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Department for Agriculture,
Environment and Water Resources
Regional Agricultural Policy
(ECOWAP)

REPUBLIC OF LIBERIA



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NEPAD
Comprehensive Africa Agriculture
Development Program
(CAADP)

LIBERIA

Review of Ongoing Agricultural Development Efforts

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

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

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

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

Per capita income in Liberia was US\$132 in 2008 while 64% of its nearly 3.5 million people, equally divided between males and females, were poor. In 2007, 56% of the rural and 29% of the urban population fell below the extreme poverty line and were not able to meet the cost of food needs based on a food basket providing 2,400 kcal per person per day. Even with 70% increase in domestic rice production, Liberia remains a net importer of rice. Imports accounted for 60% of the 322,000 tons consumed in 2007 and the import bill doubled from about US\$100 million in 2007 to approximately US\$200 million in 2008 due largely to global food price increases.

LONG-TERM ECONOMIC DEVELOPMENT STRATEGIES & AGRICULTURAL DEVELOPMENT FRAMEWORKS

Lift Liberia Poverty Reduction Strategy (PRS)

The Lift Liberia Poverty Reduction Strategy (PRS) which covers the period 2008–2011 articulates the

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

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

National Food Security and Nutrition Strategy (FSNS)

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

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

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

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

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

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

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

Integrated Water Resources Management Policy (IWRMP)

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

Liberia Agriculture Sector Investment Program (LASIP)

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

oped. These objectives are embodied in Liberia's national vision and goal for the agricultural sector as stated in the (PRS) as well as the food and agricultural vision contained in the FAPS.

INVESTMENT PROGRAMS UNDER THE PRS/LASIP

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

Land and Water Development

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

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

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

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

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

Food and Nutrition Security

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

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

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

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

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

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

Competitive Value Chains and Market Linkages

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

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

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

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

Table 1 – Cost of PRS/LASIP Programmes

| | Cost (million \$) |
|---|-------------------|
| 1. Land and Water Development | 35 |
| 2. Food and Nutrition Security | 95 |
| 3. Competitive Value Chains and Market Linkages | 115 |
| 4. Institutional Development | 64 |
| Total Cost | 309 |

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

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

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

Institutional Development

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

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

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

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

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

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

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

AGRICULTURAL FUNDING AND PUBLIC SECTOR INSTITUTIONS

Public Agricultural Sector Funding

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

Private Sector Agricultural Funding

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

Public Sector Institutions

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

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

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

The Central Agricultural Research Institute (CARI):

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

The Liberia Produce Marketing Corporation (LPMC):

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

The Liberia Rubber Development Authority (LRDA),

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

The Cooperative Development Authority (CDA) is

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

The Liberia Market Association (LMA) was founded in 1963 to seek President Tubman's assistance in providing better marketplaces in Monrovia. It became a semi-autonomous government institution during the Tolbert administration with the mandate to manage markets. The LMA has generally failed to meet its obligations despite extracting fees from traders.

The Agricultural and Cooperative Development Bank:

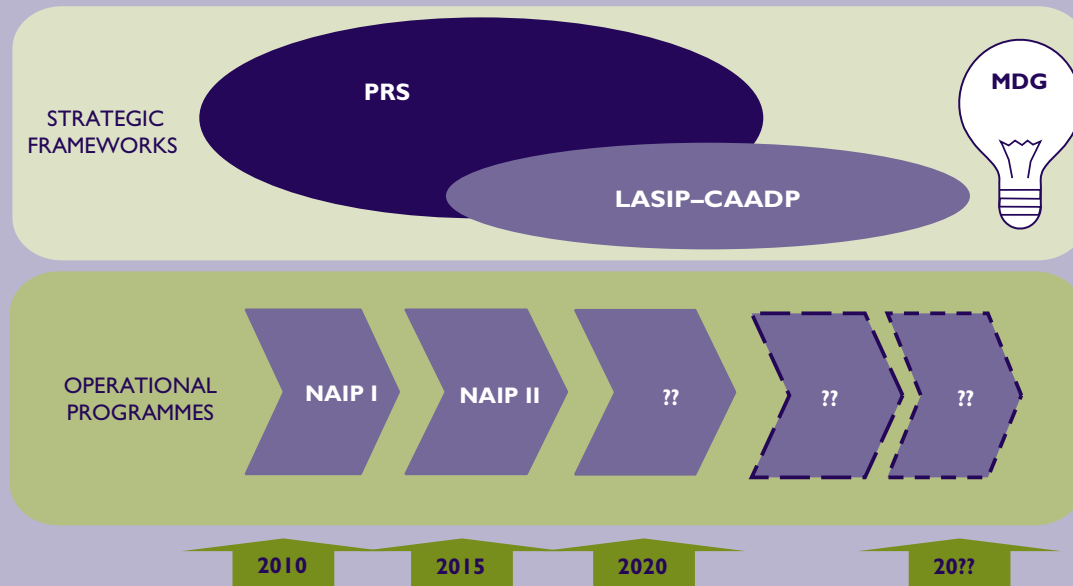
The bank was established in 1978 and created by government through an act of legislation. Its main functions and responsibilities were to make loans to farmers and their organizations in order to increase agricultural production.

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

PRS, LASIP AND CAADP

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

Figure I– Relationship between PRS, LASIP and CAADP



Definitions and Descriptions

PRS (Lift Liberia Poverty Reduction Strategy): A medium term, multi-sector, comprehensive framework with a current time horizon to 2011.

ECOWAP/CAADP (Common ECOWAS Agricultural Policy/Comprehensive Africa Agriculture Development Programme): A long-term agricultural sector specific framework for agricultural development in the region.

LASIP (Liberia Agriculture Sector Investment Program): A long-term program (2015) that seeks to transform Liberian agriculture and in doing so maximize the sector's contribution to economic growth, employment and income generation, food and nutrition security and poverty reduction.

Programmatic Relationships

- **CAADP** programmatically translates the PRS by giving it a substantive content for the agricultural sector.
- **CAADP** provides sector-specific guidance for the definition of the agricultural sector component of current and subsequent PRS programs.
- **CAADP** sets the strategic framework that guides the implementation of the current and future NAIP or similar subsector investment programs.

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

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Agricultural Growth, Poverty Reduction, and Food Security *Past Performance and Prospective Outcomes*

T *The Comprehensive Africa Agriculture Development Programme (CAADP) aims to add value to the efforts of individual countries, where necessary, to ensure that their growth and poverty objectives are achieved. Doing so requires reviewing past, current, and emerging future efforts against these objectives. This includes:*

- Examining the recent growth performance of the agricultural sector, as well as future growth and poverty outcomes based on observed trends.
- Determining how such outcomes compare with the targets established for the sector under the CAADP agenda and how they compare with the Millennium Development Goals to halve the proportion of people living on less than a dollar a day (MDG1).
- Measuring the prospects of meeting these targets and analyzing the implications for future sector growth and poverty-reduction targets.

IS LIBERIA ON TRACK TO MEET CAADP'S GROWTH AND POVERTY TARGETS?

The following analysis puts figures to six scenarios for agricultural development: (i) a continuation of Liberia's current agricultural growth path, (ii) achieving the 6% agricultural growth target set by the CAADP initiative through accelerated agriculture production, (iii) meeting the government's target GDP growth rates specified in the PRSP, (iv) achieving the MDG goal of halving poverty by 2015, or (v) alternatively by 2025. Given the fact that Liberia has just emerged from a long conflict and poverty levels did go up after the 1990 MDG base year, and thus the considerable challenge in meeting MDGI in the near future, the study also considers the following additional scenario: (vi) achieving a reduction of the poverty level of 1990 by one third, which corresponds to halving the 2007 poverty level, by 2025.

Recent Performance and Current Trends Compared to CAADP Targets

Macroeconomic performance in Liberia has been strong in the recent past, as exemplified by a robust GDP growth rate of 7.5% in 2006, 6.9% in 2007 and 7.9% in 2008. The agricultural sector has also shown good growth rates in the more recent past with a growth of 3% in 2006, 8.7% in 2007 and 7.89% in 2008. During this period,

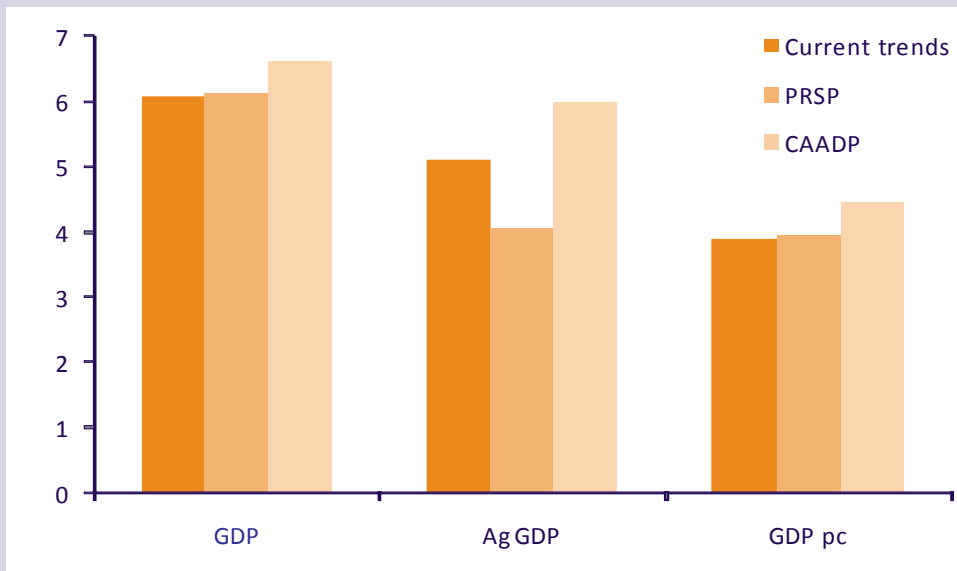
population growth rate was an average of 2.1%. Per capita income grew by 4% in 2006, 3.5% in 2007 and 4.6% in 2008. Future overall growth and poverty trends for the sector under the status quo are projected to 2015 and 2025 based on the following historical trends:

- The agriculture sector is expected to grow at 5.1% while the non-agriculture sector grows at 7.8%. The very high growth rates observed in 2006–2008 are expected to stabilize to long-run levels as the country progressively recovers from the effects of the war.
- The resulting poverty rates are estimated based on an elasticity of poverty with respect to per capita income growth of 0.3 for the 2007 to 2014 period and 0.4–0.6 from 2015 to 2025. The expectation is that the elasticity will improve from its 2007 value (0.3) to 0.6, which is the Africa average, by 2020, and will remain at the value until 2025.

Based on the above assumptions, future growth performance is projected to stabilize at around 6.1% for the overall economy and 5.1% for the agricultural sector, with an average per capita income growth of about 4% (Figure 1a).

Although positive, the growth rate for agriculture is less than the 6% targeted under CAADP. The projected performance is also less than required to achieve the first Millennium Development Goal (MDGI) of cutting the national poverty rate of 1990 by half by 2015 or even by 2025, as indicated in Figure 2b. In fact, national poverty

Figure 1a: Annual growth rate under different scenarios 2007–2015 (%)



rates would be 24% higher in 2015 compared to the 1990 level (Figure 2a). This is because the 2007 poverty levels (84% nationally) are higher those of 1990 (61% nationally). Although, poverty will fall compared to 2007 levels, poverty would have actually increased compared to 1990 levels. Given that the population will grow by about 2% annually, the absolute number of poor people in 2015 at the national level would increase by about 200,000 compared to the number in 2007 under current trends (Figure 3a).¹

CAN EMERGING GOVERNMENT STRATEGIES ACHIEVE CAADP'S GROWTH AND POVERTY TARGETS?

Overview of the Government's Strategic Objectives for the Agricultural Sector

The Government of Liberia's agricultural sector targets are outlined in two key strategic documents: the Food and Agriculture Policy Strategy (FAPS) and the Poverty Reduction Strategy Paper (PRSP). The goal of the FAPS is a revitalized and modernized agriculture sector that contributes to shared, inclusive and sustainable economic growth and development of Liberia. The PRSP recognizes the role and contributions to be made by the agricultural sector towards achieving its objectives. In the PRSP the government projects a GDP target growth rate of 10% in 2009

and 14.5% in 2010. The growth rate is then expected to reduce gradually to a long run average of 3.75% per year. To achieve these rates of growth, the government projects slow growth in rubber production and a 5% growth in other crops. In addition, the PRSP assigns a stronger role to the non-agriculture sector (timber, minerals etc) so that, based on their projections, agriculture grows at 4.07% while non-agriculture grows at 9.37%.

Projected Growth and Poverty Outcomes under Government strategies

The projection results in Figure 1a indicate that achieving the targets outlined in current government strategies would not allow the country to meet the CAADP target of an overall sector growth of 6% by 2015. Based on the government's targets and projections, overall GDP would grow by 6.1% whereas agricultural growth would only be 4.1%. Per capita growth would be 4%, leading to a small decrease in the 1990s poverty rates of 5% at the national level by 2025. These outcomes are significantly far off from the MDG goal of halving poverty by 2015 or even in 2025 (Figure 2b). As shown in Figure 3a, the absolute number of poor people at the national level would increase by about 200,000 by 2015 compared to the number in 2007.

1. In figure 3a and 3b, NC, NW, SC, SE_A and SE_B refer to the north central, north west, south central, south east A and south east B regions of the country respectively.

Figure 1b: Annual growth rate under different scenarios 2007–2015 (%)

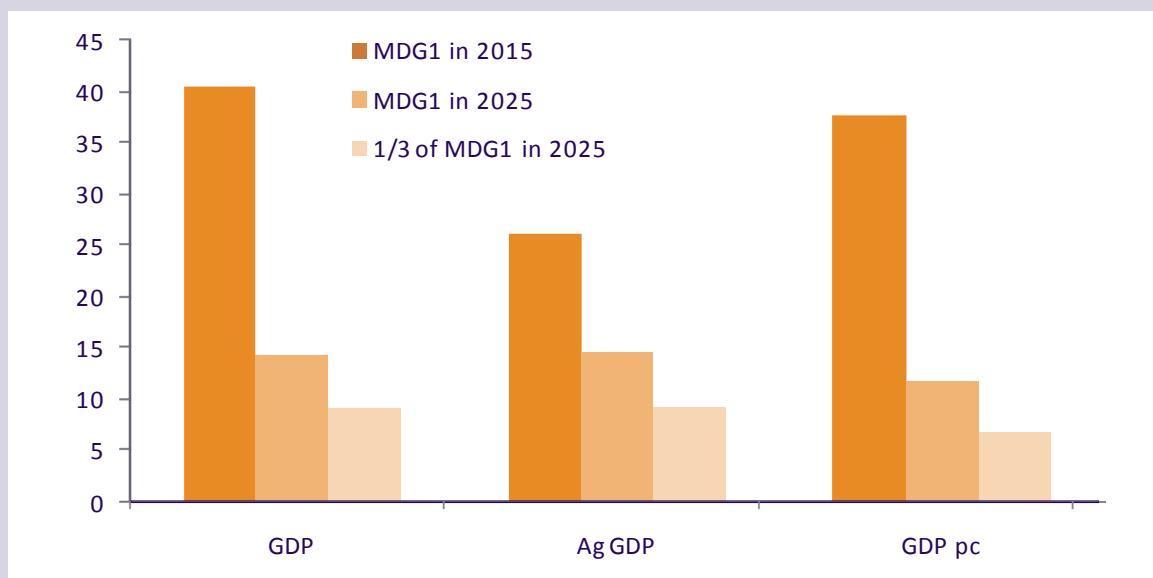


Figure 2a: Percentage change in national poverty compared to 1990 level under different scenarios

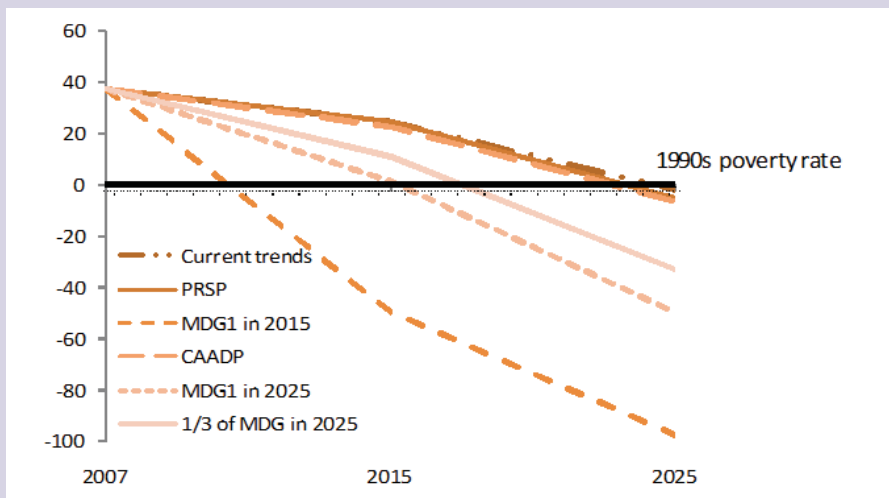


Figure 2b: Projected changes in poverty rates under different scenarios 1990–2025 (%)

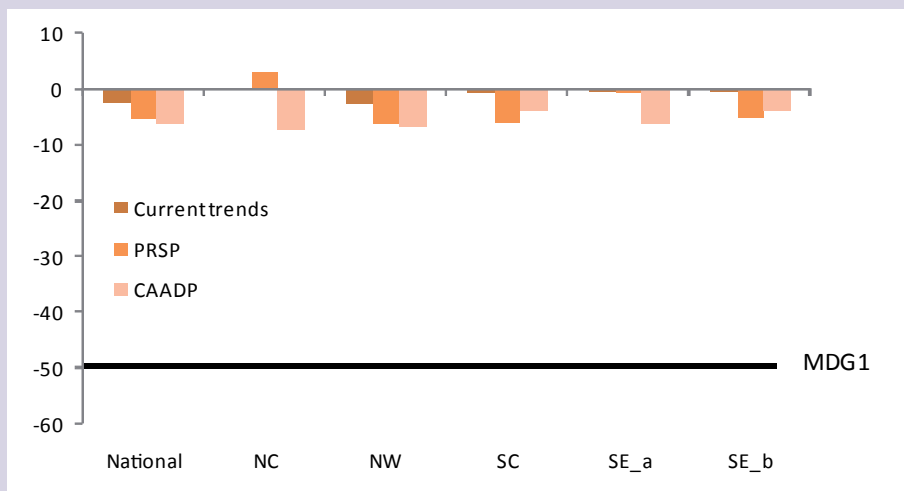
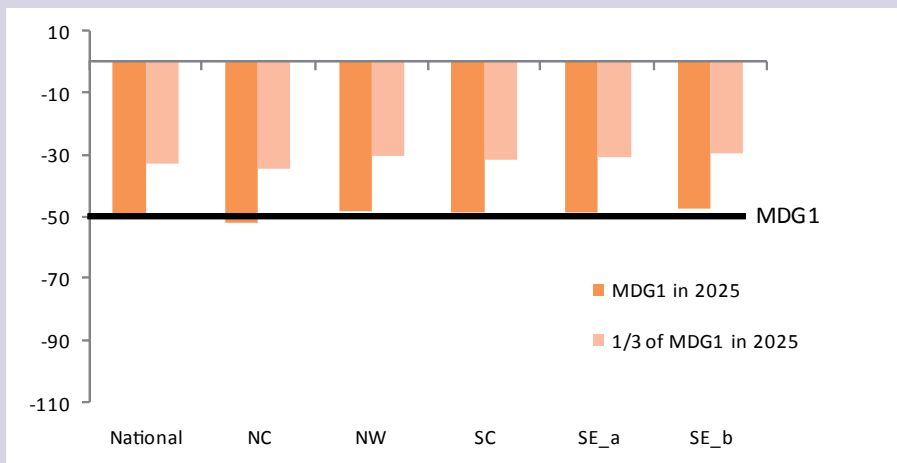


Figure 2c: Projected changes in poverty rates under different scenarios 1990–2025 (%)



ACHIEVING MDG POVERTY OBJECTIVE REQUIRES GROWTH BEYOND CURRENT GOVERNMENT AND CAADP TARGETS

Achieving the MDG objective of reducing poverty by 50% in 2015 would require cutting the national poverty rate to about 31% from the 2007 rate of 84%. Such a reduction necessitates a higher agricultural growth rate than achievable under current targets established by PRSP or for that matter, under CAADP growth targets. In other words, Liberia could well achieve the CAADP target of a 6% agricultural sector growth rate and still fail to realize the MDG poverty reduction objective (Figure 2b).

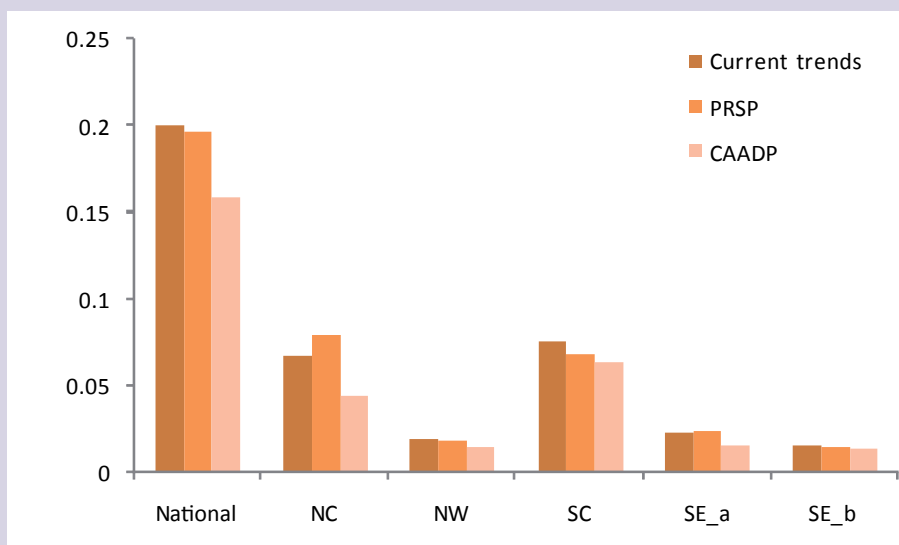
Growth Outcomes Required to Achieve MDGI Objectives in Liberia in 2015 or in 2025

The projected growth rates required to cut poverty rates by 50% by 2015 are presented in Figure 1b. They imply an agricultural sector growth rate of 26.4% leading to an overall GDP growth rate of 40.5% and per capita GDP growth of 37.7%. If these growth rates were attained, the MDG poverty-reduction objective would be achieved at the national level by 2015. Under this scenario, the absolute number of poor people would decrease by 1.6 million and by between 100,000 to more than 600,000

at the regional level. The above growth rates and related decrease in the number of poor are extreme and clearly not feasible. Therefore, another scenario, which would halve the 1990s poverty rate by the year 2025 has been considered. As shown in Figure 1b, this scenario requires an agricultural growth rate of 15.0%, leading to a growth rate of GDP per capita of 12%. Under this scenario the number of poor would decrease by almost 400,000 at the national and by between 27,000 to 140,000 in the different regions (Figure 3b). By 2025, the 1990 poverty rate would have been successfully halved under this scenario (Figure 2c). However, growth rates required to achieve MDGI by 2015 are still high and may not be feasible.

An alternative scenario considered was an increase in the poverty growth elasticity from 0.3 to 0.75 in the 2007–2025 period. This can be achieved through fiscal policy and a strong emphasis on pro-poor growth. With this improved elasticity, the 1990 poverty rate can be reduced by one third in 2025 (Figure 2c). Under this scenario, the 2025 national poverty rate would be 41% which is a one third reduction compared to the 1990 poverty rate of 61%. The country as a whole would have successfully halved its 2007 poverty level from 84% to 41% by 2025. The reduction will not be uniform across regions. It would be highest in the north central zone and lowest in the south east b-region (Figure 2b). By 2025 the number of poor people would have reduced by over 130,000 nationally compared to the 2007 numbers. To meet the MDG objective by 2025, would require a more challenging but more feasible agriculture growth rate of 9.4% and a non agriculture growth of 8.5% resulting in a GDP growth rate

Figure 3a: Projected change in absolute number of poor people under different scenarios 2007–2015

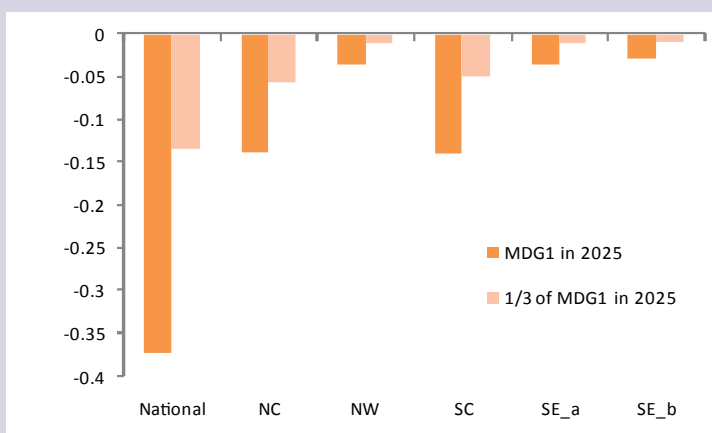


of 9.1%. Although the 9.1% growth rate would be challenging, it brings the country much closer to achieving MDGI. These scenarios highlight the challenges Liberia will face because its 2007 poverty level (84%) is much higher than that of 1990 (61%). This indicates the extent of disruption caused by the war. Even with an improved poverty-growth elasticity and a more feasible growth rate of 7% for the economy as a whole, Liberia would achieve MDGI only by 2039.

The results presented here indicate that: (i) a continuation of current growth trends in Liberia would not achieve the CAADP growth target or lead to a significant reduction in 1990 poverty rates by 2015; (ii) emerging government strategies under the PRSP would not allow Liberia to reach the CAADP nor the MDGI objective in

2015; (iii) meeting the latter objective in 2015 and 2025 would require GDP to grow by 40.5% and 14.3%, respectively through combined growth in the agricultural and the non-agricultural sectors; however (iv) with improved pro-poor growth, the 1990 poverty level can be reduced by one third in 2025 with a GDP growth rate of 9.1%. In doing so, the country would also successfully halve its 2007 poverty rate by 2025. Such accelerated growth, however, would not allow for equal reduction of the poverty rate in all regions.

Figure 3b: Projected change in absolute number of poor people under different scenarios 2007–2015



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

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Long-Term Funding for Agricultural Growth, Poverty Reduction, and Food Security

The amount of funding required for meeting both growth and poverty reduction targets as detailed in Brochure 2 (Agricultural Growth, Poverty Reduction, and Food Security: Past Performance and Prospective Outcomes) is estimated based on historical relationships between the level of public agricultural funding and agricultural GDP.

Estimates of this relationship suggest that a 1% increase in agricultural spending raises the sector's growth rate by 0.22% which is lower than the average value of 0.366% across Africa. The long-term projections discussed below

are therefore carried out using both the estimated elasticity for Liberia and the average elasticity of 0.366 for Africa to simulate a more optimistic spending efficiency scenario.

LONG-TERM FUNDING REQUIREMENTS TO MEET THE PSTA TARGETS AND THE POVERTY MDG IN LIBERIA

Table 1 presents the trend of economic growth and government budget allocations in Liberia for the last three years while Table 2 presents the projections of long-term funding needs for the agricultural sector. The results focus on two scenarios: one based on the weak relationship between agricultural spending and agricultural growth (a low elasticity scenario) and a second assuming the same level of responsiveness of agricultural growth to public spending as observed on average among African countries (a high elasticity scenario).

Successful implementation of the government PRSP agenda will require agricultural growth rates of 4.1%, 9.4% growth of non agricultural sector, and 6.1% of GDP growth. Implementation of the CAADP agenda in Liberia will require annual growth rates in agricultural spending of between 27.0% and 16.4%, depending on the level of responsiveness of agricultural growth to agricultural spending. It is still much lower than agricultural spending growth rate required to achieve MDG-1 by 2015: 111.3% under low elasticity scenario and 109.6% under high elasticity scenario. Achieving MDG-1 by 2025 will require agricultural funding average growth rate of 59.9% under low elasticity scenario and 31.5% if budget efficiency reaches African average of 0.366.

Implementation of PRSP will require almost the same level of the share of agricultural spending in overall spending as in 2008 (8.6 %) under the low elasticity scenario but slightly lower (7.5%) under the high elasticity scenario (Table 2). With respect to CAADP, agriculture share will increase to 15.1% under the low elasticity scenario but fall to 8.8% under the high elasticity scenario in 2015. Under the low elasticity scenario, achieving MDG-1 by 2015 will require that 10.6% of total budget be allocated to agriculture compared to 2.2% under high elasticity scenario by 2015. Under this scenario, the most impact on poverty reduction is expected from non agricultural sector (54.0% per year) against 26.1% from agricultural sector). Therefore, the required funding for non agricultural sector will grow much faster than the required agricultural funding. With the MDG-1 by 2025 scenario, regardless of efficiency scenarios, the share of agricultural spending is expected to be above the Maputo requirement of 10%. It follows that required growth rates for agricultural and non agricultural sector are almost equal, around 14% per year.

Figure 1a and 1b present the trend of agricultural spending for PRSP, CAADP, MDG-2015 and MDG-2025 under current agricultural growth responsiveness to agricultural expenditures (low elasticity scenario). The annual amount required to implement PRSP is projected to grow from US\$6.1 million in 2009 to US\$16.8 million in 2015. To achieve the CAADP target, agricultural budget is projected to grow from US\$6.6 million in 2009 to US\$27.5 million in 2015. For MDG-1 by 2015, it is expected to grow from US\$11.2 million in 2009 to US\$1,197.6 million in 2015, and with MDG-1 by 2025, from US\$8.6 million in 2009 to US\$27,547.4 million in 2025.

Table 1: Economic growth and government budget allocations

| | 2006 | 2007 | 2008 | Growth rate (%) |
|---|-------------|------------|------------|-----------------|
| GDP (constant prices, millions USD) | | | | |
| Ag GDP | 185.7 | 202.2 | 211.6 | 6.8 |
| Non-Ag GDP | 247.3 | 272.0 | 296.4 | 9.5 |
| Total GDP | 433.0 | 474.2 | 508.0 | 8.3 |
| Spending (constant prices, millions USD) | | | | |
| Agricultural sector | 2.2 | 2.4 | 3.1 | 20.6 |
| Non-agricultural sector | 52.2 | 41.1 | 33.4 | -20.0 |
| Total | 54.4 | 43.5 | 36.6 | -18.0 |
| Shares (%) | | | | |
| Ag Spending/Total Spending (%) | 4.0 | 5.5 | 8.6 | 46.9 |
| Ag Spending/Ag GDP (%) | 1.2 | 1.2 | 1.5 | 13.2 |
| Total Spending/GDP (%) | 12.6 | 9.2 | 7.2 | -24.3 |

It is obvious that the growth rates (117.7% under low elasticity scenario and 71.4% under high elasticity scenario) required for MDG-1 by 2015 are rather unfeasible, it is unlikely that the Liberian government can afford such agricultural budget growth rates.

INTERNAL AND EXTERNAL RESOURCE MOBILISATION TO ACHIEVE THE PSTA TARGETS AND MDG I

Figures 2 to 5 present the sources of financing required to meet the funding levels shown in Figure 1. Estimated amounts of internal and external funding sources are based on the assumption that internal sources will cover

only 15% of the overall agricultural budget. The annual external funding required to implement PRSP is projected to grow from US\$5.2 million in 2009 to US\$14.3 million in 2015. To achieve the CAADP target, agricultural budget from external source is projected to grow from US\$5.6 million in 2009 to US\$23.4 million in 2015. For MDG-1, it is expected to grow from US\$9.6 million in 2009 to 1,017.0 million in 2015, and from US\$7.3 million in 2009 to US\$27,547.4 million in 2025.

As suggested above, spending presented in Figure 1-5 have been estimated based on the agricultural growth elasticity with respect to expenditures for Liberia (0.222) which is low compared to the African average of 0.366. This elasticity represents the degree of responsiveness of agricultural sector to government strategy. However, if the Liberian government undertakes key sectoral reforms in order to improve the quality of agricultural spending and

Table 2: Estimated resource allocation to the agricultural sector

| | CAADP | | PRSP | | MDG-1 by 2015 | | MDG-1 by 2025 | |
|--|-------------------------------------|--------------------------------------|------------------------|-------------------------|------------------------|-------------------------|------------------------|-------------------------|
| | Low elasticity (0.222) ¹ | High elasticity (0.366) ² | Low elasticity (0.222) | High elasticity (0.366) | Low elasticity (0.222) | High elasticity (0.366) | Low elasticity (0.222) | High elasticity (0.366) |
| Growth rate (%) | | | | | | | | |
| Ag GDP | 6.00 | | 4.07 | | 26.14 | | 14.58 | |
| Non-Ag GDP | 7.80 | | 9.37 | | 53.98 | | 13.90 | |
| GDP | 6.65 | | 6.14 | | 40.54 | | 14.34 | |
| Ag spending (%) | 27.0 | 16.4 | 18.3 | 11.1 | 117.7 | 71.4 | 65.7 | 39.8 |
| Total spending (%) | | | | | | | | |
| 2010 | 17.0 | 16.0 | 19.1 | 18.6 | 111.2 | 107.8 | 32.5 | 29.5 |
| 2015 | 17.5 | 16.0 | 19.1 | 18.7 | 111.3 | 109.6 | 39.7 | 30.0 |
| 2025 | | | | | | | 59.9 | 31.5 |
| Ag spending/ Total spending (%) | | | | | | | | |
| 2010 | 10.1 | 8.6 | 8.5 | 7.5 | 9.1 | 5.8 | 13.5 | 10.0 |
| 2015 | 15.1 | 8.8 | 8.2 | 5.4 | 10.6 | 2.2 | 35.7 | 14.5 |
| 2025 | | | | | | | 87.6 | 28.3 |
| Ag spending/Ag GDP (%) | | | | | | | | |
| 2010 | 1.7 | 1.4 | 1.5 | 1.3 | 3.5 | 2.1 | 2.4 | 1.7 |
| 2015 | 4.1 | 2.2 | 2.9 | 1.8 | 53.0 | 9.9 | 15.3 | 4.7 |
| 2025 | | | | | | | 612.9 | 34.3 |
| Total spending/ GDP (%) | | | | | | | | |
| 2010 | 5.2 | 5.2 | 5.4 | 5.3 | 9.3 | 9.0 | 5.9 | 5.7 |
| 2015 | 8.2 | 7.7 | 8.9 | 8.6 | 53.5 | 48.9 | 14.4 | 10.8 |
| 2025 | | | | | | | 243.6 | 64.7 |

- 1 The average elasticity for Africa
2 The actual elasticity for Liberia

therefore reach at least the African average, the nominal level of agricultural funding should be reduced. For example, implementation of a well functioning evidence based monitoring and evaluation system should significantly increase the impact of agricultural spending on agricultural growth and therefore reduce the level of required agricultural funding to achieve targeted agricultural growth rate.

The difference between low and high elasticity scenarios reported in Table 3 illustrates expected gains in terms of reduction in agricultural funding as a result of improved

agricultural development strategies at least at the level of the African average. Hence, in 2015, funding requirement is expected to fall from US\$27.5 million to US\$14.9 for CAADP, from US\$16.8 to US\$10.8 for PRSP, from US\$1197.6 million to US\$224.4 million for MDGI – by 2015, and from US\$27,545.4 million to US\$1542.3 million for MDGI – by 2025.

Figure 1a: Required agricultural funding under different scenarios in million USD (current)

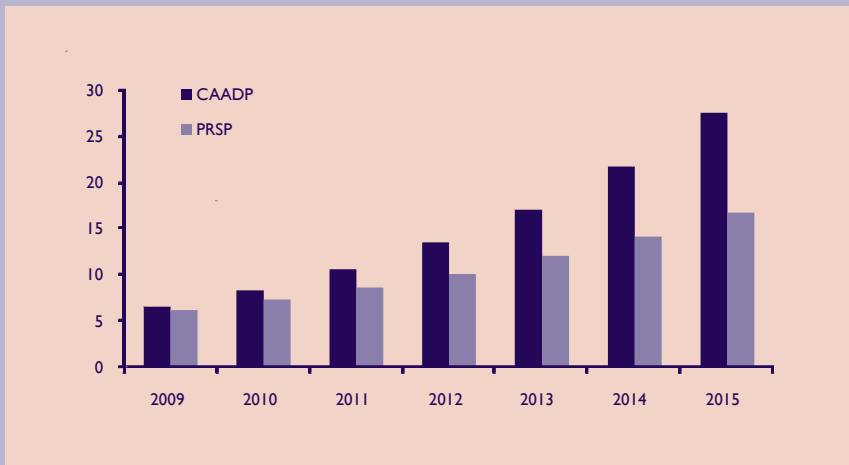


Figure 1b: Required agricultural funding under different scenarios in million USD (current)

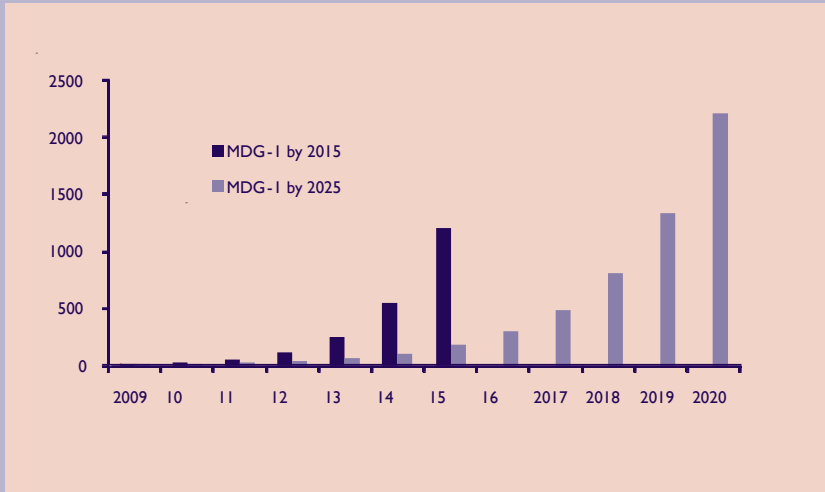


Figure 2: Required internal and external agricultural funding to implement PRSP in million USD (current)

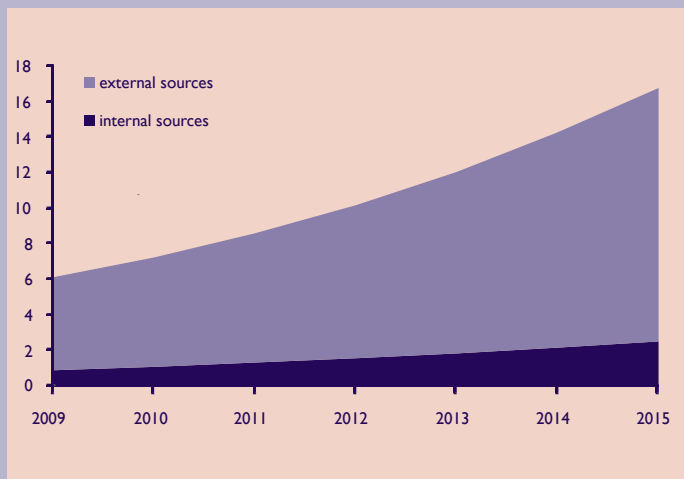


Figure 3: Required internal and external agricultural funding to achieve CAADP in million USD (current)

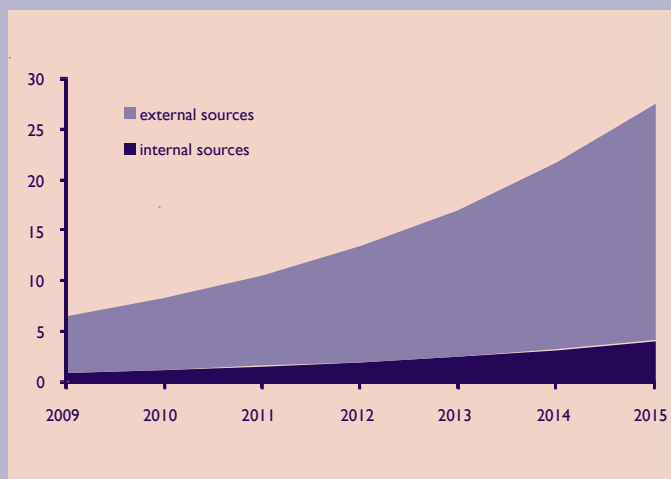


Table 3: Evolution of public expenditure in the agricultural sector under the high and low elasticity scenarios

| | CAADP | | PRSP | | MDG-1 by 2015 | | MDG-1 by 2025 | |
|------|-------------------------------------|--------------------------------------|------------------------|-------------------------|------------------------|-------------------------|------------------------|-------------------------|
| | Low elasticity (0.222) ¹ | High elasticity (0.366) ² | Low elasticity (0.222) | High elasticity (0.366) | Low elasticity (0.222) | High elasticity (0.366) | Low elasticity (0.222) | High elasticity (0.366) |
| 2009 | 6.6 | 6.0 | 6.1 | 5.7 | 11.2 | 8.8 | 8.6 | 7.2 |
| 2010 | 8.3 | 7.0 | 7.2 | 6.4 | 24.5 | 15.2 | 14.2 | 10.1 |
| 2011 | 10.6 | 8.1 | 8.6 | 7.1 | 53.3 | 26.0 | 23.5 | 14.1 |
| 2012 | 13.4 | 9.5 | 10.1 | 7.9 | 116.0 | 44.6 | 38.9 | 19.7 |
| 2013 | 17.1 | 11.0 | 12.0 | 8.7 | 252.6 | 76.4 | 64.4 | 27.6 |
| 2014 | 21.7 | 12.8 | 14.2 | 9.7 | 550.0 | 130.9 | 106.7 | 38.6 |
| 2015 | 27.5 | 14.9 | 16.8 | 10.8 | 1197.6 | 224.4 | 176.8 | 53.9 |
| 2016 | | | | | | | 292.9 | 75.4 |
| 2017 | | | | | | | 485.3 | 105.5 |
| 2018 | | | | | | | 804.0 | 147.5 |
| 2019 | | | | | | | 1,332.0 | 206.3 |
| 2020 | | | | | | | 2,206.8 | 288.5 |
| 2021 | | | | | | | 3,656.1 | 403.4 |
| 2022 | | | | | | | 6,057.2 | 564.1 |
| 2023 | | | | | | | 10,035.3 | 788.7 |
| 2024 | | | | | | | 16,626.1 | 1103.0 |
| 2025 | | | | | | | 27,545.4 | 1542.3 |

1 The average elasticity for Africa

2 The actual elasticity for Liberia

Figure 4: Required internal and external agricultural funding to achieve MDG-1 by 2015 in million USD (current)

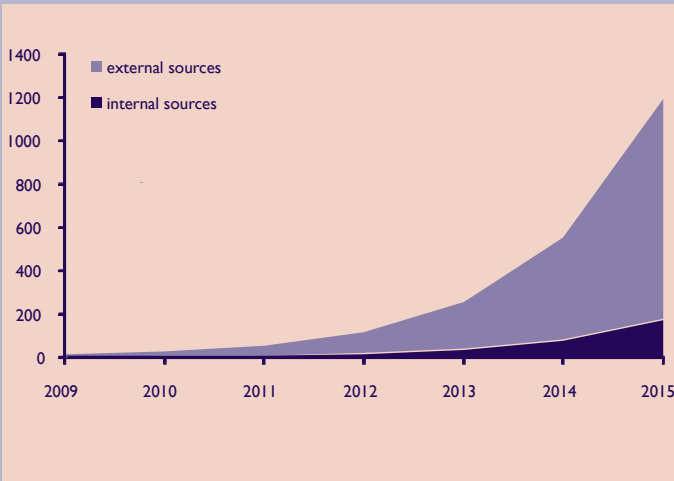
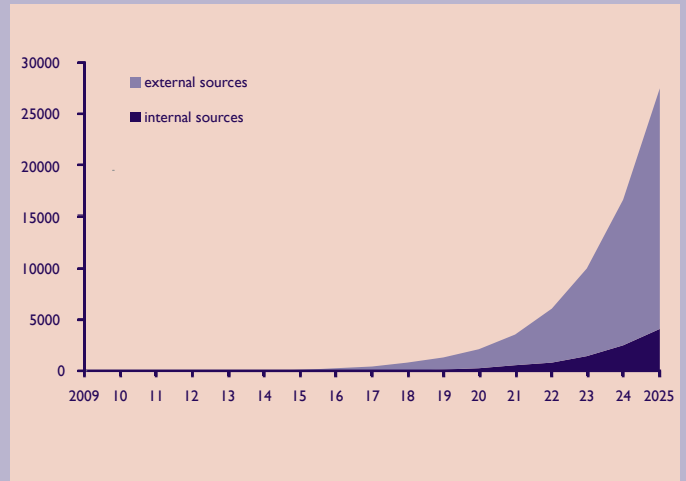


Figure 5: Required internal and external agricultural funding to achieve MDG-1 by 2025 in million USD (current)



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

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Strategic Options and Sources for Agricultural Growth, Poverty Reduction, and Food Security

Implementing the Comprehensive Africa Agriculture Development Programme (CAADP) as the centrepiece of a poverty-reduction strategy implies that agriculture and its individual subsectors must play a primary role as leading sources of pro-poor growth at the national and rural levels.

Liberia and other African countries are not just seeking to accelerate growth but also to maximize and broaden the impact of such growth on poverty reduction. Successful implementation of the CAADP agenda therefore should be guided by a good understanding of the impact of sector wide growth and growth within individual agricultural subsectors on income and poverty levels at the national and,

in particular, across regions. In the present case, a better understanding of the potential implications of a possible growth strategy which halves the 2007 poverty level by 2025 would allow the Liberian government to emphasize options that are more likely to maximize the impact of growth on poverty reduction.

AGRICULTURAL SECTOR GROWTH AND POVERTY REDUCTION IN LIBERIA

If the strategy of halving the 2007 poverty level by 2025 and reducing the 1990 level by one third were to be successfully implemented, the contribution from growth in agriculture to poverty reduction would be about 50% higher than that from growth in the nonagricultural sector. For every 1% decline in poverty about two-thirds would be attributable to growth in the agricultural sector. At the regional level the minimum contribution of agriculture would be about 60% (Figure 1).

While accelerated growth in agriculture as a whole may be the most promising poverty-reduction strategy currently available to Liberia, such a strategy needs to recognize that not all subsectors contribute to agricultural growth and poverty reduction in the same way. The size of the contribution of individual subsectors is determined by their initial shares in income and employment and their potential for incremental growth. In Figure 2, the axis on the left and the bars show the projected contributions to agricultural GDP growth resulting from an additional 1% annual rate of growth in individual subsectors compared to historical trends. The line and the axis on the right show the corresponding contributions to the reduction in the rate of poverty compared to projected poverty rates at current trends. The food crops (rice, cassava and

other food crops) and cash-export crops (rubber, coffee and cocoa) exhibit the highest levels of contribution to agricultural incomes. An additional 1% growth per year sustained until 2015 in either subsector would generate an incremental income of around US\$24 million and US\$13 million, respectively. The corresponding decline in the overall rate of poverty would be 5.02% and 5.75% respectively compared to projected poverty rates at current trends.

EFFICIENCY OF ALTERNATIVE GROWTH STRATEGIES IN ACHIEVING POVERTY REDUCTION OBJECTIVES

The long-term contributions (to 2025) of alternative growth strategies to poverty reduction are plotted in Figure 3. Each line depicts the decline in poverty that would be achieved if Liberia were to focus on particular sources of growth. The top line (current trends) indicates the decline in the poverty rate under the continuation of current trends across all subsectors, which would result in a modest reduction from 84% in 2007 to 60% in 2025. The second line from the bottom shows poverty reduction under a strategy that achieves 1% additional growth in the agriculture sector as a whole. The poverty rate would fall to 41%, i.e. an additional reduction by 19 percentage points compared to current trends. The lines in between denote the outcomes of alternative isolated strategies

Figure 1: Contribution of agricultural sector growth to poverty reduction in different regions

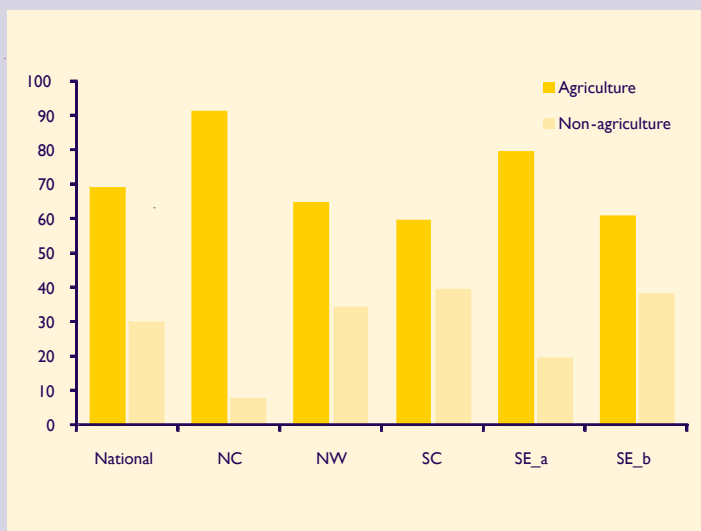
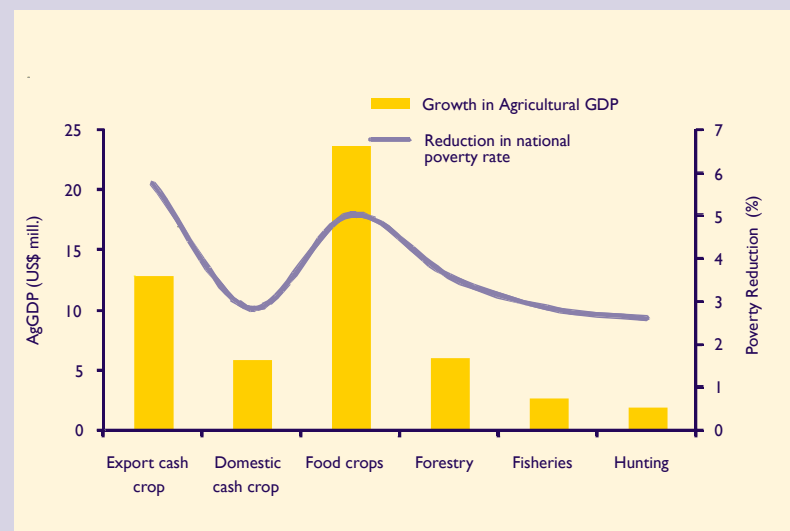


Figure 2: Subsector contribution to agricultural GDP growth (US\$ mill.) and poverty reduction (%)



that would focus exclusively on single subsectors: export cash crops, domestic cash crops (banana, oranges, tomatoes etc), food crops, forestry, fishery and hunting. The projected outcomes indicate that in terms of reducing overall poverty levels a more comprehensive, sector-wide strategy would to a large extent be more effective than crop-specific strategies.

The bottom line in Figure 3 illustrates the added contribution of further stimulating growth in the non-agricultural sector. This line indicates that poverty can still be reduced by an extra percentage point if Liberia was to opt for a strategy that accelerates growth in both the agriculture and non-agriculture sector. It would be impossible to achieve the rates of agricultural and nonagricultural sector growth that would be required to meet the MDG I objective in 2015, estimated at 26% and 54%, respectively (see *Brochure 2: Agricultural growth, poverty reduction, and food security: Past performance and prospective outcomes*).

However, the above results suggest that Liberia can make significant progress towards halving the 2007 poverty rate and reducing the 1990 rate by one-third by 2025 improving the poverty-growth elasticity i.e. the pro-poor-ness of growth and ensuring growth of 9.4% and 8.5% in the agriculture and non-agriculture sector, respectively. Although it is a challenging target, it remains a feasible one.

An analysis of the alternative growth sources and poverty-reduction outcomes yields the following lessons with respect to efforts to successfully design and implement strategies to achieve the poverty MDG in Liberia:

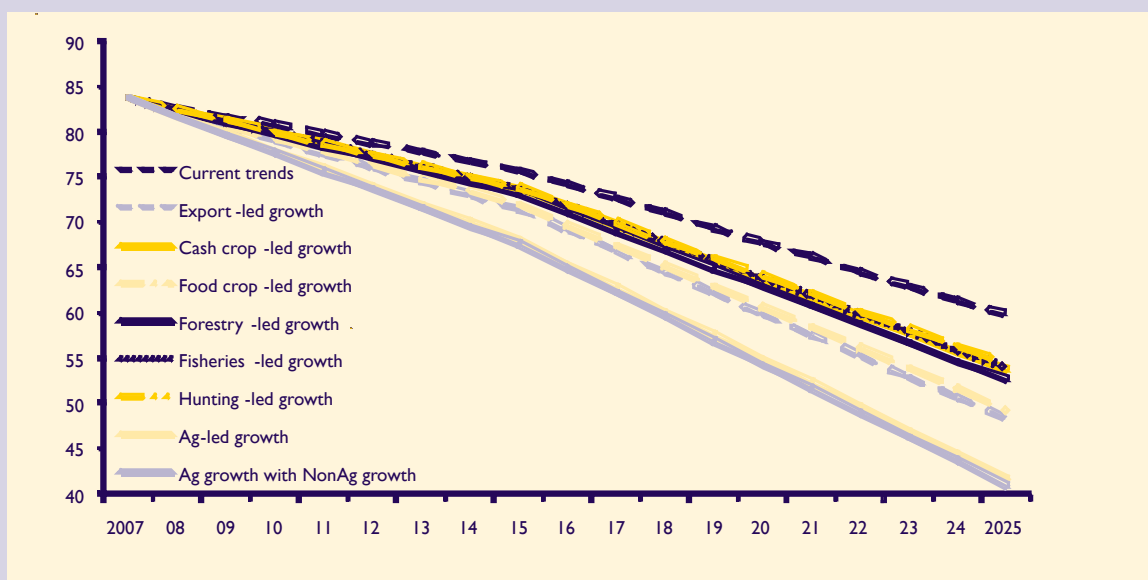
1. Agriculture will remain the predominant source of growth and poverty reduction in Liberia during the next 10 years.
2. Continuation of current trends would reduce poverty by 8 percentage points by 2015 compared to its 2007 level of 84% and would not allow Liberia to halve national poverty by 2015.
3. Isolated strategies targeting any of the major subsectors separately would only marginally lower the poverty rate compared to current trends.
4. If a strategy were to be implemented that would combine accelerated agricultural growth with accelerated growth in the non-agricultural sector in addition to improved pro-poor-ness of growth, the poverty rate could be reduced to 68% by 2015, and Liberia would halve its 2007 level of poverty by 2025.

POTENTIAL EQUITY EFFECTS RELATED TO GOVERNMENT GROWTH TARGETS UNDER THE PSTA

Impact of Sub-sectoral Growth on the Reduction and Distribution of Poverty Among Regions

Planned strategies to halve the 2007 poverty level by 2025 are projected to generate strong growth across all

Figure 3a: Poverty outcomes of alternative growth strategies (%)



subsectors. However, as the different regions experience almost the same level of poverty reduction between 2007 and 2025, Figure 4 indicates that the regional poverty profile will not change and the poorest regions in 2007 still remain the poorest by 2025. Figure 5 shows that differences in poverty levels between the national level and the different regions do become smaller and are even halved in some cases, suggesting that some convergence towards a more uniform poverty level will take place.

Possible Equity Effects and How to Address them under Current CAADP Targets

Implementation of any particular growth strategy should take potential equity effects into consideration. The purpose here is not necessarily to achieve equal outcomes but rather to raise the overall level of income gain and poverty reduction by maximizing the gains among households in regions at the lower end of the spectrum. This can be done by emphasizing in the design and implementation of programs those subsectors that contribute more immediately and to a greater extent to income growth and poverty reduction among households in regions like the North West and South East A regions that would otherwise continue to lag behind in terms of poverty reduction. The benefits from agricultural growth may vary among households in the different regions due to the following factors:

1. The importance of individual sectors as a source of income and employment for different household groups;

2. The scope for incremental growth in individual subsectors, given technological, market, and other conditions affecting demand and supply; and
3. The initial distribution of growth among individual agricultural subsectors.

Food crops are the largest agricultural source of poverty reduction in all regions except the South Central region where export cash crops are more important (Figure 6).

The following lessons can be drawn regarding the design and implementation of programs to stimulate growth and reduce poverty under the CAADP agenda:

1. Agriculture remains a key source of growth and a major contributor to poverty reduction nationally as well as across regions.
2. The realization of the growth strategy is projected to stimulate growth across agricultural subsectors and across regions.
3. The reduction in poverty will not alter the regional poverty profiles as the poorest regions remain the poorest in the future.
4. The food crops subsector is the major source of future growth and poverty reduction among the poorest households.
5. Consequently, the implementation of the growth strategy needs to emphasize this subsector in the regions with a high concentration of the poorest households so as to better balance out and broaden the impact of growth and poverty reduction.

Figure 4: Projected poverty rates across regions under growth strategy (%)

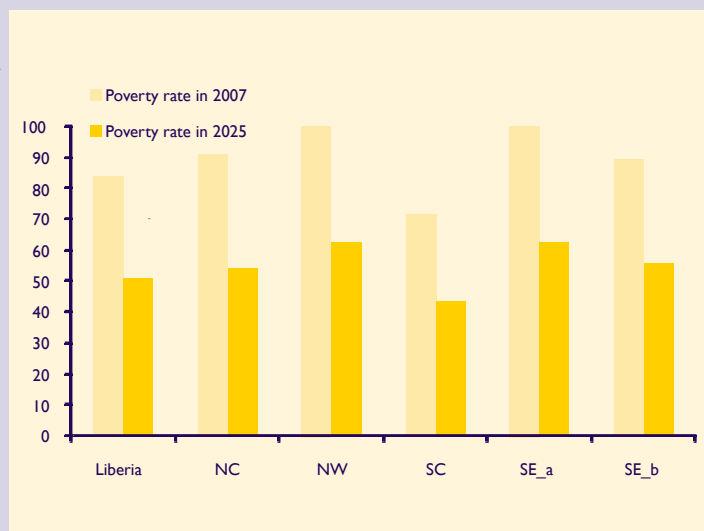


Figure 5: Differences between national and regional poverty rates (%)

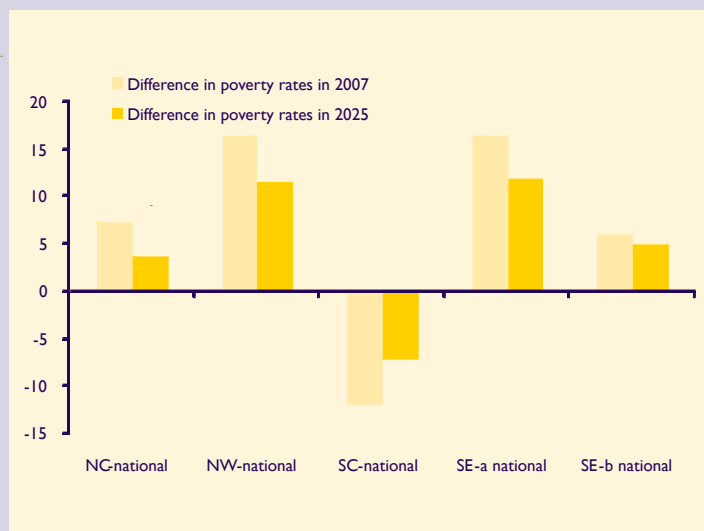
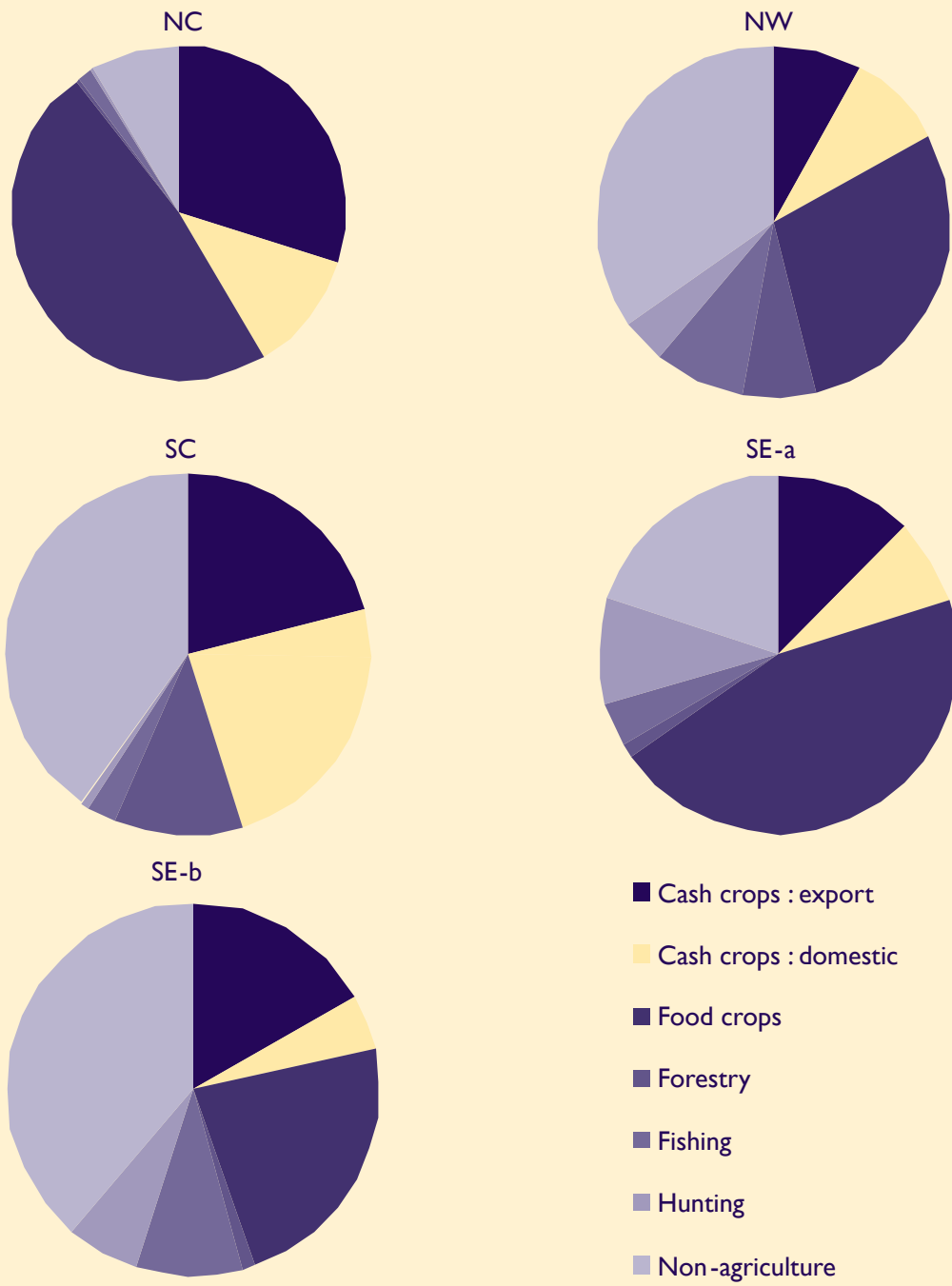


Figure 6 Projected contributions of individual subsectors to income growth and poverty reduction in different regions.



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

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