorporating inputs from the validation workshop and other comments. The final document was presented to the President and Cabinet and, after a careful review at two Cabinet sessions, was unanimously adopted on July 5, 2013.

This strategy and policy document represents the collective thinking of all stakeholders in Liberia and is a resource framework for developing the social protection system into a mechanism for poverty reduction, social cohesion and equitable growth.

These include Nicholas Freeland (independent consultant in social protection and Programme Director of the Regional Hunger & Vulnerability Programme (RHVP) 2005-2011); Stephen Kidd (Senior Social Policy Specialist at Development Pathways); and Richard Chirchir (international consultant specialising in Management Information Systems for Social Protection) who contributed in developing this strategy and policy document.

PART I: STRATEGY

2. Rationale for Social Protection

2.1 What is Social Protection

Social protection can be defined as public actions taken to prevent levels of vulnerability, risk and deprivation which are deemed socially unacceptable within a given polity or society. The African Union defines social protection as “a package of policies and programs with the aim of reducing poverty and vulnerability of large segments of the population --- through a mix of policies and programs that reduce people’s exposure to risks, promote efficient labor markets and contribute to enhancing their capacity to protect and cover themselves against lack of or loss of adequate income, and basic social services”.

A social protection system is an on-budget social service which provides income security to citizens who are vulnerable to being exposed to unacceptable risk or deprivation. The system also plays a complementary cross-cutting role by ensuring the poorest and most vulnerable people can access services such as health, welfare and education.

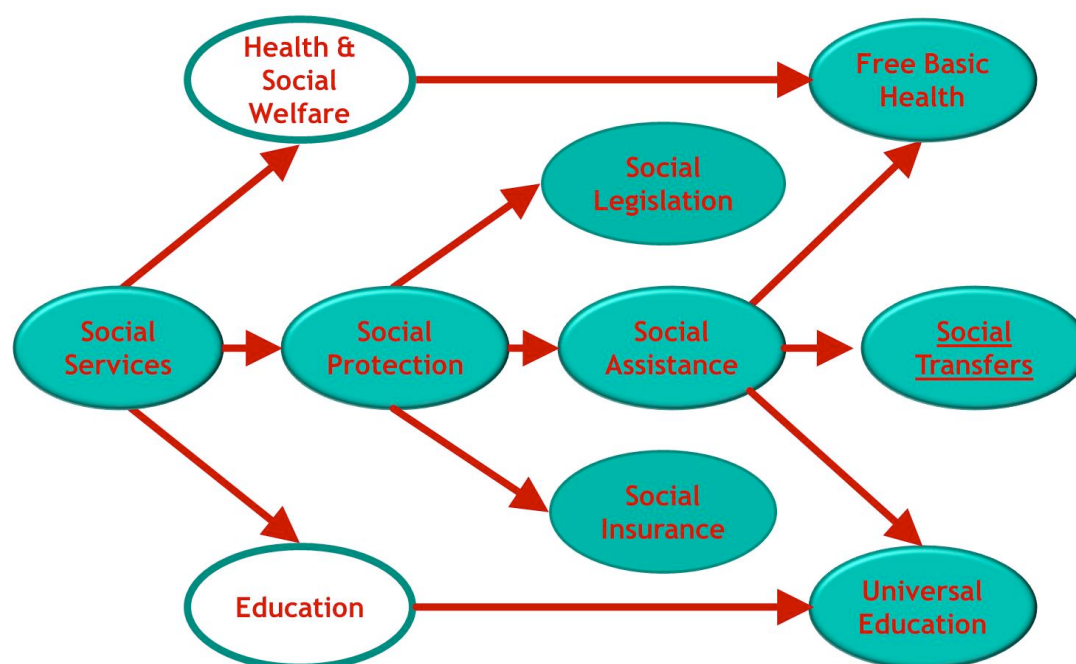
Social protection contributes to poverty reduction and equitable s growth by specifically focusing on (i) protection to ensure a minimum level of consumption support to the poor and vulnerable; (ii) prevention to provide security against decreases in consumption for vulnerable people at times of shock; and (iii) promotion to increase the chances for greater productivity and higher incomes. Through addressing risks and vulnerabilities facing socially excluded groups social protection can be said to transform relationships in society. Social protection interventions are commonly acknowledged to include:

0. **Social Assistance:** This is a non-contributory transfer providing a predictable and minimum level of income or consumption support³ to the poor and vulnerable. The core of social protection systems are non-contributory cash transfers such as social pensions, child and disability grants, income support to poor households and cash for work programs. Social assistance also includes in-kind transfers such as school feeding programs and fee waivers supporting access to services.
- (a) **Social insurance:** These are contributory schemes that insure against abrupt reductions in consumption as a result of an income shock. They include contributory pension schemes, unemployment benefits, disability coverage and health insurance.
- (b) **Social legislation:** These are legislative improvements to labour regulations and minimum standards focused on improving earnings opportunities, promoting workers’ rights and safety, and protecting against discrimination.

This is depicted in Figure 1.

³ In some literature these are referred to as ‘safety nets’

Figure 1: Typical Composition of a Social Protection System⁴



2.2 International Evidence on the Importance of Social Protection

Over the last two decades social protection – particularly long term, predictable cash transfers - to poor and vulnerable households have proved to be an essential component of a number of developing countries' progress out of poverty. At least thirty countries now operate a significant cash transfer scheme. Brazil's cash transfer program *Bolsa Familia*, is one of the largest cash transfer programs in the world with approximately 12 million low-income families receiving a monthly stipend. In Sub-Saharan Africa cash transfers and social assistance programs are implemented in over a dozen countries including Kenya, Ghana, Ethiopia, Botswana, Lesotho, South Africa, Sierra Leone, Rwanda, Malawi and Zambia. Overall, the two largest programs in Africa are South Africa's Child Support Grant and Ethiopia's Productive Safety Net Program, which reach 11 million and over 7 million people respectively.

Where markets function well cash transfers have many advantages over in-kind transfers. Cash transfers give recipients the flexibility to use the transfers in accordance with their own needs and priorities; these transfers do not interfere with production and they stimulate economic activities by injecting purchasing power into local markets; they are more efficient in achieving both social welfare and livelihood promotion objectives⁵. International studies have repeatedly shown that the administrative costs of food distribution are higher than cash transfers. In situations of chronic food insecurity, emergency food distribution represent an expensive and inefficient response whereas institutionalized cash transfers constitute a timelier, more predictable and more flexible alternative. While not an absolute substitute for income security, food transfers can also play an important role in promoting the health and education of children. Ultimately, food transfers also

⁴Reprinted from N. Freeland 'Social Transfers in the Fight Against Hunger', presentation for Irish Aid April 2012

⁵DFID (2011)

have a role to play in preventing or addressing severe food insecurity caused by shocks and in environments where markets are weak and face access challenges.

Evidence from programs in Africa and around the world prove that social protection and cash transfers in particular, have the potential to enable the extreme poor and vulnerable in Liberia to better manage risks and generate a wide range of positive economic and social impacts:

Equity: Redistribution to the poorest through social protection programs allows a broader section of society to benefit from economic growth. Cash transfers are proven to reduce inequality and depth of poverty⁶. Cash transfers can also keep girls in school longer, delay early marriage and childbirth, and when targeted towards women, can increase a woman's control over family resources and help them gain more decision-making power within the household. Generally, the injection of more liquidity into communities through cash transfers yields benefits for even non-participant households.

Food Security and Nutrition: Cash, food and asset transfers are all useful strategies for enhancing household food security. Poor households have been found to allocate larger proportions of cash transfer expenditures to food, improving food security and nutritional outcomes. Surveys conducted in sub-Saharan Africa have found that the primary use of cash transfers has been to buy an increased quantity and quality of food⁷. In Lesotho for example, almost half of pensioners reported they never went hungry after the introduction of the old age pension, compared to 19% before⁸. In the longer term additional food consumption and increased use of health services due to cash transfers translates into the improvement of nutritional indicators for vulnerable groups, especially children. Clearly, cash transfers have reduced prevalence of stunting and wasting, which has long-lasting effects on cognitive development of new generations⁹. School feeding programs in low income countries have also had a proven impact on nutritional status of children attending school¹⁰.

Human Capital Development: Cash transfers reduce barriers to accessing essential social services by reducing the cost of investments in education, health, and nutrition. Evaluations of Social Cash Transfer programs in Zambia and Malawi have shown that households primarily spend the transfers on food and other basic needs such as health and education. Among Social Cash Transfer recipients in Zambia, the incidence of reported illnesses as observed in the month before the survey decreased from 42.8% to 35%, while 50% of all youth (aged 7 - 17) in households receiving the grant who were not in school at the baseline were enrolled at the point of evaluation. In Malawi, program evaluations observed and noted decreases in school absenteeism and an increased use of curative health care services. In Kenya and South Africa, cash transfers to children were shown to have increased secondary school enrolment by 8% while school feeding in low income countries generally increased school attendance and educational achievements¹¹.

Growth: An evolving evidence base demonstrates that social protection is essential for pro-poor and inclusive economic growth. Those low-income countries that have successfully used social

⁶ ILO (2010); DFID (2011)

⁷ DFID (2011)

⁸ Vincent and Cull (2009)

⁹ Aguero, M. et al (2007)

¹⁰ Kristjansson B. et al (2009)

¹¹ Bundy, D. et al (2009)

protection systems to reduce vulnerability and inequality and to build human capital have been able to grow faster than other countries¹². Cash transfers assure the poorest households a minimum, consistent level of consumption which allows for greater investment in future production. Cash transfers also prevent negative coping strategies (such as asset sale) during shocks and they preserve productive capacity. Beneficiaries of Social Cash Transfer programs invested in productive inputs and hired more farm labor in Malawi and increased cultivation of cash crops in Zambia. Well-designed social protection programs increase engagement in the labor market by reducing loss of work due to ill health and by covering opportunity costs that are related to job seeking and the need for child care. Recipients of the pension and disability grant in South Africa had labour force participation rates 11-12% higher and employment rates 8-15% higher than comparable non-participants¹³. When combined with other interventions, cash transfers can help poor households to access credit. In Zambia, the Social Cash Transfer pilot led to four times more households engaging in investment activities and a doubling of the amounts invested¹⁴. Cash transfers have multiplier effects, stimulating the wider local economy¹⁵.

Social Cohesion: Evidence from post-conflict countries such as Rwanda, Sierra Leone and Nepal shows that social protection contributes to lasting peace and security and to the rebuilding of the social contract between the state and citizens¹⁶. Social protection addresses some of the root causes of social exclusion and discrimination.

Overall, pensions, disability and child welfare grants in South Africa have been key elements in citizenship and state building since the end of Apartheid. In Botswana, the social pension is considered the government's most effective mechanism for tackling poverty, and supporting social stability encouraging the high investment behind Africa's fastest growing economy¹⁷.

Risk Management: Social protection enables the poor to protect assets against shock, thus protecting longer term income potential and allowing households to make further investments. UNICEF research in South Africa found the percentage increase in the poverty headcount which occurred as a result of the 2008-9 international financial crises would have doubled without the Child Support Grant¹⁸. Farmers with a guaranteed level of income on the Employment Guarantee Scheme in India invest in higher yield varieties¹⁹.

Poverty Reduction: the International Labour Organisation (ILO) undertook an extensive review of evidence from non-contributory cash transfer programs in developing countries in 2009 and concluded that these transfers "make a significant contribution to addressing poverty and vulnerability amongst the poor and poorest households in developing countries"²⁰. Economic modelling in 2006 showed that in Malawi the 2006 national ultra-poverty rate of 22% would have been reduced to 12% if all of the ultra-poor and labour constrained households had been reached by

¹²Figazzolo, L and Weedon, E. (2011)

¹³ Vincent and Cull, (2009); Figazzolo, L and Weedon, E. (2011)

¹⁴Figazzolo, L and Weedon, E. (2011)

¹⁵Davies, S. and Davey, J. (2007)

¹⁶Holmes, R. (2009)

¹⁷OECD (2009)

¹⁸UNICEF (2012a)

¹⁹OECD (2009)

²⁰ILO 2010

a social pension scheme. Similar modelling undertaken in South Africa showed that the national poverty headcount would be 5% higher without the old age pension (40% compared with 35%). Besides directly reducing income and expenditure poverty, the range of outcomes outlined above contributes to long-term poverty reduction by building resilience to shock through asset accumulation and breaking the inter-generational transmission of deprivation²¹.

Finally, experiences with social protection in Africa and in nations that have made the transition from relief to development also provide evidence of best practices in the design and implementation of social protection programs and which dispel any concerns associated with social protection.

Dispelling the Myths:

- **Conditionality is not essential to achieve human development goals:** Most African cash transfers have not verified conditionality, yet evaluations in Kenya and Malawi show effects on human development indicators are still large and significant. This is important to note in a low income country context, given the very high costs of monitoring conditionality and where government services remain long distances away from some households.
- **Cash transfers do not create dependency, they promote independence:** Amongst the working poor, well-designed cash transfers in developing countries do not create disincentives to work and save; in fact they create incentives to work and to invest in productive activities and human development, and they increase future income generating potential of the household. Generally, the amounts provided through social protection programs are too small to induce a disincentive to work. In fact, some vulnerable groups, due to age or disability, are unable to undertake productive work and without social protection are dependent on extended kin or community charity for their survival. Providing social protection to these groups fulfils the obligation of the state as duty bearer for protecting the diverse social needs. This not only provides them with independence and dignity in meeting their basic needs but frees up the resources of family and community for productive investment. There is also a wealth of evidence, as highlighted above, that transfers are used by such groups as the elderly to invest in the human development and future income generating capacity of the household. These actions increase participation in the economy and reduce the intergenerational cycle of poverty.
- **Social protection is affordable:** Even low income countries can afford a basic package of social protection, where scale up is managed incrementally as resources increase and impact of the investment is demonstrated. This is true in the context of Liberia and will be expanded upon in section 5, under Policy Objective 2.

Best Practices:

- **Importance of a systems approach:** Social protection programs perform better if important interactions between them are exploited, making the overall system well-coordinated and effectively integrated in order to address risks throughout the life cycle. This approach is followed in most developed countries and others including Nepal, South Africa, Namibia and Mauritius.

²¹ Holmes, R. (2009)

- **Importance of a long term perspective:** To positively impact poverty reduction, social protection needs to be of sufficient value and coverage and it must be timely and predictable. Achieving timely transfers in low capacity environments is possible with investments in capacity building and monitoring.
- **Importance of national ownership:** Programs such as the Vision 2020 Program in Rwanda is one of the most notable examples of a program entirely rooted in the national development strategy, with a strong commitment of the central government. This has led all donors to align their activities with the government's strategy.
- **The political economy of social protection and targeting in low income countries:** The administrative costs and challenges of poverty targeting when so many households are poor is certainly costly and demanding to implement and it generates errors of exclusion²². The evidence suggests that the best way to benefit the most vulnerable may not be to target them exclusively; rather it may be more beneficial to the most vulnerable by providing them access to more universal programmes. In Africa these more universal forms of targeting and entitlement-based programs are generally more popular, gain more political traction and ultimately attract more funding than narrow poverty-targeted programs – as evidenced by the fact that the biggest government (rather than donor) funded programs are based on targeting vulnerable categories of the population.

2.3 The Need for Investing in Social Protection in Liberia

Recognizing the shortcomings of the Lift Liberia PRS and capitalizing on the gains made, the Government of Liberia has articulated a new medium-term economic growth and development strategy, - '**Agenda for Transformation**' (**AfT**) that focuses on results to guide development activities in Liberia from recovery to inclusive growth and wealth creation. This medium term plan is linked to the long term national vision, '**Liberia Rising**', to achieve middle income status by 2030

The **AfT** is built on three fundamental assumptions: (1) the recognition of the importance of peace and security to growth and development; (2) that economic growth alone is insufficient to bring about the transformation that Liberia needs; and (3) the need to take additional policy measures more directly focused on reducing inequalities. The **AfT** draws on lessons from Liberia's history, where inequitable growth and marginalisation of large sections of the population was a major contributing factor in the conflict.

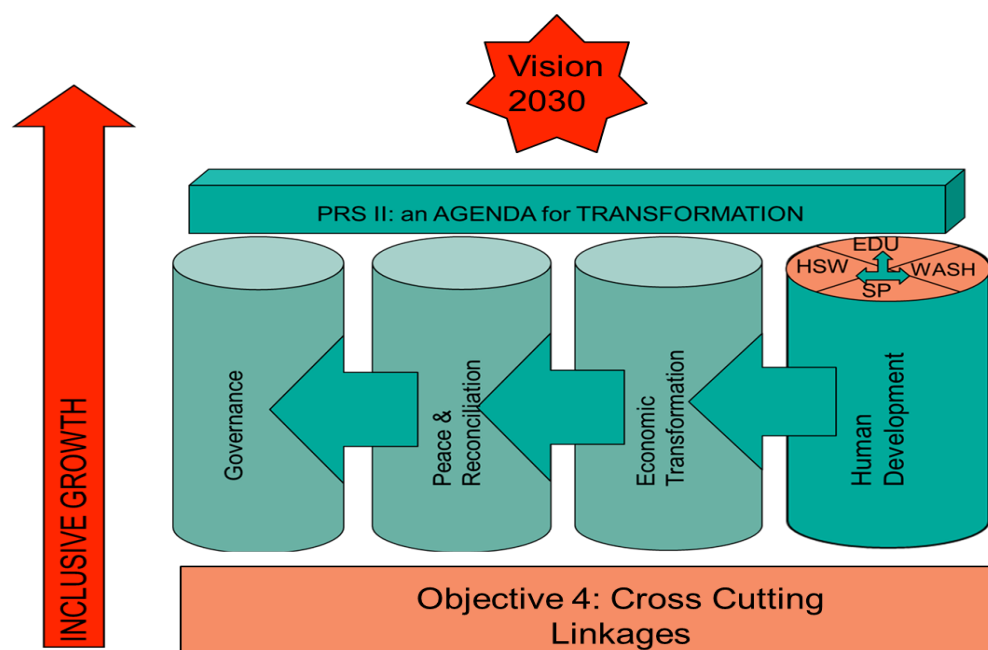
The vision of achieving middle income status in 2030 is not only about growth in per capita income: it is about a greater proportion of the population accessing their rights to access a minimum standard of living and minimum level of services -- thus sharing in the growth of the economy and experiencing a better quality of life. The **AfT** takes steps to ensure that resources are directed at programs supporting redistribution of wealth, investment in public goods and sustainable and equitable growth and which uphold the responsibility of the government of Liberia as duty bearer protecting the rights of all citizens, through four strategic pillars: Economic Transformation; Peace and Security; Human Development; and Governance.

Improving quality of life for the 1.7 million people under the extreme poverty line, while at the same time caring for the specific problems of vulnerable groups, are challenges which require an effective

²² DFID (2009); Stewart, S. and Handa, S. (2008); Ellis, F. (2011); Miller, C. et al (2008)

social protection policy and programs. A critical component of the human development pillar, alongside Health and Social Welfare, Water and Sanitation, and Education, is the Social Protection Sector. As Figure 2 below shows, social protection also cuts across sectors, and as such is relevant to the strategies and actions to be realised under each of the other 4 pillars of the **AfT**. A well designed social protection system can therefore support achievement of wider national objectives and developing such a protection system and its cross sector linkages can be essential to overcoming challenges to Liberia’s national development.

Figure 2: Social Protection and Cross Sector Linkages



Peace and Reconciliation: The GoL recognises the imperative of maintaining peace and security as a precondition to achieve economic growth and is committed to addressing the root causes of conflict and increasing social, economic and legal justice. Social protection will support these efforts by addressing constraints which threaten to jeopardise future stability. It will also address the unmet needs of the large numbers of vulnerable youth for skills development and increased employment opportunity. Strong social protection will provide tangible evidence to people of the dividends of peace, transferred from the Government of Liberia to those who have been marginalised from development and supporting them to fulfil their basic human rights. Ultimately, this will support social cohesion and trust and build the social contract between the state and citizens.

Human Development: A social protection system will reinforce actions in the health and education sectors to overcome the constraints to human development. Social transfers will also complement the GoL’s efforts to expand and improve the supply of health and education services while simultaneously investing in Liberia’s people as a matter of right. These investments will reinforce wider development objectives, reduce the risk of conflict, and catalyze economic transformation for better oversight of public institutions. Finally, social protections will make it possible to exploit synergies and efficiencies in the delivery of services under the Human Development pillar through

investments in decentralized administration channels and by linking vulnerable groups to wider social welfare services.

Economic Transformation: The social protection system complements the GoL's priority actions to overcome the binding constraints to increased investment in agriculture and small enterprise development in Liberia – lack of infrastructure and lack of access to finance and skill development. Labour-intensive programs will be a stabilizing force providing employment opportunities to those without alternative livelihoods, while at the same time yielding valuable infrastructure investments which contribute to regeneration, agricultural production and access to services which can stimulate the economy. Cash transfers can enable poor households, or smallholder farmers, to access the skills training, financial services and markets required to enter productive employment.

Governance and Public Institutions: In order to execute a long-term agenda of wealth creation, Liberia will need an efficient and streamlined administration at the national and local levels. The social protection system will complement efforts at decentralizing service delivery and de-concentrate fiscal resources through fostering innovation in system administration. The incremental process of realising sustainably financed cash transfers will be instrumental to creation of a mechanism for locking-in, managing and sharing future revenue from natural resource exploitation.

2.4 Legal and Political Mandates for Social Protection

The strategy and policy document draws its authority from prevailing legislation and Conventions.

2.4.1 Domestic Arrangements

The Liberia Constitution enshrines the right of all citizens to opportunities for education, employment and livelihood and the role of the government in realising these.

Article 6: The Republic shall provide equal access to educational opportunities and facilities for all citizens to the extent of available resources.

Article 8: The Republic shall direct its policy towards ensuring for all citizens, without discrimination, opportunities for employment and livelihood under just and humane conditions, and towards promoting safety, health and welfare facilities in employment.

Article 11:

(a) All persons are born equally free and independent and have certain natural, inherent and inalienable rights, among which are the right of enjoying and defending life and liberty, of pursuing and maintaining the security of the person and of acquiring, possessing and protecting property, subject to such qualifications as provided for in this Constitution.

Article 18:

All Liberian citizens shall have equal opportunity for work and employment regardless of sex, creed, religion, ethnic background, place of origin or political affiliation, and all shall be entitled to equal pay for equal work.

Domestic legal instruments provide the framework for legal action on social protection issues: i) the 1972 Executive Law; ii) the 2005 Act Establishing the Commission on Disabilities; iii) the Children's Law; iv) the 1975 Public Health Law; v) the Education Law which mandates that primary level education is free and compulsory to all; and the and the National Social Security Act. These instruments frame the public aspirations and define the basic standards for social services as well as imposing the responsibility on the government as duty bearer.

The 1972 Executive Law:

The Executive Law of 1972 provides the legal mandate to the Ministry of Health and Social Welfare (MOHSW) to develop and manage a social welfare system for Liberia and the mandate of the Ministry of Gender Development (MOGD) for managing issues related to women and children, complimentary to MOHSW. Under the law, the Department of Social Welfare within the Ministry of Health and Social Welfare, is to ensure, through the provision and/or regulation of services, the proper care for children in need of special protection, protect the elderly, pensioners, and rehabilitation of the disabled, promote child welfare and provide assistance for victims of public disasters.

The Children's Law:

Article 3 of the Children's law states that every child has the right to a standard of living adequate for her or his holistic development, the right to access all medically necessary health care and the right to education and the right to access adequate food, safe and clean water and nutrition.

Article 4 mandates the provision of support to caregivers in difficult circumstances including prioritizing the needs of a parent of a child with disabilities and a grandparent taking care of grandchildren.

Article 7 mandates for policies and programs and the passing of laws that alleviate, mitigate, and address the effects of situations of vulnerability for vulnerable children including orphans, child headed households and children living with disability.

2.4.2 Conventions

Liberia is a State Party to several conventions relevant to social protection: i) the Convention on the Rights of the Child, ii) the International Covenant on Economic, Social, and Cultural Rights, iii) the African Charter on the Rights and Welfare of the Child, iv) the Convention on the Elimination of All forms of Discrimination Against Women, v) The African Charter on Human and People's Rights, and vi) the Convention on the Rights of Persons with Disability.

At the heart of all of these conventions are the entitlements set out in the Universal Declaration of Human Rights. Internationally, the Universal Declaration of Human Rights (1948) recognizes social protection as a fundamental human right for all citizens of the world:

Article 22: "Everyone, as a member of society, has a right to social security and is entitled to realisation through national effort and international co-operation and in accordance with the

organisation and resources of each State, of the economic, social and cultural rights indispensable for his dignity and the free development of his personality.”

Article 23.3: “Everyone who works has the right to just and favourable remuneration ensuring for himself and his family an existence worthy of human dignity, and supplemented, if necessary, by other means of social protection.”

Article 25: “Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family, including food, clothing, housing and medical care and necessary social services, and the right to security in the event of unemployment, sickness, disability, widowhood, old age or other lack of livelihood in circumstances beyond his control. Motherhood and childhood are entitled to special care and assistance.”

Convention 102 of the ILO provides a widely accepted framework for social protection systems. As a goal for all countries, the ILO has set the provision of “universal access” to social protection in order that all elderly, children and people with disabilities enjoy income security. The African Union’s Social Policy Framework sets out commitments to build such social protection systems, based on a social protection floor that provides a minimum level of support to protect against shocks throughout the lifecycle including in childhood, unemployment, disability and old age.

Article 34 of the Constitution emphasises the mandate of the Legislature in the execution of international agreements ratified by Liberia, including through the passing of other necessary laws.

2.4.3 Sector Policies

A number of Liberia’s sector-specific policies aim at guiding the implementation of interventions for the welfare of poor and vulnerable members of society by incorporating social assistance. This coordinated and cross cutting strategy therefore contributes to the following goals:

2009 National Employment Policy: the Ministry of Labor (MOL) has adopted a two-fold approach to unemployment: first, scaling up emergency unemployment schemes and coordinating them through the Government and, second, encouraging sustainable productive employment through skill development, incentives in agriculture and promoting SMEs. Social assistance programs developed under this strategy and policy will contribute to both of the aforementioned objectives. Labour intensive public works and other innovative work based programs can provide predictable employment for the poorest while also improving their access to training, financial and other services they require to realise their productive potential.

2008 Basic Package of Health and Social Welfare Services (BPHS): the Minister of Health has suspended user fees for essential health services. The social protection strategy and policy will complement this action through the provision of cash transfers to the poorest and cross sector linkages to improve awareness and referring vulnerable groups to the health appropriate services they need. Generally, these actions will improve universal access to health in Liberia.

National Health and Social Welfare Policy and Plan (NHSWPP) 2011-2021: Under this Plan the MoHSW recognises the need to broaden coverage of social assistance and insurance services and to

decentralise health and social welfare services. Naturally, there are synergies between the NHSWPP and this social protection strategy and policy at all levels. Programs delivered under the social protection policy objectives will target the vulnerable groups including the disabled, female and child headed households, vulnerable children and the aging, which the MoHSW has the mandate to support. These programs can achieve the primary objective of the NHSWPP to broaden the coverage of social assistance and social insurance services in a way that strengthens the capacity of the targeted populations to cope with various short and long term vulnerabilities while supporting capacity building for service decentralisation. Finally, these programs will complement efforts of the MoHSW to ensure access to the Essential Package of Social Services (EPSS).

Food and Agriculture Policy and Strategy (FAPS): The implementation of this social protection strategy and policy will support the achievement of the 3 core objectives of the FAPS; (1) improving national food and nutrition security by making food accessible to the population and supporting rural employment through income support programs that enable the poorest households to meet their food needs; (2) school feeding interventions; and (3) cash transfers linked to labour programs that provide crucial employment for poor households unable to access productive employment. This strategy will contribute to the objective of enhancing agricultural productivity by simultaneously supporting the provision of rural infrastructure and improved farming systems. By focusing on addressing the needs of vulnerable groups including women and unemployed youth, the strategy can effectively strengthen human and institutional capacities.

Food Security and Nutrition Strategy (FSNS): Interventions under the FSNS can support the realization of the fundamental human right of food security for all. Besides directly contributing to the objective of strengthening safety net programs, social protection interventions can enhance access of the poorest and most vulnerable to factors of production whilst labour-based social protection will create infrastructure contributing to improving markets. Both strategies prioritize the needs of food insecure and nutritionally vulnerable groups including the elderly, female-headed households, orphans, and HIV-affected households.

Gender Policy: The policy highlights the essential role that women and girls play in Liberia's economy and seeks to address the structural constraints that hinder them from fuller participation in economic activities. This social protection strategy and policy identifies the needs of women as a particular vulnerable group to be supported by social protection interventions. Women will be directly targeted for cash payments on cash transfer interventions, and will be linked to wider credit, training, extension and information services as well as essential maternal health services. Important synergies exist between actions aligned to the policy objectives of this strategy and policy document and several of the priority areas for intervention under the Gender Policy. Among these priority areas are economic empowerment, agriculture, employment, vulnerable groups (Girl child, Pregnancy; and PLWHA); and ensuring sex disaggregated data.

Youth Policy: The social protection strategy and policy recognises the needs and constraints facing young people and prioritises them for support through employment-based social

protection schemes linked to skills building as well as through including youth in the delivery and monitoring of social protection. This will contribute to the objective of the National Youth Policy of promoting the full participation of young people in the development process.

3. Poverty, Vulnerability and Inequality in Liberia

Liberia is a nation with a population of 3.5 million living in 650,000 households²³ and was ranked 182 out of 187 countries in the 2011 Human Development Index. The country is administered as 15 Counties. The population is predominantly rural (around 70%) and is growing at 2.1% per annum and the national economy is highly dependent on agriculture and smallholder farming.

Liberia has made extraordinary progress in the years since the end of the civil conflict. By 2013, Liberia will have crossed the 10 year milestone within which post-conflict countries face the threat (a 50% chance) of relapsing into violent conflict. During this period the GoL drafted and completed the first PRS, 'Lifting Liberia', under which several achievements stand out. There has been sound economic growth since 2006, associated with the government's pursuit of policies aimed at promoting economic revitalization. Real gross domestic product (GDP) has increased steadily. In fact, the average per capita GDP in 2010 was USD 247 and the annual national budget for 2011-2012 was about USD 488 million. Other achievements include achieving relief of Liberia's \$5 billion external debt; establishing anti-corruption mechanisms, establishing a land commission, a truth and reconciliation commission, a human rights commission and the law reform commission; undertaking a national visioning exercise; civil service reform; and developing and beginning implementation of a decentralization framework for services. Liberia also fares far better than other countries in the region in terms of corruption, ranking 91/183 countries in the corruption perceptions index 2011²⁴.

Poverty analysis has identified that while significant gains have accrued on account of the Lift Liberia PRS, these gains have been unequal and have not reached a significant proportion of the population. This section of the population remains extremely poor and vulnerable to shocks and stress and are unable to access labour markets or services. This represents a threat to continued stability in Liberia and to future development and economic growth.

3.1 Characteristics of Poverty

In Liberia, the incidence of poverty was estimated at 63.8% in 2007, with extreme poverty at 47.9%²⁵. This means that 2.2 million people are absolutely poor, of which 1.7 million are extremely poor. Poverty is also predominantly a rural phenomenon in Liberia, with a rural poverty incidence of 67.7%. Extreme poverty in urban informal settlements, particularly around

²³LISGIS (2008) Population Census

²⁴Transparency International 2011

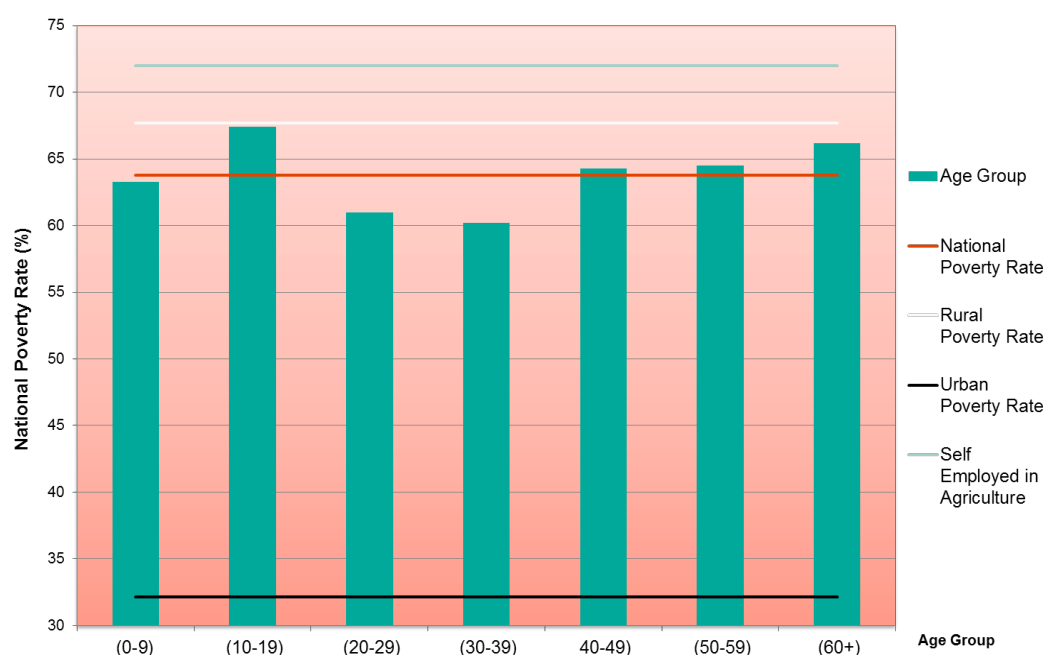
²⁵ On the basis of the consumption data in the CWIQ 2007: The rural Poverty Line²⁵ is estimated at USD 357 per year, while the urban is at USD 504 per year.²⁵ The food poverty, or extreme poverty line, defined as the minimum income needed to consume a calorie intake of 2100 is USD 0.67 per day per adult equivalent, equivalent to USD 242 per year.

Monrovia, is also a challenge which is likely to continue to grow, and is further compounded by the many risks and vulnerabilities that poor households in urban areas face.

Poverty is strongly linked to age. Almost one third of the population is between 0 and 9 years of age and 63.3% of these children are living in poverty, whilst almost a quarter of the population belongs to the range 10 to 19 year-old and the share of poverty for this group is 67.4% which is higher than the national poverty indicator. Older people above the age of 60 also have a share of poverty above the national poverty indicator, at 66.2%. This is unsurprising given that these groups are less able to undertake productive work. Illness, disability and the role as caregiver also limit a household's ability to undertake productive work. Households whose household heads are labour-constrained for the above reasons are among the most asset-deficient.

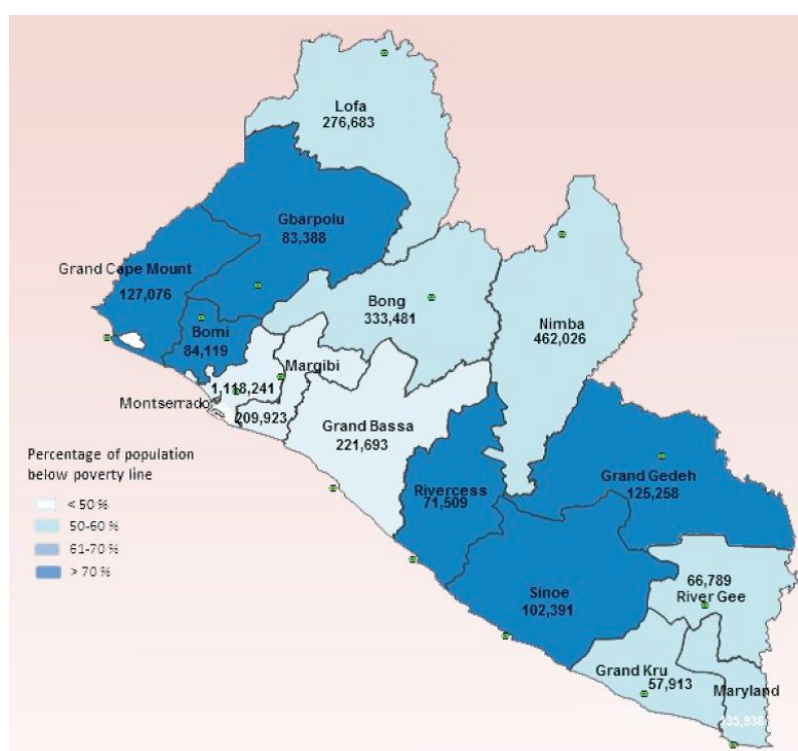
Of those people active in the labour market, poverty also correlates with occupation. Almost 70% are employed in the informal sector and poverty is concentrated here. Households whose head is self-employed in agriculture (33% of the population) have a poverty share of 72%, well over the national poverty indicator. These relationships are illustrated in Figure 3.

Figure 3: How Poverty Correlates with Age, Location and Occupation



Geographically, the South East and the North West of the country are proportionally the poorest regions, as illustrated in Figure 4.

Figure 4: How Poverty Varies Geographically



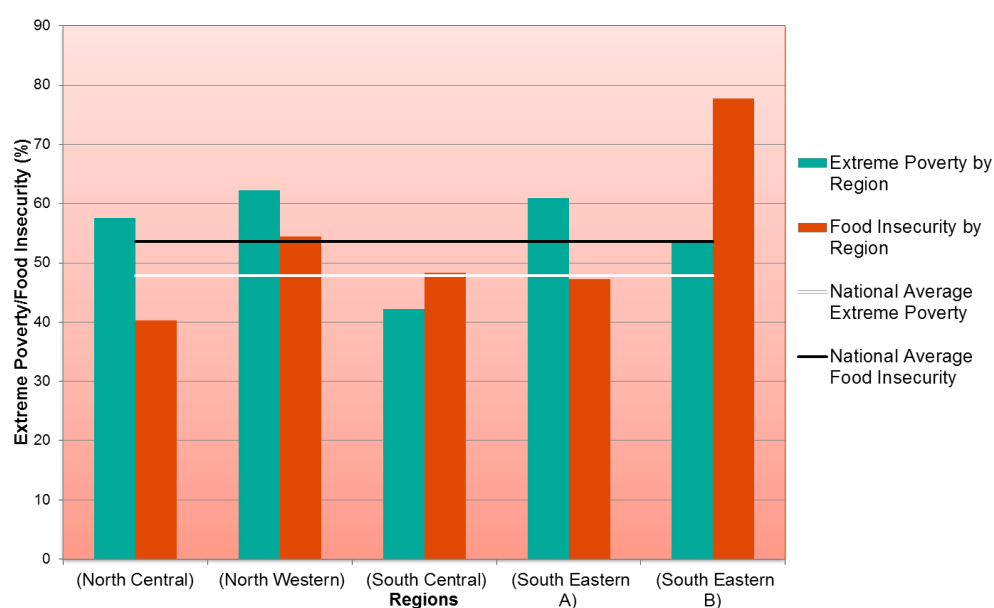
3.2 Poverty and Food Insecurity

Vulnerability to poverty is strongly correlated with food insecurity. Thirteen percent of Liberian households are food insecure and 28% of the population is vulnerable to food insecurity²⁶. Food insecurity is linked to household shocks and seasonal difficulties in accessing remote counties and it is connected to low productivity among rural communities. The areas with the poorest road networks are the most food insecure. As demonstrated in Figure 5, the counties that make up the south-east (River Gee, Grand Kru and Maryland), and north-west (Bomi County) of the country are some of the poorest in the country and here levels of food insecurity reach or exceed 75%. Liberia depends heavily on imports of rice as its main staple food and is vulnerable to price volatility on international markets. Costs of a basic food basket rose by 22% between 2007 and 2008. Specific groups are identified as being more vulnerable to food insecurity such as households headed by widows/widowers; households headed by the elderly (above 60 years old); and households with a chronically sick or disabled member. While food insecurity impacts all members of a household, its effects are particularly pernicious on children. In Liberia 39% of children are stunted and 19% are underweight²⁷.

²⁶CFSNS 2010

²⁷CFSNS 2010

Figure 5: How Poverty Correlates with Food Insecurity



3.3 Poverty and Livelihood Constraints

3.3.1 Lack of productive labor and lack of access to productive employment

An analysis commissioned by the UN in 2008, **Social Protection Issues in Liberia**, estimated that the 47.9% of the population which is extremely poor could be said to comprise some 300,000 households. Of these households, approximately 17% were estimated to be extremely poor due to *structural factors*, in that they do not have sufficient adult labour in the household to undertake productive work and had no formal means of support²⁸. This included households headed by children, elderly, a person living with a disability or with a chronic illness. The study also included households headed by an adult fit for productive work but who was unable to work due to their role of caregiver for four or more dependents. These households were considered poor because they were ‘labour constrained’. Lack of household labour is cited in 20% of cases as a reason preventing an increase in household production²⁹.

The remaining 83% of these households were estimated to be extremely poor because of a *variety of factors including limited* opportunities to engage productively in economic activities. Further, these households were considered to be extremely poor because they did not have access to productive employment which would enable them to meet basic needs³⁰. Finally, for Liberia vulnerable employment is estimated at 77.9%³¹.

It must be noted that this analysis only presents a snapshot of poverty at a particular point in time and doesn’t reflect population dynamics or the dynamic nature of poverty which means that people and households will continue to move in and out of extreme poverty over time.

²⁸ Schubert, B. (2008)

²⁹ CFSNS (2010)

³⁰ Schubert, B. (2008)

³¹ Labour Force Survey (2010)

However, it is a useful reflection on the scale of and basic underlying causes of the problem of extreme poverty in Liberia.

3.3.2 Causes of Under-Employment

Under-employment is due to a combination of factors. For example, in rural areas an inadequacy of transport and other infrastructure (financial services, irrigation, storage) leads to a lack of integration and coordination of markets - a binding constraint for productivity in the agricultural sector. A number of other constraints also prevent rural households from increasing household level production such as lack of seeds (28%), tools (48%) and fertilizer/pesticides (14%); and lack of finance (13%)³². While land availability per se is not an issue and population density is relatively low, lack of access on account of lack of clear property rights does constitute a serious problem in Liberia.

Many young people in Liberia essentially missed out on their right to education due to the conflict and today, they generally lack the skills required to engage in productive employment. More than half of the country's youth (18 – 35 years old) are under- educated or trained to be absorbed into the labour sector³³. Those in the informal sector also lack access to finance and other services because of lack of collateral and the poor development of services appropriate to the needs of the sector. In the '**World Bank Doing Business**' survey, 39.8% considered access to finance as the number one constraint of the business environment, compared to roughly 20% in Sub-Saharan Africa³⁴.

These factors constrain the livelihood opportunities of a large proportion of the population and prevents them realising their right to decent work enshrined in the Liberian constitution. The number of unemployed or under-employed youth represents a threat to maintenance of peace and security, a precondition to achieve economic growth while infrastructure gaps are understood from the Growth Diagnostic to be one of the binding constraints to accelerating growth.

3.4 Poverty and Access to Services

Liberians face important barriers to accessing essential social services (education, health, water and sanitation) particularly in rural areas. The majority of the population live over 5 km away from health facilities and as Figure 6 illustrates, this inability to access social services combined with the inability to pay for transport and fees (if services are available) prevents the poorest from meeting their most basic health needs.

The maternal mortality rate is extremely high at 994 deaths per 100,000 live births and this impact is felt disproportionately by the poorest women who are less able to access maternal health services. The frequency of maternal deliveries in 2007 was only 18% for women in the lowest income quintile, compared to a national average of 37%³⁵. Child malnutrition is a critical problem - caused by a

³² CFSNS (2010)

³³ CWIQ (2007)

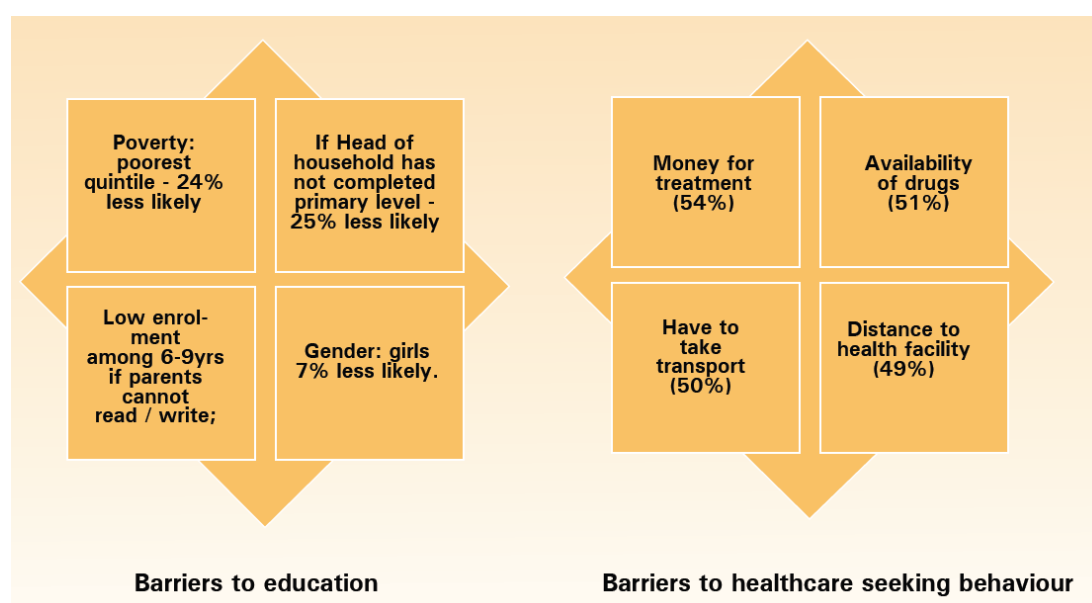
³⁴ MoPEA (2012)

³⁵ UNICEF (2012b)

combination of access to nutritious food as well as poor access to health services and inadequate care practices.

Only 37% of the primary school age population are enrolled in school, further strengthening the causal link between poverty and education. Given that an entire generation of young people in Liberia missed out on a decent formal education due to the conflict, the next generation continues to experience challenges accessing education – the net primary school attendance rate has fallen to just 22.6% for children in the lowest quintile of income distribution³⁶. Thus the lack of human capital development very clearly contributed to the intergenerational transmission of poverty.

Figure 6: Barriers to Accessing Services



Access to food and basic services is a fundamental human right which is enshrined in Liberia's national laws. Left unaddressed the lack of human capital development could become a binding constraint to equitable growth, and is critical in order to foster inclusiveness and stability in the medium- to long-term³⁷.

3.5 Poverty and Vulnerability

Particular vulnerable groups within society are likely to be most affected by all these deficits since they are less likely to be able to access factors of production, more likely to be dependent on others for their basic needs and more likely to be exposed to risks of violence, exploitation, discrimination, abuse and neglect. In Liberia these include children and young people, women, the elderly, people living with disabilities and HIV/AIDS. Measurements of essential asset deficiency highlight the concentration of poverty within these groups, with households whose household heads are elderly or disabled among the most asset-deficient. Persistent gender inequality in Liberia is reflected in substantial gender disparities in the workforce, control over resources, secondary education and literacy, and high rates of gender based violence. Those who are widows, divorced or

³⁶ LISGIS (2007)

³⁷MoPEA(2012)

separated (11.8% of the population) have a poverty rate higher than the national average, at 68.8% compared to 63.8%³⁸. An estimated 3.25% of the population are living with disabilities and almost 110,000 individuals are thought to be living with HIV/AIDS (2008 figure), affecting their ability to earn a living and leading to social marginalisation. Demographic trends over the next decades which include a growing number of elderly³⁹ and the continued impact of HIV/AIDS will increase the number of vulnerable groups in Liberia.

In Liberia, there are also large groups of the population suffering from specific problems created by the war: these include internally displaced people and those who need to be repatriated, ex-combatants, orphans, former child soldiers and women who were exposed to sexual violence. Today, about 4,700 children are living in institutional care in Liberia, and the size and population of urban poverty pockets has increased. This has created at-risk communities in areas where they previously did not exist. One in three Liberians lives in and around the capital Monrovia where the population density exceeds 1,500 persons per square mile. The social problems common to extremely overcrowded areas— informal settlements with poor shelter and sanitary conditions, communicable diseases, poor transport, high crime, endemic shortages of public services, and extreme vulnerabilities are common and rising.

3.6 Maintainers of Poverty

Extremely poor families and vulnerable groups living on low and volatile income sources are vulnerable to the risk of falling further into poverty due to their inability to guard against risks or shocks. While asset accumulation is a major factor managing economic risk, the poor in Liberia have extremely limited ability to accumulate assets due to a persistent lack of infrastructure, services and means. People also have a limited ability to engage in coping strategies and the most vulnerable are often excluded from traditional coping systems, such as community savings organisations (known locally as ‘Susu’) that can help to guard against household shocks. An estimated 85% of the active work force has no access to pensions, insurance policies, sickness benefits or job security. Even small shocks result in a resort to negative coping strategies resulting in low school attendance, poor health and nutrition, asset sale and increase in child labour. These drive longer-term adverse outcomes in cognition, productivity and asset accumulation, generating a vicious cycle that sustains households in extreme poverty generation after generation.

4. Overview of Social Protection in Liberia

4.1 Current Social Protection Interventions in Liberia

At present social protection spending equates to approximately 1.6% of GDP. Figure 7 below illustrates the shares of known overall expenditures in non-contributory programs as a percentage of GDP and as a percentage of the government budget, respectively, highlighting a positive trend from 2008 to 2010⁴⁰. However the vast majority of this (93.8%) is donor funded and relates to short term, project based social assistance programs which are primarily delivered as in kind (food) assistance

³⁸ CWIQ (2007)

³⁹ LISGIS (2008)

⁴⁰ Figazzolo, L and Weedon, E. (2011)

(1.5% of GDP). There is at present very little public or private expenditure on programs providing income security.

Figure 7: Share of the Overall Spending by GDP and the State Budget

	2008	2009	2010	2011	Average 2008-11
%GDP (non contributory)	0.3%	1.1%	2.5%	2.2%	1.5%
%Budget (non contributory)	1.2%	3.2%	7.2%	5.9%	4.4%
%GDP (contributory + non contributory)	0.3%	1.2%	2.8%	2.2%	1.6%
%Budget (contributory + non contributory)	1.2%	3.6%	7.8%	5.9%	4.6%

4.1.1 Social Insurance

The Government established the National Social Security and Welfare Corporation (NASSCORP) in 1975 to provide social protection for job-related injuries, occupational illnesses, invalidity and old age retirement. Currently, NASSCORP operates two schemes: (1) the Employment Injury Scheme (EIS), launched in 1980 and (2) the National Pension Scheme (NPS), introduced in 1988. NASSCORP has an enrolment of 69,080 people with only 3,029 recipients in January to September 2010 - 4.4% of the total enrolled. An analysis of the financial situation of NASSCORP reveals that its schemes, as they are currently set up, are sustainable in the short term, but the trend of growing recipients and increasing costs in spite of the stability of enrolment is likely to lead the system toward large deficits in the medium term. NASSCORP has a third legal mandate relating to provision of social assistance however this is presently not implemented in any form.

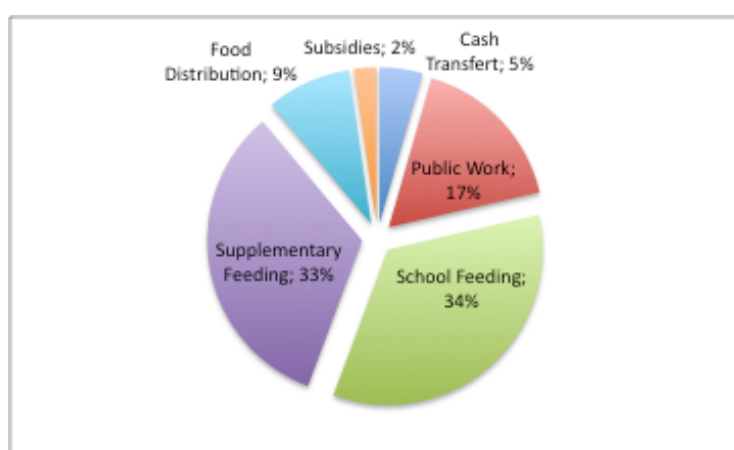
4.1.2 Social Assistance

Social assistance interventions identified in Liberia can be divided into (i) cash and near-cash transfers; (ii) public works programs in which the poor work for food or cash; (iii) in kind food transfers such as school feeding and take-home rations, nutritional supplementary feedings and food distribution during the lean season; (iv) fee waivers for health and education; and (v) general subsidies for food, energy, housing or utilities. Programs in Liberia currently focus primarily on two broad categorical groups—the food insecure and the unemployed. Coverage of projects is fairly equally distributed at the regional level.

Figure 8 breaks down the known expenditure on social assistance by type of intervention⁴¹. Social assistance programs providing in-kind transfers (food) receive the biggest share of expenditure, a total of 76% of funding—divided into school feeding (34% of the overall spending in SSN), supplementary feeding programs (33%) and food distributions (9%). Cash transfers account for only 5% of total expenditures. Similarly, of the total recipients of social assistance programs, school feeding covers 37% of the total, nutrition programs cover 31% and targeted food distributions cover 25%, while cash transfers (as a pilot) only cover 1%. Data constraints mean it is impossible to accurately estimate coverage of interventions.

⁴¹ This calculation doesn't include data for fee waivers for health and education

Figure 8: Spending on Social Assistance Interventions by Type⁴²



A diagnostic study of on-going social protection interventions identified three social assistance programs as good practices in Liberia: the Social Cash Transfer pilot program, the Cash for Work Temporary Employment Program and the Purchase for Progress (P4P) initiative. Other programs of note include school feeding and fee waivers for basic services. Full details are provided in Annex A.

Cash Transfers			
Social Cash Transfer Pilot (MoGD / UNICEF)			
Objectives	Scope and scale	Evidence of Impact ⁴³	Challenges
1. Reduce poverty, hunger and starvation in households that are extremely poor and labour-constrained. 2. Increase school enrollment and attendance and improve health and nutrition of children in targeted households.	2 years; monthly transfers Designed to fill the poverty gap; varies with household size (average US \$23.5) Small additional sums for children enrolled in school 1960 households (2012); extending to Maryland (2012)	At point of evaluation: 90% of intervention respondents had improved food intake over the past year vs. 26% of comparison respondents 92% of intervention children 6-17 were enrolled in school vs. 85% of comparison children. Health seeking behaviour by caregivers of sick children was 97% in intervention households vs. 77% in comparison households Health improved in the last year for 56% of intervention vs. 29% of comparison households Ecobank proved an efficient and effective delivery partner	Lack of full monitoring system with checks and balances to regularly monitor program activities and make programmatic improvements. Challenges with community based targeting: instances of bribery; inclusion and exclusion errors; lack of grievance procedures to provide redress those in need
Youth Employment Scheme (YES) / Cash for Work Temporary Employment Program (CfWTEP) (MoL / World Bank)			

⁴²Figazzolo, L and Weedon, E. (2011)

⁴³ Miller, C. and Themba, Z. (2012)

Implemented by the Liberia Agency for Community Empowerment (LACE) and MoYS			
Expand access of poor and young Liberians to temporary employment programs Improve youth employability in the long term	YES scales up CfWTEP which provided 40 days of income support to 17,000 Liberians, 30 days labour on community works; 10 days skills training	21% reduction of the poverty gap from the baseline on a yearly basis Households made long term investments with proportion of income (31% on education expenses; 14.2% on productive investments) Ecobank proved an efficient and effective delivery partner	80% of participants were in the bottom three quintiles of the income distribution (i.e. below the poverty line) however they have had difficulties reaching the poorest ⁴⁴
Food Transfers			
School Feeding (MoE / WFP)			
Improve food security of vulnerable children whilst impacting the overall access to education particularly for girls	Reaches +300,000 primary school children in counties most vulnerable to poverty and food insecurity with a nutritious midday meal. 2000 girls also receive take home rations in counties where gender gap is 15% or more	Internationally, school feeding is proven to improve attendance, especially take-home rations for girls – important given the need to create structured environment for child development in Liberia. Can impact on children's nutritional status and cognition Has potential to scale up relatively easily.	No detailed impact evaluations for the school feeding program in Liberia. Doesn't reach those children not enrolled in school. The need for parental contributions can limit access for the poorest. Some high food insecure areas such as Grand Kru lack access.
Purchase for Progress (MoA / WFP)			
Creating market opportunities for smallholder farmers Enabling local procurement of food transfers for school feeding interventions	Pilot project over 5 years reaching 40,000 small scale farmers in 3 counties by 2014.	Institutionalizes linkages between social assistance programs thus improving sustainability	
Fee Waivers			
Reducing financial barriers to encourage more equitable access to health and education	Reach 44% and 51% of households respectively		Families responsible for school registration fees. Some counties have less than 50% coverage of free health services; free education coverage is only 10% in some counties. ⁴⁵

4.2 Challenges and Lessons Learned

On-going social protection interventions in Liberia provide a strong foundation on which the Government can build a comprehensive, inclusive and responsive national social protection system. However, as a country recovering from a decade and a half of civil conflict, the need for social protection in Liberia remains large and multi-faceted and the social protection system in Liberia faces important challenges relating to coordination, coverage, capacity and costs.

⁴⁴ Evaluation of the CfWTEP project: 14.5% of participants were drawn from the first quintile whereas 41.5% and 28.5% were from the second and third income poverty quintiles respectively (Andrews, C. et al (2011))

⁴⁵ LISGIS (2007)

Issue	Challenges
Coordination	• No national vision or plan for social protection and lack of effective coordination strategy • Interventions are fragmented and project based • Responsibility for service delivery dispersed across different Ministries and agencies • Lack of efficiency in delivery of social protection, and in evaluating the impact of social protection since interactions between interventions are not exploited • Lack of data prevents oversight and duplication of ongoing schemes or their accessibility to the poorest • Integration of social protection interventions into the County administration is weak
Coverage	• Most programs remain small scale relative to the level of need • Very limited investment to date in social assistance programs providing income security • Estimated the average benefit amount covers only 7%-10% of the poverty line • High degree of overlap of these schemes • The poorest and most food insecure households are typically in more remote locations and have reduced access to services • Public works programmes have had difficulty in reaching the very poorest • Social insurance schemes reach only a percentage of those working in the formal sector, providing no coverage for the vast majority of the workforce
Capacity	• Resources and skills to administer social protection are lacking in key line ministries with the mandate to deliver on social protection and county representatives • Decentralisation of services is ongoing and County administrative structures are weak in terms of decision making and delivery. • Information and data constraints • No dedicated pool of social workers trained for social protection • Capacity gaps become more acute with increasing distance from county capitals, exacerbating the historical exclusion and under service of remote communities
Costs	• A comprehensive social protection policy which meets the varied needs of a population where 48% of people live in extreme poverty will require long term, predictable finances • At odds with the unpredictable nature of donor funded, project-based aid which presently characterises social assistance interventions • Generating more national revenue is essential but will be a challenge given the many other competing demands

This social protection strategy and policy is urgently required to:

- Increase the coverage of effective social protection interventions which link to wider sector objectives
- Reduce system fragmentation and increase coordination of interventions
- Move towards adoption of cash rather than food based transfers
- Ensure benefit sizes are set at an effective level
- Address capacity constraints
- Move towards a comprehensive package of social protection interventions as capacity and resources allow
- Create fiscal space for the sustainable financing of social protection

PART II: POLICY

5. Policy and Strategic Framework

5.1 Defining Social Protection in Liberia

Social Protection is a package of policies and programs implemented as part of public action that provides income or consumption transfers to the poorest, protect the most vulnerable against livelihood risks and improve access to economic opportunities with the aim of reducing food insecurity and deprivation while increasing resilience of vulnerable households and groups to shocks.

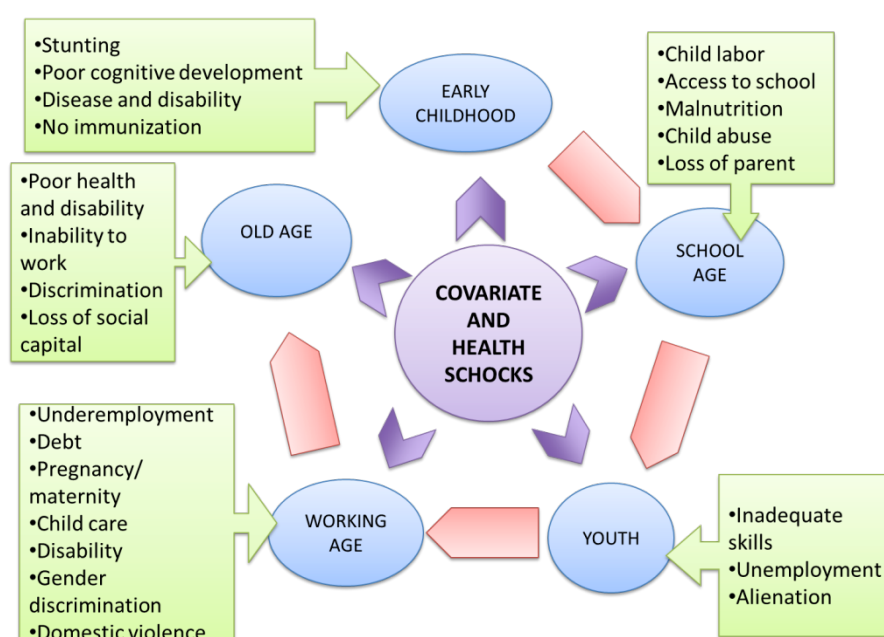
The Social Protection system in Liberia will comprise:

- **Social assistance programs:** these programs are non-contributory and will be funded by the Government of Liberia (with development partner support). These will include predictable cash transfers as well as in-kind transfers to the poorest and most vulnerable households, individuals and groups including conditional transfers where appropriate; fee waivers in order to reduce barriers of access to essential social services; and a national school feeding program to enhance access to education, in particular for the girl child.
- **Social insurance schemes:** these programs are contributory and they enable contributors to manage risk. Some will be provided and co-funded by government agencies and others will be provided by the private sector. These will include contributory pension schemes and relevant micro insurance products for workers in the formal and informal sectors. Schemes will be subsidised for the poorest and most vulnerable.
- **Social legislation:** employer-funded programs resulting from labour legislation that mandates employers to provide mechanisms protecting employees from risks, including legislation on child labour, working conditions, discrimination in the work place, maternity benefits and health and safety legislation.

The social protection system will be **protective** in that it provides essential support to those living in poverty, protecting them from the worst consequences of that poverty. It will be **preventive** in that it puts in place mechanisms to prevent people falling into poverty as a result of a livelihood shock. It will be **promotive** in that it supports poor people's investment in their future and the future of their family and for those who are fit for productive work it will provide a means to pull themselves out of poverty and graduate from the need to receive external support. The social protection system will also be **transformative**, responding to the needs of traditionally marginalised groups and defining and legislating for minimum standards, transforming relationships in society.

The social protection system will provide long-term, predictable support to the poorest and most vulnerable to enable them to better manage some of the shocks experienced throughout the lifecycle, which are highlighted in Figure 9. It will also support rapid scale-up at the early signs of a covariate shock to provide short term emergency assistance where needed.

Figure 9: Risks Experienced Throughout the Life Cycle



Social protection in Liberia is a public service sector while also playing a cross-cutting role to support wider aims of the **AfT**.

The GoL recognises that social protection, while essential, is not sufficient in itself to enable the poorest people to move out of poverty. Social protection needs to be combined with investments across a range of areas including improvements in the reach, accessibility and quality of other services, reforms enabling the underemployed to access jobs or skills training and commitments to secure basic rights and entitlements for all citizens. The GoL will also ensure that national policies are developed and implemented that indicate how specific vulnerable groups such as people with disabilities and old people will be supported.

These are the responsibility of other strategies and policies across government; however the Social Protection Policy and Strategic Objectives provide the linkages and the coordination with the relevant institutions and structures as well as indicating how the government will put in place a number of complementary services. While not social protection in themselves, these complementary services when coupled with social protection will be accessible to the poorest, provide essential support and enable poor households to invest in their own futures and to become more self-sufficient. Examples in the Strategy include pro-poor financial services, child protection and social welfare services and skills development services.

5.2 Purpose of the Strategy and Policy

- Define medium-to long term priorities to establish an inclusive social protection system that brings the poorest and most vulnerable households into the development process and that can be implemented incrementally in line with Liberia's evolving capacity and resources.

- Provide guidance for a system supporting the needs of the poorest households and most vulnerable groups throughout the lifecycle including a move to cash over in-kind transfers.
- Provide guidance for ensuring coordination and monitoring of social protection programs.
- Provide guidelines for resource mobilisation for financing of the social protection system.
- Define an institutional framework with the mandate to coordinate social protection interventions in Liberia.

5.3 Vision, Goals and Objectives

5.3.1 Long Term Vision (2030)

The mission of the social protection system is oriented towards a long-term vision, with a perspective of seventeen (17) years, drawing on evidence from international and regional experience which shows that comprehensive and sustainable social protection systems cannot be built in the short-term. This is in line with Liberia's Vision 2030, therefore the aim will be:

By 2030 Liberia will have progressively established a comprehensive social protection system that complements and contributes to equitable and inclusive economic growth by ensuring that the poorest along with the most vulnerable households, people and groups are guaranteed a minimum income and access to core public services providing security against critical levels of deprivation and extreme vulnerability through the life cycle, that those who can work are provided with the means of escaping poverty and that those in the informal sector are able to access mechanisms that protect them from risks and shocks.

The provision of this security will allow people to live with dignity and independence in meeting their essential basic needs. It will allow people to maintain a stable minimum livelihood; for those who are fit for productive work it will build confidence to develop new economic activities. In this way social protection will provide the security that is a necessary condition for equitable economic growth and national development, within the wider context of the national poverty reduction program '**Agenda for Transformation**'. The social protection system that will be built over the course of the next 17 years will comprise the following essential elements:

1. A strong, integrated system ensuring improved coordination, coverage and impact of social protection interventions.
2. A progressively expanding national system of cash transfers alongside other transfers that provide a social protection floor – a guaranteed minimum level of support - for the most vulnerable households, individuals and groups.
3. Mechanisms for increasing participation of the informal sector in the contributory social insurance system, and to ensure more people can enjoy the benefits of labour legislation.
4. Extension of access to other core services for poor and vulnerable households and individuals, in particular health, education, training and financial services to ensure the poor are able to maintain a secured minimum income and graduate out of poverty.

5.3.2 Guiding Principles

Rights and Responsibilities-based: People hold inalienable rights in the areas of survival, development, protection and participation. Social protection will promote the progressive realisation of human rights as articulated in Liberia's constitution and other relevant national and international legal instruments and conventions.

Equality in Access to Benefits and Services: Equitable access to services is a basic pillar of the Aft. Social protection services have an important role to play in helping vulnerable people to secure or expand access. Particular attention will be devoted to overcoming historical problems associated with the poor distribution of resources across urban and rural locations.

Social Inclusion: Social protection will address social as well as economic vulnerabilities, protecting the disempowered such as vulnerable women, youth and children, people with disabilities, the elderly and households affected by HIV/AIDS, against discrimination and exploitation.

Complementarity: All activities will be firmly anchored in the macroeconomic framework and priorities and objectives of Liberia.

Integration: The social protection system will be designed to ensure that services are integrated to efficiently address multi-faceted vulnerabilities. Government agencies and partners involved in social protection will commit to a common set of financial management, audit, progress, monitoring and evaluation and reporting processes, consistent with national, regional and international guidelines and indicators.

Leadership: Strong national ownership and government leadership at all levels (national, district and community) will provide for the coordination and alignment of development partners' long-term support – principles adopted within the spirit of the Paris Declaration on Aid Harmonization and the 'New Deal' on Fragile States. Decision making at the County, district and clan levels will be promoted and supported.

Needs and Evidence Based: Social protection programs will be developed based on analysis of evidence of who needs what type of assistance, when (and for how long) and where. Program design will be based on analysis of the cost-effectiveness and impact on people's lives and livelihoods. Intervention success will be based on a significant reduction in extreme poverty and food insecurity along with human development outcomes. The system will actively monitor the changing needs of the Liberian population and will expand and adapt in response as needed.

Coordination: Social protection interventions will be delivered in a timely, harmonised, reliable, manner with process decisions requiring the input of all stakeholders with clear assignment of roles and responsibilities for policy making, implementation and regulation. Sound and sustained partnerships will be developed between a diversity of actors including with organisations that represent the highest and best interests of the vulnerable. Partners will commit to a common set of standards for financial management, targeting, reporting and M&E.

Participation: Those individuals, households, and vulnerable groups who programs are designed to support will be consulted and involved in the design, planning and implementation of social protection interventions.

Accountable and Transparent: Social protection programs will be transparent, incorporating accurate and timely dissemination of information; publicity of instances involving abuse of the system; disclosure of the contract terms and unit costs of agencies selected to administer social protection interventions; robust M&E of the outcomes and impacts of social protection programs including value for money; and transparency in targeting approaches with mechanisms for redress.

Sustainable, Long-term Funding: Government and partners will be committed to reliable funding, using appropriate mechanisms that provide predictable and institutionalised funding to social protection, under Government control and sustainable over the long term.

5.3.3 Policy and Strategic Objectives

Overall Objective: To build a social protection system that tackles extreme poverty, vulnerability and inequality in Liberia while contributing to economic growth and peace and security, through social protection programs which improve food security, enhance access to basic social services and enable the working poor to access improved income.

Policy Objective 1:

Strengthen Liberia's National Social Protection System to develop a nationally owned and implemented sector delivering coordinated and effectively targeted social protection programs

Specific Objectives

- 1.1 Adopt an enabling legislation to endorse a national social protection strategy and provide legal mandate to an overall framework for a social protection system.
- 1.2 Develop a robust national monitoring and evaluation system to ensure efficiency and effectiveness in national coverage of social protection services for the most vulnerable households, people and groups and facilitate informed policy decisions.
- 1.3 Develop innovative delivery systems which improve access to social protection services in isolated food insecure areas.
- 1.4 Strengthen capacity at local and national level to deliver an effective social protection system and plan the phased introduction of agreed schemes.
- 1.5 Expand fiscal space for sustainable long-term funding of social protection interventions.

Five-Year Strategic Priorities

- Support the legislature, in collaboration with wider government and NGOs, to review legislation on social protection entitlement and programs, build a consensus on the changes needed to policy and budgeting and enact legislation (2014-2015).
- Undertake a capacity assessment of institutions and organisations involved in delivering the social protection strategy (2014).
- Scope, design and build a comprehensive, integrated electronic management information system (MIS) for social protection interventions (2013-2015).
- Increase capacity in key policy, planning and implementing organisations to monitor and deliver effective social protection programs through training, resources and leveraging technology. Develop an integrated M&E framework, procedures and tools; scoping of appropriate delivery options. (2013-2015).
- Undertake a mapping of suitable structures for community social protection committees at County and district level (2014).
- Develop a costing model and transparent budgetary framework for the policy for the next six years (aligned to the MTEF) in order to rationalise expenditure, identify leakages, make spending decisions that are aligned to political priorities, budget availability, and to secure funding on national resources (2013).

- Develop and implement a strategy for the expansion of social protection interventions including the establishment of pooled funding for social protection services in line with other social services (2013-2015).

To develop a coherent and effectively operated national social protection system a range of structures will be strengthened across all levels of government and where there are gaps new structures will be put in place. These measures will strengthen leadership, coordination and implementation of programs by government and partners and build capacity at all levels to support decentralisation, while creating efficiencies through partnerships with service providers. These actions will enable programs to be more appropriately and effectively targeted and reduce bottlenecks due to human resources, information systems, weak service delivery and funding limitations. This approach will also help build a map of who is receiving what, where whilst supporting an incremental move towards more integrated, multi-sector social protection programs at scale (these programs are detailed under Policy Objective 2). It will allow decision makers and donors to make commitments for longer term, predictable, sustainable financing which will better support efforts to fight chronic poverty and the shift from ad-hoc emergency interventions to a more developmental approach. Finally, this approach will provide long term, reliable, corruption free services cost effectively to those who need them.

INSTITUTIONS: Clear institutional arrangements will be developed and made operational by the National Social Protection Secretariat. These will build on the existing **National Social Protection Steering Committee** and its **Technical Task Teams** at the national level and will be decentralised to the county level, ensuring incorporation of responsibilities into departmental mandates. The Secretariat will be supported to develop a Plan of Action, from which annual work plans with specific targets will be developed in order to achieve the higher end objectives of the strategy and policy.

LEGISLATION: Enacting legislation will provide a legal mandate to departments within Government for delivering on the overall social protection framework and ensure that a long term perspective can be developed. Over the next five years this will include the development of systems for coordination and integration of donor financing within the national strategy to support the move to integrated programs and align funding for the sector behind national program priorities.

UNIFIED SYSTEMS: an electronic Management Information System (MIS), monitoring and delivery systems will be developed and strengthened through the widening of coverage of the cash transfer programs identified under Policy Objective 2, prior to other government-led social protection initiatives becoming integrated into these systems. This will leverage economies of scale and improve the coverage and impact of social protection resources. It will encourage complementarity between social protection programs and between social protection and other activities in the human development and economic pillars of the PRS II.

PARTNERSHIPS: The social protection system will make extensive use of partnerships to enhance implementation of social protection services, subcontracting certain functions to service providers with a comparative advantage, to leverage efficiency gains and improve accountability. This is in line with the GoL efforts to streamline government structure and functions. It will include partnerships with private sector service providers for delivery of cash transfer payments.

ACCOUNTABILITY: Mechanisms for accountability are central to efficiency and for maintaining public support for programs. The Social Cash Transfer and on-going public works programs will introduce a system for improving transparency and reducing inclusion and exclusion errors on programs. This will include publishing lists of selected recipients, creating an independent appeal process, undertaking random spot checks and independent audits.

CAPACITY BUILDING: There will be considerable investment in building capacity and leadership in social protection at all levels across government. Phase 1 will prioritise support to the National Secretariat in supporting the National Social Protection Steering Committee with coordination, policy guidance and oversight; development of County level capacity for effective handling of the administration and operationalizing of systems as a core function of County level departments; and resourcing decentralised structures of the MoHSW and MoGD, which hold legal mandate to administer a variety of social assistance and social welfare interventions.

The scope and nature of training and technical support will be informed by a capacity building assessment of all relevant institutions. Capacity assessments will identify gaps in technical skills relating to financial management, information and communication technology (ICT), M&E and targeting. A capacity building action plan in line with the objectives of the National Capacity Building strategy will outline the necessary actions to improve capacity to deliver social protection including investments to address staff turnover and gaps in human resource and logistical support. A financial management capacity assessment at County and District level will also inform the incremental move to cash-based programs. Capacity building will include:

- Plans to adequately resource key departments responsible for administration of on-going social protection programs with trained staff, ICT equipment and vehicles.
- Technical assistance established within departments of ministries responsible for coordinating and implementing social protection, and coupling County staff with skilled members of donor partner staff or other expertise. This will mean programs are delivered within government, allowing for gradual hand over of responsibilities and functions.
- Capacity building of the National Institute of Public Administration (NIPA) and other organizations and institutions to deliver relevant training on social protection.
- Training to support policy and program implementation. Practical training at sub-national level will focus on those counties prioritised for implementation of government-led social protection programs; however it will be important for all County Development Committees and Superintendents to receive technical assistance to orient them to the importance of social protection to County development. Training, procedures and tools will be developed for guidance on financial management, market assessment, targeting and grievance procedures, delivery procedures, running the MIS, and systems for data collection and analysis. Some will include community level structures responsible for supporting implementation.
- Organise study visits to social protection programs in other low income and middle income countries for key staff and Ministers.
- Plan to regularly assess needs and deliver supplementary guidance as programs evolve.

Policy Objective 2:

Provide Social Assistance to support the poorest and most vulnerable groups including children, the disabled and the elderly in attaining an improved standard of living in line with a minimum social protection floor, and which enables those with labour capacity to graduate from extreme poverty

Specific Objectives

- 2.1 Provide a regular income transfers to support the basic needs of the most vulnerable individuals and groups who due to old age or poor health cannot easily undertake productive work to provide an adequate livelihood for themselves and their dependents.
- 2.2 Ensure children from the poorest and most vulnerable households can obtain a birth certificate, access health, education and wider basic social services.
- 2.3 Improve sustainably livelihoods of the poorest and most vulnerable households, individuals and groups through increased opportunities for employment and income generation, to support them to graduate from extreme poverty.

Five-Year Strategic Priorities

- Expand progressively coverage of the unconditional Social Cash Transfer providing minimum income security to at least 25% of extreme poor households lacking sufficient adult labour in areas of high extreme poverty and food insecurity.
- Expand school feeding as a national program with national budgetary allocation, incorporating measures to improve education and nutritional outcomes especially for low income households.
- Continue to support fee waivers for universal access to essential basic services especially for health and education.
- Assess the appropriateness and feasibility of alternative social protection instruments and targeting options which more effectively and equitably include the poorest and most vulnerable groups in Liberia. This will include long term child, and old age benefits and disability grants, in line with a social protection floor, which the Social Cash Transfer can be transformed into when capacity and systems allow.
- Design and begin progressive implementation of an employment-based, time limited social protection program (Productive Social Protection Program) which provides income security to the poorest and most vulnerable households whilst building capacity for sustainable livelihood development.
- Review and compare type and quantity of benefits provided under on-going social protection interventions so as to inform future resource allocation.

Poverty and vulnerability in Liberia is widespread and multidimensional and consequently Liberia requires a comprehensive social protection system that meets the varied needs of vulnerable groups. In the short to medium term the priority for addressing these needs is through social assistance programs which will be incrementally implemented as the system develops and capacity is strengthened. Over 17 years Liberia will move to provide a targeted package of essential social protection services; initially to the poorest, most vulnerable households, individuals, and groups and progressively with expanded resources allowing a scale up with emphasis on family preservation, social cohesion and protection of particular groups, such as the elderly, children and the disabled.

This package will reduce the burden of food insecurity and malnutrition and ultimately reduce poverty by enabling households to access essential services and invest in their future. This approach is in line with the Minimum Social Protection package as defined in the Africa Union Social Protection Framework (2008) to protect against risks throughout the life-cycle and will be a step towards longer term actions in line with the United Nations Social Protection Floor⁴⁶ (UN-SPF). The UN-SPF incorporates measures to ensure income security during childhood and old age and during times affected by unemployment and disability, alongside measures ensuring access to essential services. Such a system will be realised incrementally, as capacity and financial resources allow.

In Phase 1, Liberia will move towards an integrated system for social protection and in this time will continue to develop four (4) primary social assistance instruments. This will create economies of scale to improve the efficiency of resource allocation for greater coverage; programs will be designed to respond to the causes of vulnerability and address multiple objectives. This will allow the **Ministry of Gender, Children and Social Protection (MoGCSP)** to begin to more effectively address the needs of two broad extremely poor groups; those who are extremely poor and who it is acknowledged that due to age, health or circumstance cannot easily undertake productive work to provide an adequate livelihood for themselves and their dependents (including children, elderly, disabled and households where single women are caring for many dependents); and those, especially youth, who are extremely poor due to unemployment or underemployment. These efforts will maintain a focus on addressing food insecurity and the needs of children and youth.

Building on evidence of what has worked well there will be a focus on a gradual increase in provision of predictable cash transfers, through increasing the coverage of the **Social Cash Transfer (SCT)**, complimented by an introduction of an **Old Age Grant**, and beginning implementation of an integrated national social assistance program for the economically active based on labour contributions (the so-called **Productive Social Protection Program - PSPP**). The move to cash is justified as in Liberia cash transfers are proving less expensive, in terms of operational costs, than food transfers and are having positive impact on food security, uptake of essential services and productivity. Upscale of these programs will take into account the functioning of food markets especially in isolated and inaccessible areas during the seasons of heavy rain, the financial capacity of districts and the transaction costs for the program and for recipients. Programs will continue with community based targeting approaches as part of social contract building but will ensure the process is well facilitated and accountable through a grievance procedure and regular monitoring.

School feeding continues to be relevant to the Liberia context; the scheme already has significant coverage in Liberia and until other social assistance programs are scaled up this will continue to be an important intervention for achieving the Policy objectives.

Implementing these programs will establish and operationalize basic systems for targeting, identification, record keeping and payments whilst serving to address some of the most urgent needs for social protection. These systems will serve as a platform for **delivery of new and**

⁴⁶A Social Protection Floor (SPF) is the first level of a comprehensive national social protection system. It is comprised of: Universal access to essential services (such as health, education, housing, water and sanitation and other services, as nationally defined); Social transfers in cash or in kind, to ensure income security, food security, adequate nutrition and access to these essential services.

progressive programs over time as well as ensuring recipients can access wider services such as financial services and insurance.

A. SOCIAL CASH TRANSFER

There are groups in Liberian society as elsewhere globally, who it is acknowledged that due to age or health cannot easily undertake productive work to provide an adequate livelihood for themselves and their dependents, and which the Government has a duty to protect. This includes children, the elderly, people living with disabilities and the problem of HIV/AIDS and widows as acknowledged in Liberia's legislation. Support is presently inadequate and there is a high correlation between these vulnerable groups and poverty and food insecurity in Liberia.

Programs implemented under the social protection system must support the basic needs of these diverse groups, nevertheless in the short term this must take into account present restrictions of administrative and financial capacity at national, County and sub-County level. Therefore implementation will begin with a single program, the SCT, that is simpler to administer than multiple programs and which begins to address the Government of Liberia's responsibilities towards some of the most vulnerable people⁴⁷ who fall within these vulnerable groups.

The Social Cash Transfer program has two primary objectives - to reduce poverty and hunger; and to increase school enrolment and attendance as well as improve the health and nutrition of children living in extreme poor households where there are no adults able to work - '**labor constrained**'. These are the category of households targeted. Based on the 2008 UNICEF analysis, it is estimated that of the 47.8% of the population who are extremely poor, approximately 17% can be said to be living in households which lack sufficient adult labour with which to earn enough to cover basic consumption needs. These households include those headed by children and young people, the elderly and the chronically sick and disabled, as well as those households where adults, particularly women, are caring for high numbers of dependents including children, the elderly, the chronically sick and disabled. Therefore, the SCT aims to target approximately 17% of households living in extreme poverty and simultaneously to target a number of people within identified vulnerable groups. The transfer value is designed to lift households over the extreme poverty line⁴⁸ and takes into account household size, providing additional monthly income for up to four dependents and a small increment for each child enrolled in school.

Based on the early positive outcomes from the Bomi SCT pilot and funding already secured for expansion of the program to Maryland County, the SCT will form the starting point for the GoL to extend social protection coverage more widely to vulnerable groups. This will complement other social assistance measures such as fee waivers for health and education, helping to ensure that the poorest can take advantage of these universal benefits. In Phase 1 the SCT will be further expanded, accompanied by rigorous monitoring and evaluation. The expansion in coverage will be targeted geographically to align with where extreme poverty and vulnerability to food insecurity are greatest, in rural counties in the South East and North West. Coverage will be in accordance with the poverty distribution in the county, so as to cover all households who fit the eligibility criteria rather than a

⁴⁷i.e. Those children, disabled, elderly and chronically sick who are living in households classified as both 'extremely poor' and 'labour constrained'

⁴⁸USD 211 person/year based on a food energy requirement of 2,100 kcal per adult equivalent (CWIQ 2007)

standardised, arbitrary percentage in each county. Transfers will be provided to households on a regular, predictable basis, **targeted to the woman head of the household where they exist.**

Transfers will be provided for an initial period of two years, during which time the Government of Liberia will determine the most appropriate form of support for these households, or individuals within these households, in the long term, **based on assessments to be under taken under priority action D below.** These households are extremely poor on account of their household structure, and for most households this structure (i.e. headed by an elderly or disabled person; large numbers of dependents) will remain unchanged after two years. **It is not a case of graduating these household from the SCT after two years but of continuing support most appropriate to the longer term needs of these households.** The majority will require long term support until household composition changes – i.e. when children become productive adults and when elderly people reach the end of their adult life – otherwise they will fall back into poverty. For those households whose composition changes and whose labour capacity increases, as when a disabled person recovers, they may also require additional support to enable them to access productive work.

Based on current coverage and capacity of education and health services in the country and the challenges with administering and monitoring conditions attached to social protection programs, no conditions will be explicitly set. Rather, a communication strategy will deliver messages regarding clear expectations for recipient behavior relating to access to services, in order to achieve human development objectives. These co-responsibilities will have the potential to evolve into more rigorously verified conditionality over time as service capacity increases, in the unlikely event that this is considered necessary by the Steering Committee based on program evidence.

The SCT will provide a mechanism to get essential assistance to some of the poorest people in the short to medium term whilst systems and capacity for delivering a comprehensive social protection system are developed, and will be the testing ground for implementation and improvement of these systems. However the GoL recognises that the single instrument of the SCT cannot realise all of Liberia's social protection objectives:

- A program targeted at households without sufficient adult labour will not provide for the estimated 83% of the extremely poor who are under employed. This includes a large percentage of young people identified by the GoL as a priority for support under the **Aft**.
- Whilst it provides a useful 'catch all' for simultaneously supporting some people within the various identified vulnerable groups in Liberia, it doesn't provide equally for all individuals within these groups, a large percentage of who will be excluded. Even when only considering households living in extreme poverty, those children, disabled people, people living with HIV/AIDS and the elderly living in households with less than 4 dependents cannot access support through the SCT. At present the responsibility for protecting the needs of many people within these vulnerable groups remains with the community rather than the state.
- Meeting the income support needs of disparate groups in a single instrument simplifies administrative duties but creates complications when it comes to graduation, or exit, from the program since different groups will follow different trajectories and will have different needs. Some households' circumstances will change during the two years of enrolment on the SCT and their capacity to undertake productive work will increase; however the vast

majority will continue to face the same difficulties in undertaking productive work and should be eligible for long term support.

The GoL will develop the **PSPP** to respond to the needs of those who are extremely poor on account of under employment. The GoL will undertake an assessment of broader social assistance instruments, targeting approaches and benefit levels to inform future policy development and movement towards a life cycle approach to social protection as capacity grows. These strategies are considered further under B and C below.

B. PRODUCTIVE SOCIAL PROTECTION PROGRAM (PSPP)

Assuming full coverage of the SCT, this program focuses on the needs of only approximately 17% of those who comprise the extremely poor. Over 80% of the extreme poor are poor because they are unable to access adequate employment and a large majority of these are young people. During Phase 1 a program will be designed providing predictable, time-bound income support to extremely poor households with adult labour, linked to work-related activity, alongside complementary services which build their capacity to generate own income and accumulate assets and thus move gradually out of poverty and reliance on external support.

This will build upon the successes of short term public works programs presently implemented by LACE (CfWTEP/YES program) as well as lessons from other GOL labour based programs seeking to improve future productivity such as WFPs LAR program. Providing temporary employment on labour intensive public works for extremely poor households can positively impact food security and serve as a catalyst for further economic and social development when combined with other complementary services. The program will be more than a short term emergency safety net and will not focus solely on employment through labour intensive programs. Instead it will be a longer term program that seeks to address some of the underlying causes of underemployment.

In rural areas production constraints are related to a lack of infrastructure, limited capital and inadequate access to appropriate inputs and knowledge to improve or diversify production and income. In urban areas these production constraints are often related to a skills limitation and access to finance.

The SPSC will seek external expertise to support and design the program, while incorporating learning from both public works programs and an assessment of other relevant on-going employment and productivity oriented interventions (skills training for adolescent mothers; provision of training and inputs for small farmers). To address chronic poverty, the program will operate throughout the year with varying degrees of intensity. Based on experiences on other graduation-type programs around the world, participants will be enrolled for a minimum of 2 years, with the possibility of extension subject to an assessment of participant's resilience and future income generating potential at the point of exit. Households will be provided with predictable income support for a number of months each year (this may be delivered on a monthly basis or correspond to the hunger gap, or to the time period necessary for a small enterprise to become profitable). The PSPP will be aligned with the objectives of a number of other sector policies including those of agriculture, education and labor.

The work component of the program will include the following:

- Where there are sufficient synergies in terms of target populations and geographic priorities for infrastructure rehabilitation, public works are a mechanism for addressing immediate underemployment needs of the poor, as well as providing infrastructure development to support future income generation activity and food production (roads, irrigation, food storage) in isolated regions. Public works provide a structured environment for vulnerable youth who have missed out on a formal education and social development. The program will be aligned with the infrastructure priorities of the PRS II for market access, food production and construction of community infrastructure and with district development plans.
- Skills building will be an obligatory and remunerated component of the work program and will provide participants with the necessary skills to invest in their future. This will include development of small and medium size enterprises through business training, training relevant to agricultural livelihoods, as well as basic literacy and life skills.
- Alternative activity to labour-intensive public works will be eligible since these are appropriate to the needs of particular vulnerable groups and geographical areas. The program design will also consider social work and community care, agricultural productivity and food security at the household level, development of small businesses and cooperatives, and reforestation.

The SPSC will take into account the following in the design:

Appropriate targeting: The program will be geographically targeted and will prioritize areas with greatest poverty and with greatest youth unemployment. By doing this, the approach will take into account the needs of the rural and the urban poor respectively. This will also take into account coverage of on-going development partner-funded projects. The program will be targeted at extreme poor adults and to particular vulnerable groups - guided by quotas for youth (75% of participants; of which 50% are young women) and women (50% participation). Finally, special criteria will be developed to assess extreme poverty including asset and vulnerability criteria.

Alignment with the needs and constraints of vulnerable groups:

- **Gender:** the needs of women will be addressed through flexible hours and equitable employment access for women, child care facilities, continued support during pregnancy and early motherhood, and inclusion of women in program structures and decision making. These requirements will be sensitized with all participants.
- **Youth:** the program will prioritise inclusion of youth 18-35 and will link to relevant skills training as well as life skills to protect youth against risks.
- **Urban poor:** training will be demand driven or linked to skills that are in immediate need in the formal and informal sectors of the economy as well, and will include life skills training to protect against particular risks.
- **Rural poor:** the program will address barriers common to rural dwellers including lack of market integration, lack of access to credit, limited rural infrastructure, limited opportunities for off-farm employment, and the seasonality of agricultural work.

Infrastructure quality assurance: environmental review procedures will identify and manage overall environmental risks and the worker-supervisor ratio will provide sufficient oversight of project implementation.

Graduation: enabling households enrolled on the PSPP to reach self-sufficiency and no longer need social assistance through the program is a key goal of the GoL. International experience shows that when combined with other complementary services, cash transfers enable households to focus on long-term investments and adopt higher return activities. Graduation from extreme poverty requires a careful sequencing of social protection payments with other complementary services. Participants will be provided access therefore, to other social assistance and other complementary forms of support in a sequenced fashion including financial services training, asset transfers, and they will be encouraged to save. The Steering Committee will develop clear and consistent definitions, indicators and operational mechanisms for determining graduation or the end of social assistance and set realistic expectations about the speed, level and sustainability of graduation. This will all take into account households' future earning potential when they exit the cash transfer.

Integration: the PSPP will gradually replace the on-going short term labour-based social assistance programs. Where necessary, participants of these programs will be integrated into the PSPP. The Repatriation, Resettlement and Reintegration Commission (LRRC) under the MoA and the National Bureau of Veteran's Affairs will coordinate the integration of the needs of returnees and veterans into the PSPP.

C. ASSESSING ALTERNATIVE TARGETING, BENEFIT AND COVERAGE OPTIONS

During Phase 1 the government will review and research the relative costs and benefits provided under on-going and possible future social protection interventions, in order to inform a national scale-up of interventions in Phases 2 and 3.

The SPSC will engage expertise in undertaking a review in 2014 of other social assistance instruments which can support the GoL to move towards a social protection floor. Over the next two years, these reviews and assessments will support long-term decisions for up-scaling effectively targeted national social protection programs so as to address risks and vulnerabilities through the life cycle. It will compare the SCT with alternative social assistance instruments based on categorical targeting⁴⁹ and use this to support development of progressive national social protection programs which are realistic to Liberia's national capacity.

Policy options will take into account:

- The expected impact of each instrument on poverty reduction, food security, human development and social cohesion.
- The need for vulnerable groups to be supported through the vulnerable stages of the life cycle and the implications for program exit (i.e. not after two years).

⁴⁹Categorical targeting involves the definition of categories, all members of which are eligible to receive benefits. It involves defining eligibility in terms of individual or household characteristics that are fairly easy to observe, hard to falsify, and correlate with poverty/food insecurity. Categories relevant to Liberia could include age, gender, marital status and disability. Such targeting approaches can be universally applied, supporting social as well as economic vulnerabilities or can be further linked to poverty targeting to focus on the poorest within these groups in contexts of scarce resources.

- The political economy of social protection, where more universal forms of targeting and entitlement-based programs are much more popular, gain more political traction and ultimately attract more funding than narrow poverty-targeted programs.
- The administrative costs and challenges of poverty targeting when so many households are poor, can be seen to be socially divisive and can generate errors of exclusion.
- The importance of using popular, universal programmes for targeting the poor instead of tightly targeted schemes.
- The need to protect vulnerable groups excluded from coverage as a result of solely using the household 'labour constraint' as a measure.
- The correlation of particular categorical indicators (e.g. age and disability) with poverty.
- The natural complement of an old age grant to the contributory pension scheme provided by NASSCORP, creating a comprehensive national pension system.
- The estimated resources available for social protection programs post 2017.
- The multi-dimensional and dynamic nature of poverty and vulnerability in Liberia and the importance of striking a balance between addressing economic risks and risks associated with social inequality and exclusion.
- Benefit scenarios based on reducing the poverty headcount versus reducing the poverty gap. This means targeting fewer households and individuals with relatively larger transfers equal to the poverty gap, versus covering a greater number of households and individuals with relatively smaller transfers that nonetheless have a sizable effect on reducing their depth of poverty. Providing the latter over a period of time, and when linking to complementary services, are likely to help a greater number of people with the same value of resources.
- That community based targeting must be strongly facilitated to prevent local elites from co-opting the process.
- Differences in cost of programs when poverty is targeted versus being universally applied.

This will steer policy implementation and inform the design of programs and use of financial resources to benefit the most vulnerable. In Liberia's context universal categorical targeting is likely to be appropriate. However this must take into account available resources, which means additional poverty targeting is likely to remain a requirement.

An action plan will be created to revise, as necessary, the type of instrument, coverage and level of benefits based on the objectives of the social protection policy.

Preliminary estimates of the present day and projected future cost of several social protection policy options are provided below and in Annex B⁵⁰. **These show that once systems and capacity are strengthened and fiscal space created, a move towards a package of categorically targeted social assistance instruments can be considered a feasible option in Phase 2 of policy implementation.**

For example, Figure 10 shows that the estimated present cost of implementing a comprehensive and ambitious social protection system based on 3 national instruments as part of a social protection floor and benefit sizes in line with international averages (universal old age grant to those over 65;

⁵⁰ These models were developed by Help Age International (UK) based on Liberia population data: from LISGIS 2008 Population and Housing Census and economic data from International Monetary Fund World Economic Outlook Database (April 2012)

disability grant; child grant to all children under 12 living in extreme poverty) as 3.86% of GDP, which is inside the 4.5% of GDP target of the AU Social Policy Framework.

This is a significant over-estimate since it doesn't account for any overlaps in the population of these vulnerable groups. Costs could be further reduced by capping Child Grant benefits at a particular number of children per household and by introducing programs incrementally. As Figure 11 highlights, as economic growth continues, costs as a percentage of GDP can be expected to reduce significantly over time for all programmes and can be considered affordable.

Figure 10: Estimated Cost of 3 Categorical Programmes Making up a Social Protection Floor as a % of GDP and Public Expenditure

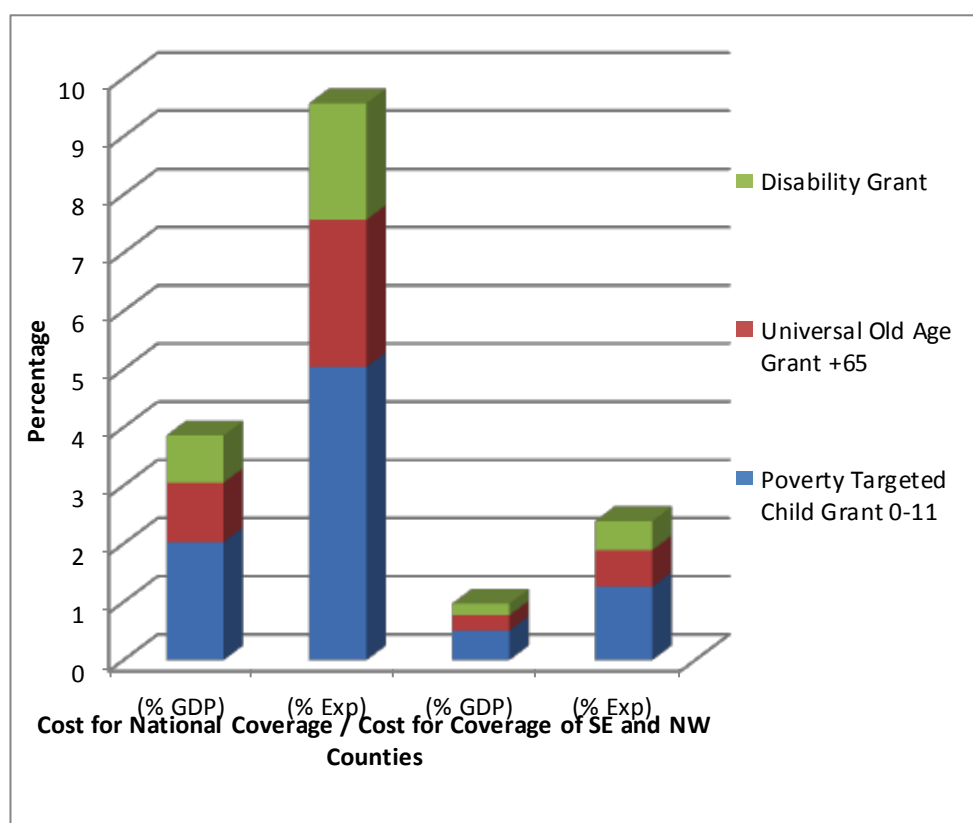
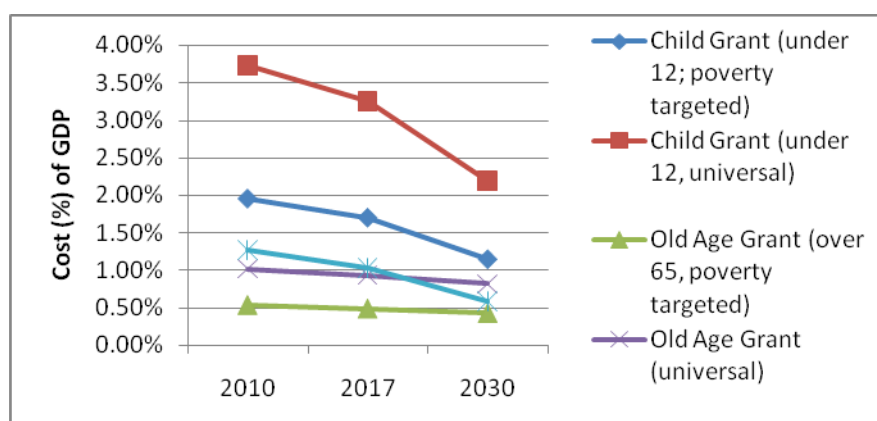


Figure 11: Projected Costs for National Coverage of 5 Social Protection Instruments as % of GDP⁵¹



D. SCHOOL FEEDING

The GoL will need international experience to improve the effectiveness of school feeding and better align school feeding with objectives of the PRS II. This will include ownership of program development by the Ministry of Education (MoE) and ensuring commitments of the new Education Reform Act 2011 are realised. The MoE in partnership with the Ministry of Agriculture (MoA), WFP and MoHSW will design the program focusing on internationally recognised best practices including:

- Effectively targeting distributions which are proven effective at impacting on the poorest including take home rations.
- Improving use of locally produced food stocks through the WFP Purchase for Progress project until 2014 and subsequently through the MoA.
- Ensuring complementary actions such as de-worming and micronutrient fortification to improve nutritional gains.
- Creating conditions for improving education outcomes.
- Building in mechanisms to reduce substitution effects.
- Establishing controls to reduce leakage of stock.
- Undertaking rigorous monitoring and evaluation of the benefits and assessing the value in terms of cost, food security and nutrition and education gains for vulnerable groups, in order to assess the longer-term relative merits of school feeding versus other instruments.

Policy Objective 3:

Provide Social Insurance to support the poorest and most vulnerable against risks and shocks

Specific Objectives

⁵¹ Assumptions: Immediate national coverage from 2010 onwards; Uses actual projected population growth rates; Uses half the projected growth rate (2.15% GDP/capita); Administration costs are 20% for poverty targeted schemes and 10% for universal schemes. Benefit sizes: Child Grant 200 LRD/month/child; Old Age Grant 500 LRD/month (based on averages for similar grants elsewhere); Social Cash Transfer 1750 LRD/HH/month (based on average size of current grant)

- 3.1 Maintain and continue to improve on compulsory insurance schemes for formal sector employees and increase the coverage of contributory social insurance schemes to benefit the informal sector.
- 3.2 Ensure poor vulnerable households are protected from shocks including those caused by seasonality and price volatility.
- 3.3 Improve accessibility of traditional community support for marginalised groups.

Five-Year Strategic Priorities

- Review the pension and employment disability schemes offered through NASSCORP and undertake measures to improve the sustainability of the system.
- Undertake study for widening social insurance to the informal sector, investigating the potential of extending NASSCORP schemes to informal sector employees and of the private sector to lead on provision of micro-insurance products including health and weather-indexed insurance.
- Protect against shocks through early warning systems linked to short term cash and food transfers and nutrition support for vulnerable groups.
- Promote and monitor the entrance of cash transfer recipients into community Susu membership.

Social assistance and social insurance interventions will be developed simultaneously, in order to build a comprehensive social protection system that both protects consumption of the poor while preventing households from falling into poverty at times of economic shock, however these will be developed with different time horizons. Social assistance programs are critical in the short and medium term to address the levels of extreme poverty and vulnerability within the country. As the economy develops and private sector expands, social insurance schemes can increase their scope. Actions will be led by the Ministry of Labour with the Civil Service Agency and NASSCORP.

In Phase 1 priority will be given to improving sustainable contributory schemes for formal and informal sector workers. The government will finalize the internal assessment of the effectiveness and financial sustainability of on-going contributory schemes within NASSCORP and will hold consultations regarding the possible expansion of NASSCORP's pension coverage to the informal sector. Another priority will be improving understanding, based on market research and reviews of international experience, of how to support the needs of the informal sector, so as to create space for private sector involvement in provision of insurance schemes for the self-employed. This will include consideration of factors influencing willingness to pay such as service quality and trust, incentives to workers to participate in insurance and incentives to insurers and service providers to enrol the poor in the system. The third and unfulfilled mandate of NASSCORP to provide social assistance will be reviewed, given the mandate of MoGD and MoHSW to provide these services.

While the establishment of national, long term social protection programs as described in Policy Objective 2 will protect poor households' consumption levels there will be a need to prevent asset depletion and malnutrition as a cause of transitory food insecurity due to seasonal lean periods and price volatility in markets for essential commodities. Actions will be overseen by MoA in partnership with MoHSW, with support from WFP.

The government will continue to support lean season ‘safety nets’ to mitigate the impact of seasonal shortages and high food prices on vulnerable rural and urban households. These will be linked with an early warning system⁵² to ensure timely deployment of safety nets and prevent asset depletion and a decline in health indicators. Transfers will be provided as cash where market assessments recommend and additional nutritional supplementation will continue to be supported for critically vulnerable groups in food insecure areas. As effective systems for delivering national social protection programs are developed, these short term initiatives will be delivered through the same system, benefiting from efficiencies and enabling rapid scale up of short term interventions.

Communities’ traditional coping mechanisms for managing risk, through such things as Susu and village saving and loans committees, are prolific institutions across Liberia. Extremely poor and vulnerable households are unable to access such support systems due to marginalisation and lack of financial or social capital. Income support through social protection will enable these households to gain access to these local institutions. This will be monitored and promoted during Phase 1, subject to the results of a scoping exercise which will determine the types and capacity of the community based institutions. The MoA will coordinate reviews of progress of WFP’s new Community Grain Reserves pilot project in areas of transitory food insecurity for offsetting the effects of seasonal fluctuations in food prices and reducing hunger during the lean season. This will inform future strategy direction in Phase 2.

Policy Objective 4:

Improve coordination and strengthen linkages to policies and programs of other sectors, to ensure the poorest and most vulnerable households, people and groups can access basic social services and engage in economic activities to enhance acquisition of assets and capital as well as protect against risks.

Specific Objectives

- 4.1 Undertake collaboration with key ministries and other stakeholders in the social sector to ensure that the poor and vulnerable can access social services e.g. access to school, essential package of education, treatment for malnutrition, treatment for people living with HIV&AIDS, social welfare and legal services.
- 4.2 Undertake collaboration with key ministries and other stakeholders in the economic sector to provide opportunities for the poor and vulnerable to participate in economic activities and contribute to economic growth.

Five-Year Strategic Priorities

- Undertake a sector mapping exercise to align social protection system implementation with the PRSII priorities for economic development (especially agricultural and transportation infrastructure); education and health service development and social welfare service decentralisation.
- Establish health and social welfare referral services for vulnerable households enrolled in the Social Cash Transfer and other government social protection programs.

⁵² The MoHSW nutrition surveillance ability will be strengthened as part of the strategy to integrate nutrition interventions into government systems.

- Improve access of adult members of poor and vulnerable households enrolled in government social protection programs to vocational training and skills development opportunities.
- Establish linkages with financial services and link income support through social protection programs to savings schemes and approved collateral for microfinance.
- Undertake necessary actions to ensure that existing legal instruments and frameworks supporting the needs of vulnerable groups are enforced.

Social protection as a sector plays a vital role in protecting people's consumption and enabling households to face the future and invest in their development. As Figure 10 demonstrates it is also cross cutting, with potential to complement and support achievement of objectives across other sectors, bringing promotive and transformative outcomes to poor vulnerable households. Linking the sector to other complementary programs and services and supporting changes in the wider policy environment will ensure that poor and vulnerable households receiving social protection graduate from extreme poverty and emerge from social.

Social protection is already highlighted as priority interventions in the Government of Liberia health, education, infrastructure and agricultural sector policies. The institutional coordination framework established as part of Policy Objective 1 will provide the framework for continuing efforts to mainstream social protection. Through the SPSC, MoPEA will ensure formal linkages are made to the policies and programs of other line ministries. The SPSC will engage line ministries and development partners in a mapping exercise of **AfT** priorities for economic development (agricultural extension; rural infrastructure; financial services development); education (including vocational and business skills training); health service development; and social welfare service decentralisation. This will be used to design the social protection system implementation plan to support wider goals along with development of memorandums of understanding (MoU) for joint implementation. Whilst the action plan will be based on the mapping exercise the following linkages will be prioritised. Inputs from sector agencies will be budgeted and accounted for in the work of line Ministries.

Health and Social Welfare

- MoPEA will support the MoHSW in advocating for increased resources to build capacity of social workers.
- MoGD will engage with the National Disabilities Commission in Liberia on best practices for addressing the needs of people living with disabilities as part of the scaling up of the Social Cash Transfer.
- MoHSW in partnership with MoGD and MoE will develop mechanisms to link social protection to mother and child health gains, by raising awareness of immunization services and ante-natal waiting houses with households enrolled on the Social Cash Transfer as well as supporting school feeding with complementary actions such as de-worming and micro-nutrient supplementation.
- MoPEA and MoHSW will establish a two way referral service between social protection and social welfare services at the County level, in order to negotiate access for vulnerable individuals and households to the social services they need, support those living with HIV/AIDS and support family reunification for institutionalised children.

- MoPEA and MoHSW will consider the feasibility of fast tracking children in beneficiary households of social protection programs for birth registration services.
- The MoHSW will draft guidance for child-sensitive social protection in order to address the needs of child headed households and children cared for by a guardian.

Financial Services

- Households enrolled in long term cash transfer programs will have accounts opened for them with a commercial bank and they will be encouraged to save.
- MoGD in partnership with the Ministry of Labour and other key stakeholders will engage micro finance institutions and commercial banks to introduce affordable loan schemes for poorer people including farmers, with safeguards against terms and conditions which increase risk to the vulnerable.
- To support households seeking to establish in small enterprise, MoPEA will raise awareness of the Liberia Business Registry, a one-stop service which reduces the time and cost of registering a business. This will encourage movement toward the formal economy.

Skills Development

- Developed by MoE/MoL in conjunction with MoYS, a core component of the employment-based social protection program for those extremely poor households who are able to work will be a minimum number of days allocated to training. This will build relevant skills in poor people, especially the youth, to gain productive employment. Training will include modules on life skills, business management, basic bookkeeping, marketing, and vocational education.
- These courses will be available to adult members of households enrolled on the Social Cash Transfer program.

Agricultural Production

MoA in partnership with MoPEA will link participants of social protection programs to other complementary services to support improvements to food insecurity:

- The PSPP will include an option for supporting smallholders to increase production; through the MoA households will be linked to NGOs and government departments supporting establishment of cooperatives for youth and women including the Cooperative Development Agency and Cooperative Development Services.
- The MoA will engage the Repatriation, Resettlement and Reintegration Commission (LRRC) under the MoA to integrate the needs of returnees into the PSPP.

Policy Linkages

The SPSC will undertake advocacy activities to develop and enforce further policies supporting vulnerable groups in Liberia such as:

- Supporting the development and implementation of a Senior Citizen Status Policy to provide protection to the aged.
- Encouraging District and Chiefdom authorities to provide access to land and other natural resources for use by poor and vulnerable groups.

- Encouraging contractors to employ available local labour.
- Enacting legislation for employers to employ quotas of vulnerable groups, e.g. those with disabilities, ensuring training needs and accessibility areas are addressed.
- As improvements in policy and legislation on women's property and land rights are put in place, ensuring that vulnerable women are supported in exercising these rights by linking them to legal services.
- Ensuring the Ministry of Labour develops legislation on child labour and minimum wage.

6. Implementation Framework

The GoL will establish a robust, integrated system for the coordinated delivery of protection programs. Within five years the system will consolidate all institutional arrangements, coordination mechanisms, financing arrangements, data management and M&E systems into a unified system. This will ensure information sharing and efficiency, refining of targeting mechanisms and delivery of benefits, as well as reducing administrative and program coordination costs across government. The system will also make use of existing structures where possible, linking them in coordinated fashion and building their capacity, as well as building new systems. These actions will support movement to an integrated set of government-led programs for inclusive development.

6.1 Institutional Arrangements and Coordination Mechanisms

The institutional arrangements set out below will:

- Make use of existing government systems and staff;
- Align social protection interventions to the existing roles and responsibilities and comparative advantages within government systems;
- Integrate implementation of strategies under the social protection system with the Government of Liberia's decentralization objectives;
- Build horizontal linkages across programs and departments for a coherent response.

6.1.1 High-level Leadership and Coordination of the Social protection system

The Ministry of Gender, Children and Social Protection (MoGCSP) will be the coordinating agency for implementation of the social protection overarching strategy, and the policy, in close collaboration other Ministries, local government, government agencies, development partners and civil society. The National Social Protection Secretariat will be hosted in MoGSP and the National Social Protection Coordinator will be responsible for the management of the Secretariat.

The capacity of the National Social Protection Secretariat will be strengthened and its responsibilities will be laid out in a detailed implementation plan which will include:

1. Acting as Secretariat for the NSPSC.
2. Developing, implementation and monitoring of the social protection strategy work plan and budget including bi-annual progress reports.
3. Coordinating M&E activities including reviewing bi-annual reports from the technical task teams and presenting to the SPSC.

4. Overseeing development of and maintaining a MIS for social protection.
5. Coordinating public IEC campaigns.
6. Making recommendations on annual budgets set out in the strategy.
7. Coordinating donor efforts for social protection in Liberia in line with the national strategy including advocating for a basket fund.
8. Reviewing and approving annual work-plans and budgets for programs.
9. Ensuring timely program reports are lodged with the national Secretariat.
10. Reviewing and approving periodic progress reports consolidated by the national social protection Secretariat from particular social protection interventions.
11. Ensuring effective inter-governmental collaboration in Social Protection programs.
12. Initiating and overseeing studies, assessment and evaluations to gather evidence.
13. Working with the media on advocacy and mobilization activities.

The National Social Protection Steering Committee (NSPSC) comprising Deputy Ministers and other senior officers from key ministries, heads of missions for several development partners and government agencies will be responsible for matters of policy and resource mobilization. This facilitates alignment of the social protection system objectives with other sector priorities and resource sharing. The NSPSC is chaired by MoGCSP and membership comprises ministries of Planning and Economic Affairs, Health and Social Welfare, Labour, Education, Agriculture, Youth and Sports, Internal Affairs, and Finance; NASSCORP, UNICEF, WFP, AfDB, WB, European Union and a bilateral donor.

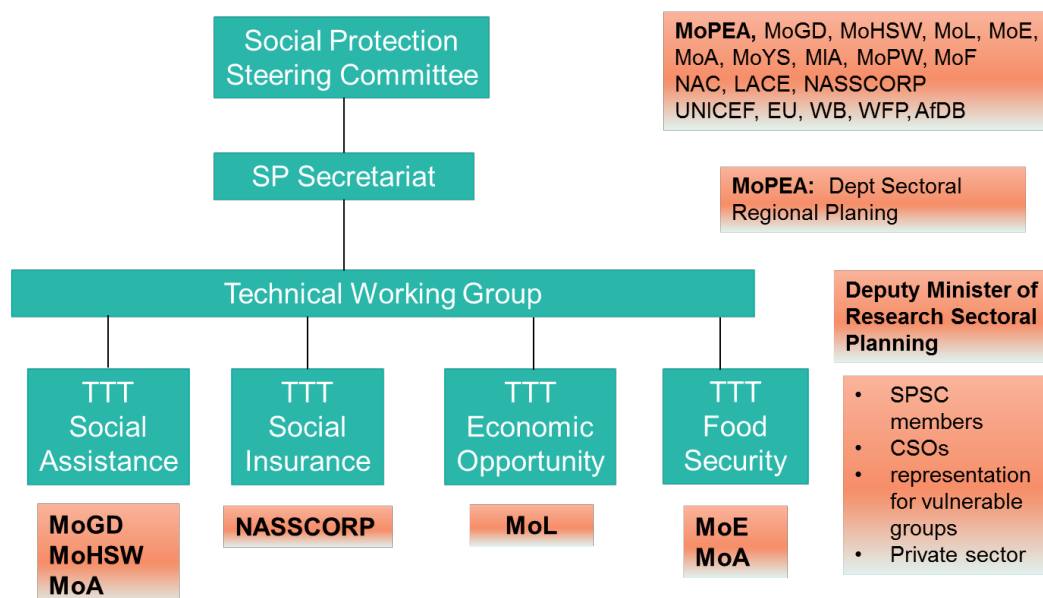
The objectives of the NSPSC are to guide the development of sound and appropriate social protection policies, strategic frameworks and action plans, and to provide oversight and accountability on the implementation of social protection programs in Liberia:

1. Raise awareness of the need for social protection.
2. Provide direction and guidance for the development of a national social protection plan of action.
3. Development and approval of a resource mobilization strategy.
4. Coordination of relevant social protection programs within the Technical Task Teams.
5. Provide oversight, and ensure accountability of the GoL resource allocation and donor contributions to social protection.
6. Coordinate donor efforts for social protection in Liberia in line with the national strategy including advocating for a basket fund.
7. Review and approve annual work-plans and budgets for programs.
8. Ensure timely program reports are lodged with the national Secretariat.
9. Review and approve periodic progress reports consolidated by the national social protection Secretariat from particular social protection interventions.
10. Effective inter-governmental collaboration in Social Protection programs.
11. Initiate and oversee studies, assessment and evaluations to gather evidence.
12. Work with the media on advocacy and mobilization activities.

Under the NSPSC a Technical Working Group will be headed by the Deputy Minister of Research and Sectoral Planning, comprising a number of technical task teams. Membership of the Technical Task Teams will include national SPSC members along with key civil society organisations (CSO)

representing vulnerable groups, such as the National Union of Organizations of the Disabled, PLWAs, and the Children’s Parliament. Organisations representing the private sector will also be included along with representation from the financial services.

Figure 12: National Governance Structure for Social Protection



Structured monthly meetings of the Technical Working Group will serve as an instrument in implementing the recommendations of the NSPSC. The Technical Task Teams are responsible for technical direction and implementing recommendations for particular programs. The Technical Task Teams will monitor progress towards program goals and provide technical guidance and linkages to complementary services under different ministries. Each is led by line ministries with a mandate to coordinate these activities and will include a donor lead; making use of existing coordination structures under these ministries at national level.

- The MoGCSP hosts the SCT Secretariat with UNICEF as the donor lead. This program will fall under the direction of the Technical task Team for Social Assistance, which will be led by the reformulated MoGD incorporating the Department of Social Welfare presently under the MOHSW. This will merge government departments with legal mandates for social assistance.
- The Secretariat for school feeding will be hosted in the MoE, in the Department of Instruction (division of School feeding). This program will fall under the direction of the Technical Task Team for Food Security led by the MoE. The World Food Program (WFP) will be the donor lead.
- Coordination of the future PSPP spans the roles of several line ministries. The Secretariat for the on-going public works program will be hosted by MoL who heads the Technical Task Team for Economic Opportunity. The MoL will facilitate the day-to-day management and coordination of the program responsible for the timely delivery of transfers to recipients and support to the implementation of public works. The MoL will also serve as coordination point for all infrastructure creation initiatives for the MoA, MoPW and MoL. The Bureau of

Rural Roads in MoPW and the MoA are responsible for technical support including supervision of works components and environmental guidelines. The Ministry of Youth and Sport oversees coordination of the skills development component. This arrangement will be reviewed to inform the design of the employment-based social protection program.

6.1.2 County Coordination of the Social Protection System

Administration of the social protection system will be devolved to county administration. The new MoFDP in close collaboration with MoGCSP will harmonise the implementation of the policy and program with local Government, in coordination with the Ministry of Internal Affairs (MIA), through the County Development Committees under the auspices of the Development Superintendent. National coordination structures will be mirrored at County level.

Building on the implementation arrangements developed under the Social Cash Transfer pilot, a Social Protection Sub-Committee of the County Development Committee will comprise the county level heads of sector ministries including Gender, Health, Planning, Education, Agriculture, and Public Works and will include LACE and LISGIS. The social protection sub-committee is responsible for coordinating and implementing social protection activities at the county level, together with other partners. A county-level Secretariat for each social protection program will be hosted by the relevant County level ministry and will report to the Social Protection Sub-Committee.

Responsibilities of the sub-Committee over the next five years will include:

1. Regular coordination meetings with participation of sector representatives
2. Overseeing and monitoring the implementation of the SCT, school feeding program and PSPP including alignment of infrastructure projects with district priorities
3. Advising the county and district leadership on social protection policy
4. Reporting to county leadership and National SPSC on program progress
5. Implementing a communications strategy on social protection
6. Maintaining a county-level social protection MIS
7. Overseeing all relevant training on social protection

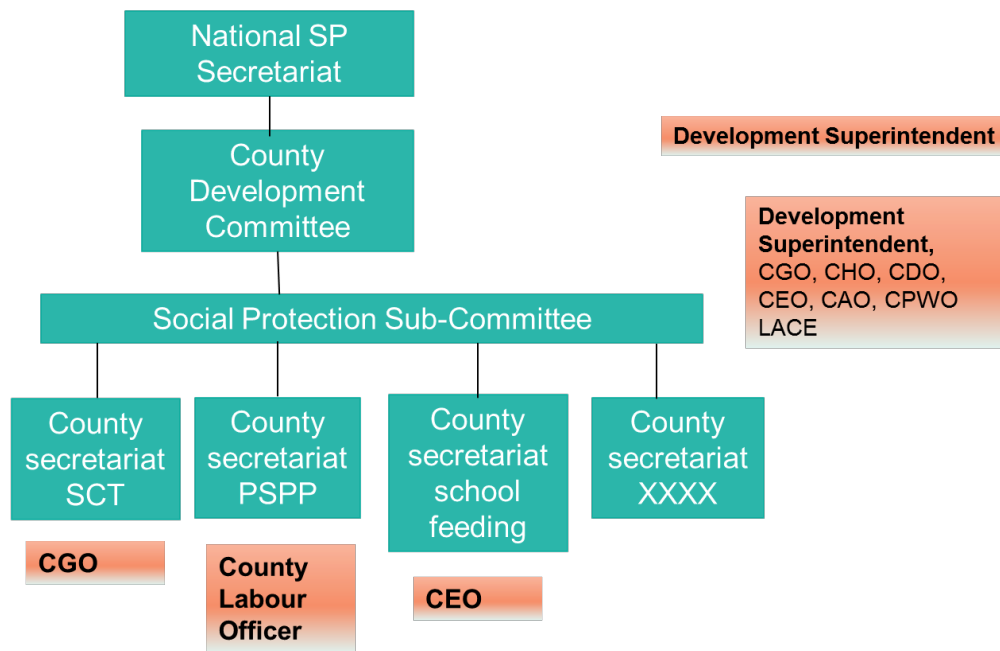
National line ministries represented on the National SPSC will ensure that their county representatives are mandated to undertake relevant social protection responsibilities and incorporate these into annual work plans of County officers. National level decisions of the SPSC will be communicated to the County Coordinators of social protection programs through the Sub-Committee. The Development Superintendent will submit monthly progress reports to the National Secretariat. The County Development Officers will submit program progress reports to their national line ministry.

As county level capacity is increased, more management decisions regarding program implementation will be taken at that level. This coordination structure will be progressively realised for all government supported social protection programs envisaged under the Social protection system.

- The County Development Officer (CDO) will implement coordination actions of the national social protection secretariat;

- The County Gender Officer will oversee the actions of the County Secretariat for the Social Cash Transfer;
- The LACE officer will oversee County actions for on-going public works on the basis of an excellent track record in project implementation and established presence in each County;
- The Education office will oversee country actions relating to school feeding.
- The Education officer will oversee country actions relating to school feeding.

Figure 13: Sub-national Coordination



The tasks of the County Social Protection Program Secretariats include:

- Plan, implement, monitor and report on all activities of the program;
- Train Secretariat Monitors and local government Chiefs to perform their tasks in the targeting process;
- Perform tasks relating to the approval of targeting and the delivery process;
- Ensure that all stakeholders implement the program in accordance with guidance and procedures of the operations manual and take corrective action where needed so that programs are implemented in a cost-effective, reliable and timely way.

6.1.3 Community Governance

Involvement of community level governance structures in the delivery of the social protection services in districts and communities will support effective program implementation and build community confidence in collective action. The County Development Assistant Superintendent will solicit the cooperation from District Commissioners, Clan Chiefs and Town Chiefs in the formalising of Community Social Protection Committees to oversee targeting, verification and implementation of social protection activities such as organizing pay points and informing the program secretariat about changes to the composition of recipient households. This structure will maintain links to

parent teacher associations (PTA) involved in the delivery of school feeding interventions within the same community.

Arrangements will prioritise the use of existing local structures where feasible. In each county the CDO in close collaboration with MoGD will undertake a mapping of possible suitable institutions which will take into account the relevance of the membership to the needs of the social protection system, governance structure, activity and trust in the community. One such structure will be to use the established Child Welfare Committees (CWCs) set up by the Government of Liberia to assist in reintegrating and protecting children separated from their families and monitoring and reporting on child welfare issues. These are made up of 12 local members who work on a voluntary basis and in the past received various training and in kind resource support. Where feasible this arrangement will leverage benefits of existing institutional governance structures and a thorough knowledge of the vulnerabilities of households in their area of operation. Another consideration will be community based organisations (CBO) such as the youth groups involved as Community Facilitators in the YES/CfWTEP program which also had established networks in communities.

An institutional evaluation in early 2015 will review these arrangements to ensure continued alignment of the social protection system to the existing roles and responsibilities in government systems and improved horizontal linkages across programs and departments.

6.2 Implementing Systems

6.2.1 Management Information System

The Government of Liberia will develop a high quality electronic Management Information System (MIS) for effective monitoring of social protection programs. Recent advances in technology and the increasing coverage of mobile phone networks will make this achievement possible. This is in line with wider government objectives to rationalise expenditures through investment in systems.

A situational assessment will be undertaken with collaborating international experts to recommend appropriate database development and usage protocols as part of a wider MIS strategy. Taking into account lessons from the computerized database used within the MIS Unit at MoGD, the GoL will develop a comprehensive, yet simple, electronic database of all households, individuals, and groups enrolled in social protection programs in Liberia, including basic demographic data along with the benefits and services received. Mechanisms will be established for the regular up-dating of information. All data will be appropriately disaggregated including by age, sex, and disability.

The process will begin with recipients of the Social Cash Transfer program and on-going public works program and will be progressively expanded to all social assistance interventions supported by the government. All future social assistance program participants will be added to the MIS at the point of registration. The database will link to the wider MIS for the tracking of all M&E data deemed necessary through the situational assessment.

The establishment of the social protection MIS will enable the GoL and its development partners to:

- Identify overlap of on-going social protection programs in order to better determine coverage and identify inappropriate multiple receipt of programs by households (subject to guidelines being drawn up).

- Identify the extent to which existing programs reach poor and vulnerable to inform future targeting, policy decisions and budget allocations.
- Identify and act on areas of leakage and prevent leakage in all new programs.
- Establish a system for monitoring participants enrolled in social assistance programs.
- Build payment lists and enable payments lists to be sent easily to payment service providers.
- Allow for rapid response to shocks, enabling increased payments to registered households for a specified period.

The laws of Liberia as well as international data transfer and information privacy protocols will be adhered to in the setting of procedures for the collection, transfer, and storage of the information. With full training, innovative modern technology will be scoped and introduced to enable the registration process to proceed through digital data collection. County officers and staff from county level program secretariats will compile survey data from households using Personal Digital Assistants or mobile phones and transferred to the electronic database at the county level. The MIS at the county level will sit with the GC/CDO and will feed up to Central Government level where it will be hosted by MoGCSP. A comprehensive system of technical backstopping and trouble-shooting will be developed and implemented, with procedures to mitigate bottlenecks in data transfer.

Except for any proprietary databases that might be used, the design schemas, operational and technical documentation, and source code will all be copyrighted to the Government of Liberia. The database will coordinate with and complement actions of the CSA over the next five years to build a National Identity Card program for all households in Liberia. The aim of the CSA is to establish a nationally owned core database for all public service management information systems. The social protection MIS will link to this. The management arrangements for the core database are still being determined and may rest with the CSA or a new statutory body. MoPEA will establish the lines of coordination with the relevant agency.

6.2.2 Payment Delivery Mechanisms

The GoL will establish a public private partnership to manage the system of payment delivery during cash transfers. This will contract services of the banking sector for the efficient and secure movement of cash. In this way payment functions will be overseen by national government and run directly by a regulated entity with a reputation for safety and accountability. Cash payments to date on the SCT and the YES/CfWTEP programs have benefited from payment arrangements implemented through a partnership with a commercial bank. Ecobank was selected on the basis of relatively high penetration throughout the country and the ability to make remote payments where a local branch was unavailable. This system is providing timely and predictable payments to recipients, reducing administration burden for county level staff and reducing the opportunity for diversion of funds.

This arrangement will continue throughout 2014 for both the expansion of the Social Cash Transfer and for on-going cash for work payments and lessons learned will inform decisions for a national payment system below. Unique digital identification cards will be issued to recipients for payment verification and a range of payment instruments including a contract for workers, daily attendance sheet and monthly payrolls will help ensure transparency. MoGCSP and MoDP will negotiate terms

for Social Cash Transfer recipients to become account holders, opening up opportunity for households to formal savings mechanisms and other financial services.

In 2014, the SPSC under the direction of the MoFDP will undertake a study to assess the efficiency and security of the cash transfer delivery mechanism, exploring further innovations in payment delivery and enlisting international expertise in collaboration with local experts to guide the design of a national cash delivery system. This will include exploration of potential partnerships between banks, local traders and cooperatives, through pay-points on the premises of these merchants. It will also include feasibility for bringing in an electronic system of cash delivery in partnership with a commercial bank. As mobile technology continues to increase in coverage and scope these products are now becoming more accessible in Liberia. Such a system will be useful for wider payments across government and will align with government plans to introduce a national ID card system and electronic public sector MIS. The government will investigate the use of both mobile money transfer which has recently become available in Liberia and card based payment systems. The study will determine the options and mechanisms that will enable people to access their cash as close to their residence as possible, maintain enhanced security, reduce opportunities for leakage, provide cash transfer recipients with access to a range of other banking services, and leverage cost efficiencies over time.

Early investment in electronic delivery systems, if feasible, will minimise opportunities for fraud and leakage and have significant efficiency gains and cost savings over time. This will also help to link social protection recipients to wider services. Mobile money for example, provides households with an easy way to store and transfer money and communications tools, while smart card systems have the potential to function as an identity card linking recipients to a variety of other government services. There is also the possibility of linking in biometric identification in line with the objective of the **AfT** and which would prove useful for other government policies, such as voter registration, tax, healthcare tracking and emergency response. MoFDP will invite offers for public private partnership from financial service providers through a competitive tendering exercise.

Food based transfers will continue to be managed through the procurement and logistics of WFP with government oversight. Once procured internationally or locally, food will be held before transportation to schools and food distribution points.

6.2.3 Monitoring, Evaluation and Reporting

The GoL will develop a robust monitoring and evaluation system to undertake regular monitoring and rigorous evaluation of programs delivered under the social protection system as well as monitoring progress towards the delivery of policy objectives. This will be a unified M&E system for the sector based on an integrated result framework. This will enable the GoL to:

- Increase capacity of relevant stakeholders to undertake M&E and adapt systems to future needs and priorities.
- Create and use evidence based results to guide adjustments to current activities and inform design of new programs as well as resource management.
- Enhance coordination of social protection efforts across government.
- Inform broader policy decisions and strategic planning within the social protection system.

MoGCSP is responsible for overall monitoring and will enlist appropriate external support to assist in undertaking an assessment of existing M&E systems for social protection programs in Liberia and to finalise an organizational and management structure for a national M&E framework with linkages to all social protection programs. Key management, process and impact indicators will be developed to allow the national Social Protection Secretariat to map, in detail, the scope of on-going projects and assess the effectiveness (in line with objectives of the social protection strategy and the **AfT**) and efficiency of interventions to inform value for money. Key performance indicators for each program will logically feed into a national results framework and the indicators for policy objectives for the sector. The emphasis will be on simplicity to ensure data can be regularly collected and analysed. Data collection tools and reporting formats will be harmonised into a common reporting format based on this framework and an M&E operations and procedural manual will be drafted as well.

MoGCSP will commission an M&E capacity assessment at all levels of government and will use findings to strengthen capacity as necessary. This will develop a training schedule and conduct a training of trainers to train staff with M&E responsibilities in Ministries, County Government and other key partners to develop the capacity to implement, maintain, and adjust the M&E system. As programs scale up MoGCSP will consider the need to develop a SP M&E unit within MoGCSP.

Monitoring progress towards achievement of objectives outlined in the social protection strategy will take place at all levels of government from county through to national. The establishment of the electronic MIS will facilitate regular monitoring and MoPEA will coordinate the M&E process through the SPSC and ensure timely reporting and dissemination of results. Stakeholders will report regularly on program progress to the coordinating ministry of the relevant technical task team who will report to the national Secretariat. The SPSC will meet to monitor progress every six months and MoPEA will produce an annual report emanating from those meetings. The GoL will commission an external assessment of implementation of this Social Protection Policy on a bi-annual basis.

Data collected during registration of households for the Social Cash Transfer and all future programs will form a baseline against which outcomes and impact can be measured. The MoGCSP will commission independent evaluations of the Social Cash Transfer, a mid-term review after Year-1 of scaled up implementation and after 2 additional years when the cohort from 2012 completes. Baselines and evaluations of on-going school feeding and public works will be the responsibility of the MoE and MoL respectively. This will be complemented by an Impact Assessment of community infrastructure created as part of social protection programs. Where appropriate control groups will be established to ascertain program impact. Going forward all evaluations will consist of a representative household panel survey fielded at regular intervals, including a randomised control, and evaluation of the impact of works created at community level.

The MoFDP will monitor financial management data from the programs collected through the M&E system and will be responsible for commissioning program audits to build the capacity of the financial, procurement and appeal systems.

MoGCSP in consultation with the SPSC will develop and roll out a strategy for communication of findings from the M&E process including emerging evidence on best practice in design and delivery of cash transfers in post conflict countries.

6.2.4 Arrangements for Financial Management

The Ministry of Finance and Development Planning will oversee financial management of the social protection system. The social protection system budget will incorporate budget lines for transfers, administrative and capital costs, contingency and a capacity building budget, estimated on a medium term expenditure framework (MTEF) and based on an annual assessment. MoF will be responsible for releasing operational funds based on approval of annual sector work plans and progress reports by the SPSC.

The SPSC under the direction of MoFDP will commission a study to explore options for financial management of the social protection system including the full decentralization of financial management to the County level. Decentralised financial management will prevent overburdening of national government structures responsible for large scale social protection programs, prevent delays in disbursement of funds to sub-national level and strengthen the role of the County Administration in implementing social protection services. This will mean that administrative funds for program Secretariats under the County sub-committee will be channelled through the County Administration. Funds allocated to cash transfers will be transferred through the relevant payment service provider. MoFDP will collaborate with Central Bank if there is a danger of liquidity constraints as programs scale up. Systems will be reviewed and accountability improved through carrying out Public Expenditure Tracking Surveys.

6.2.5 Partnerships

The GoL will make extensive use of partnerships in implementing this social protection strategy and policy. This will include international development partners, civil society organisations, other government agencies and the private sector.

Development Partners

- Key development partners are important members of the SPSC at national level. Development partners will support capacity building and system strengthening through provision of technical assistance, logistical support, sharing lessons from global experience, and relevant policy decisions with implications for resource mobilization.
- A donor lead will be assigned to each technical working group to work with the ministry lead and support coordination and relevant technical assistance.
- Development partners' financial commitments will be vital for the predictable implementation of social protection programs in the period while Government of Liberia review expands. They will have oversight of the pooled fund for social protection which will improve coordination and efficiency of programs under the sector (section 7).

Civil Society Organisations

- A core group of civil society organisations (CSOs) will be invited to join the national technical working group to ensure the needs of particular vulnerable groups are adequately considered and addressed in the design and implementation of the social protection system.
- NGOs can support transparency and accountability mechanisms on social protection programs, improving communication and information sharing to inform people about their rights and obligations and improving targeting and grievance procedures. Core functions will be tendered to CSOs, including international NGOs who will be recognised as legitimate partners and have a place in relevant governing bodies.

- In the period while government services expand, CSOs will have a vital role in ensuring linkages exist to complementary services including health, education and training.
- NGOs can inform policy and program development through design and funding of evidence based research.
- CSOs can develop and secure funding for their own complementary programs supporting poor and vulnerable groups that contribute to activities in the social protection framework. These will be included in the district level MIS.
- CSOs have a role to play in mobilising sustained public support for social protection.
- In the medium to longer term CSOs have a major role to place in monitoring and strengthening compliance of funds generated from natural resource revenues for service provision including social protection.

Private Sector

- Representatives from the financial services sector will be invited to join the technical working group given the central role of the banking sector in delivery of cash payments and wider financial services to the poor and vulnerable.
- Financial service providers will be contracted to provide payment services for cash based social protection programs, based on competitive tender arrangements and MOUs governing service agreements.
- Financial service providers including microfinance institutions will collaborate in the provision of products tailored to the needs of poor households and in consultations on potential micro insurance products.
- In partnership with the Civil Service Agency (CSA), identity card and potentially biometric technology providers will support the building of a registration system for individuals and households eligible for social protection (section 3.2).

Government Agencies

- **Liberia Institute of Statistics and Geo-Information Services (LISGIS):** In line with their mandate LISGIS will provide coordination and oversight for research activities implemented under the Social protection strategy and assist with access to national data sources.
- **Liberia Agency for Community Empowerment (LACE):** LACE was established by the Community Empowerment Act in 2004 with a mandate to improve the living standards of poor communities through the provision and strengthening of basic social services and to promote a community-based approach at all stages of community based infrastructure projects. The Agency is a not-for-profit organization, accountable to the President's Office. LACE has a central role on the national SPSC and will coordinate on-going public works programs sub-nationally whilst engaging in the design of the PSPP.
- **Civil Services Agency (CSA):** The CSA is a member of the SPSC and they will support the decentralization of social protection services and collaborate on the establishment of public-private partnerships for outsourcing relevant services to non-state actors, in line with the Civil Service Reform Strategy. They oversee the Senior Executive Service Program that will assist in staffing and capacity building of the Secretariat. They will share lessons from research and piloting of biometric technology as part of the civil service reform.

- **National Social Security & Welfare Corporation (NASSCORP):** NASSCORP is a statutory public trust charged with the administration of Liberia's contributory Social Security Program. NASSCORP is a member of the SPSC and heads the national technical task team for social insurance. NASSCORP will act on the recommendations of the on-going review of social insurance provisions to ensure sustainability of benefits to members and will lead consultations on the feasibility of expansion of schemes to informal sector workers.

Research Institutions

- Collaboration with an international research institution will be established through tender to support evidence based programing and build the capacity of the national Institution of Public Administration in training in survey and data collection techniques.
- University of Liberia, Tubman University and Cuttington University will support research programs through data analysis.

6.2.6 Policy Analysis

Policy analysis will be undertaken with relevant line ministries and plans for analytical work will be agreed on a bi-annual basis by the SPSC. MoPEA will engage with development partners to secure funds and where possible, to undertake joint work. Priorities will include:

- Understanding the contribution of social protection to economic growth.
- The role of social protection in strengthening social cohesion and recovery.
- The role of social protection in addressing the needs of vulnerable young people.
- Feasibility studies for the development of social pensions, child and disability grants.
- Building synergies between social assistance transfers and small enterprise development.

This Social Protection Policy will be reviewed in 2014 and again in 2017 after monitoring key milestones and targets.

7. Financing Social Protection

In 2013-2014, MoFDP will hold consultations with line ministries, NGOs, and donor partners to cost out and determine levels of financing currently committed under the 2013-2014 budget of the **AfT** for the scaling up of key interventions as outlined in the strategy and review the possible means through which the strategy can be realised. The Government will prioritise the optimization of and creation of additional fiscal space through **(i) integrating all social protection financing in the national budget planning processes and improving coordination by the Government of external resources; (ii) assessing reallocation of expenditures both within and between sectors; (iii) developing a strategy to increase sector revenues.**

7.1 Establish a Social Protection Fund

The GoL will create a social protection basket fund to align finances from disparate sources including government revenue, development partner and private sector contributions behind national objectives laid out in the sector strategy. This will improve oversight of social protection resources allocated across the budgets of a number of line ministries and improve coordination and impact of expenditures by reducing transaction costs. It will support efforts of the Government of Liberia to engage development partners in guaranteed long-term financial support for the sector in the interim

while national revenues increase. This strategy is in line with the Paris Principles for Aid Effectiveness and the New Deal on Fragile States.

In 2014 MoFDP will begin consultations with relevant line ministries and donors regarding the adoption of a multi-donor pool for social protection financing. The rights, obligations and coordination arrangements of this government-donor partnership will be spelled out in a Memorandum of Understanding. The fund will be overseen by MoFDP and could be made up of a multi-donor trust fund and pooled government accounts. Approval of disbursement of program funds will be directed by the SPSC based on the implementation plan for the sector and programs delivered under the sector as well as regular reports of satisfactory progress. Financing for social protection going forward will be on the basis of a MTEF tool that brings together actual and projected expenditure with confirmed and indicative donor commitments.

Provision will be made for parallel funding through use of a joint financing agreement, for those NGOs and institutions that are unable to put their resources in a basket fund. They will be allowed to implement projects that align with the implementation plan and design for Social Protection programs developed under the strategy, that do not duplicate other efforts, and that demonstrate commitment to the same standardised MIS, M&E and auditing arrangements developed under the strategy.

7.2 Reallocation

The vast majority of existing expenditure on current social assistance programs is due to project based funding provided by donors for discrete relief-based activities. The development of a coherent social protection system - including consolidation of proven successful interventions into fewer, more integrated, long term social protection instruments and the development of a pooled funding mechanism - are strategies that will support the efficient reallocation of present contributions over the next five years. MoGCSP will engage with other SPSC members to support movement on this. Decisions will be supported by the commissioning of evaluations of existing interventions.

Other reallocations may also be feasible in the short term on a small-scale basis across sectors. The CSA is leading a reform of the civil service to increase overall efficiency and productivity of government. The MoPEA will engage with the CSA on any government expenditure recommended for reallocation as a result of the reform process. The NSPSC will press the MoF for a review of the costs and benefits of the various general subsidies currently supported by government. Finally there may be scope to improve the quality of expenditures through better planning. MoGCSP will engage with sector leads under the human development pillar of the AfT in order to determine opportunities for resource sharing and efficiencies between ministries and departments delivering social services.

7.3 Increasing Budget Allocations

Over the medium term, there is need for a strong growth in the budget envelope for social protection. The Government of Liberia will develop a strategy for increasing revenues to finance interventions under this social protection strategy, with the aim of reaching 3-5% of GDP. Increased revenues through economic growth and taxation can provide more sustainable financing.

A major focus during phases 1 and 2 of this strategy will be developing the capacity to realise taxation from natural resource exploitation and to direct some of this revenue toward public good investments. Today, several states fund social protection payments through national resource revenues. The new National Bureau of Concessions can build up Liberia's monitoring capacity for resource management and can ensure that a portion of the revenue collected by the GoL from concessions, is ring fenced for public good investments including human and physical capital and cash transfers. In phase 1 MoPEA will work with the relevant institutions across government to determine likely timing and scale of revenues from resource taxation over the next two decades⁵³ and to negotiate the proportion for allocation to social protection services. This will include the institution of a law or the enactment of a new constitutional provision. This is in addition to and cannot be substituted for the Social Development Fund which concession companies such as Arcelor-Mittal, China Union, Sime Darby and Putu Mines have committed to establish for local communities as part of their corporate social responsibility commitment. Phase 2 will formally link the expansion and funding of social protection programs to natural resource revenues. This will create more sustainable financing for social protection as well as building the social contract between state and citizen in the redistribution of wealth and sharing of the benefits of economic growth.

Given fiscal constraints and limited GDP the GoL will require external financial support to temporarily fund social protection programs in the while natural resource and other domestic revenues increase. Development of this strategy is the first step in leveraging long term financial support from development partners for Phase 1 of this strategy. This will be complemented by a minimum commitment from the GoL of 8-10% of annual budgetary allocation during the next MTEF 2014-2016 and will be to be linked to a gradual phase in of further domestic revenue contributions in Phases 2 and 3. The GoL's on-going public financial management reform efforts to increase absorption capacity and increase efficiency in public expenditure, linked to the above financing measures will be used to attract more support from development partners for social protection, in the form of long-term budget rather than project support, shifting their resources from the provision of emergency humanitarian assistance to the supply of regular and predictable investment in the national social protection policy.

Following the Heavily Indebted Poor Countries (HIPC) completion point reached in June 2010, Liberia is considered to have a low risk of debt distress. The Debt Management Committee is fully operational and will issue guidelines for new borrowing requests. An assessment will be undertaken by the GoL about the possibility of additional borrowing to finance social protection in the medium term, in light of evidence of the economic returns of investing in social protection programs.

⁵³ A 10-20 year timeframe is likely since many concession agreements have been granted short term tax breaks

8. Risks

The following will constitute key risks to the implementation of the policy, to be taken into account and addressed in the implementation plan and closely monitored:

- Lack of political commitment to social protection meaning lack of financial commitment and weak governance of the sector; as well as political interference to actions and decisions.
- Delays in strengthening the capacity of national and sub-national structures.
- Long-term financial commitments from development partners are not secured.
- Pressure from stakeholders to scale-up programs without proper structures in place.
- Leakage and corruption of cash resources reduces support for cash transfers.
- Development partners continue to prioritise their own favoured models of social protection to the detriment of a comprehensive national programme.
- Difficulties of targeting to align resources with poverty reduction create social tensions.
- Creating a dependency on external assistance.