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Meeting the Challenges of the UNMIL Security Transition

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ABBREVIATIONS AND ACRONYMS

ACPA	Accra Comprehensive Peace Agreement	MNS	Ministry of National Security
AFL	Armed Forces Of Liberia	MOF	Ministry of Finance
AfT	Agenda for Transformation	MOJ	Ministry of Justice
AU	Africa Union	MTEF	Medium Term Expenditure Framework
BCE	Bureau of Customs and Excise	MRU	Manu River Union
BCR	Bureau Of Correction and Rehabilitation	NBI	National Bureau Of Investigation
BIN	Bureau Of Immigration & Naturalization	NFS	National Fire Service
CBL	Central Bank Of Liberia	NPTA	National Police Training Academy
CRJ	Canadair Regional Jet	NSA	National Security Agency
CSCs	County Security Councils	NSC	National Security Council
CSOs	Civil Society Organizations	NTGL	National Transitional Government of Liberia
DEA	Drug Enforcement Agency	OECD DAC	Organization of Economic Cooperation and Development – Development Assistance Committee
DPKO	Department of Peace Keeping Operation	OOL	Operation Onward Liberty
DSCs	District Security Councils	PBF	Peace Building Fund
ECOWAS	Economic Community of West African States	PER	Public Expenditure Review
ERU	Emergency Response Unit	PRS	Poverty Reduction Strategy
FPU	Formed Police Unit	PSU	Police Support Unit
GDP	Gross Domestic Product	SOP	Standard Operating Procedures
GOL	Government Of Liberia	SRSg	Special Representative of Security General
HIV/AIDS	Human Immunodeficiency Virus/ Acquired Immune Deficiency Syndrome	SPA	Spriggs Payne Airport
HRC	Human Right Commission	SSR	Security Sector Reform
IMF	International Monetary Fund	SSS	Special Security Services
JSC	Joint Steering Committee	TAM	Technical Assistance Mission
JSJP	Justice and Security Joint Program	UN	United Nations
LCG	Liberian Coast Guard	UNMIL	United Nations Mission In Liberia
LNP	Liberia National Police	UNSC	United Nations Security Council
MND	Ministry of National Defense	VIPs	Very Important Persons

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PREFACE

This note is path breaking. It is the first example of a UN peacekeeping mission and the World Bank coming together to work on a Public Expenditure Review (PER) of a country's security sector. The note is recognition by both institutions that business as usual is not an option as security sector development is critical to sustainable development in post conflict and fragile states and that sustainable budgetary and predictable resource flows are critical to security. This work has been financially supported by the recently created UN Partnership Trust Fund (financed by Switzerland) and builds on one of the key recommendations outlined in the World Bank's 2011 World Development Report, where more cooperation between the UN and World Bank on key issues, such as PERs, is recommended.

It should be noted that all information/ data associated with military expenditures is based on expenditure and security data provided by the Ministry of Finance, and other security agencies, namely Ministry of Justice and Ministry of Defense. The findings and analysis of this PER Note benefit from a strong collaboration between UNMIL and the World Bank based on their respective core expertise and in close consultation with the Government of Liberia. UNMIL is responsible for the analysis and quality assurance of the security related issues including risks and threats, the Liberian security institutions and structure, their strengths and weaknesses as well as security needs and basic functions to be carried out by the Liberian security agencies. The World Bank is responsible for the analysis and quality assurance of public expenditure management and issues in the security sector, the estimated cost of a basic security package, fiscal space and financing gap in the context of a medium-term expenditure framework (MTEF) based on inputs from UNMIL.

EXECUTIVE SUMMARY

Nine years after the end of the civil war in 2003, Liberia has made significant progress in restoring its physical infrastructure, economy, and institutions. Continued peace, enhanced security and political stability have all been instrumental in building the foundations for successful reconstruction. The extent of the positive contribution made by the presence of the United Nations Mission in Liberia (UNMIL) during these past years in helping Liberia achieve its turn-around was (and continues to be) significant. So, too, have been the ongoing reforms designed to strengthen the country's security institutions, the aim of which are to improve operational effectiveness. Combined, these efforts aim to provide an enabling environment for investment, growth and employment so Liberia can solidify and accelerate its development agenda.

Despite the progress achieved thus far, peace and security remain fragile. Stability is at risk of being undermined by internal disturbances set off by conflict, disputes over land, and high unemployment especially among the youth. Liberia is also vulnerable to political tensions and insecurity spilling over from neighboring countries (Cote d'Ivoire, Guinea and Sierra Leone) due to its highly porous borders and limited state security presence in these areas. Whatever the trigger, the potential for disorder to escalate into large-scale violent confrontations is real. Given that the country's security sector capacity remains weak – due to inadequate training, limited logistics and communications equipment, and poor incentives – there is concern that the response capability of the security agencies, especially the Liberia National Police, is inadequate to meet the challenge, which could ultimately put the gains achieved to date at risk.

In 2006, the UN Security Council authorized a phased, gradual consolidation, drawdown and withdrawal of UNMIL's troop contingent as the situation permitted and without compromising the security of Liberia. The process, however, was put on hold to provide full support for the 2011 national elections, which took place without serious incident. With the inauguration of the new government complete, the drawdown has now taken on new momentum. As part of the withdrawal plan, key operations (but not all) currently handled by UNMIL are slated to be transferred to the national authorities. The measured handover of security functions should provide an adequate window of opportunity to scale up the capacity Liberian counterparts, primarily the police (LNP) and immigration (BIN) forces.

However, the transition of UNMIL personnel and equipment, expected to begin in 2012, is imposing a clear and pressing challenge for the government. At issue is the ability of and speed at which national security agencies can take on the functions currently being performed by UNMIL in an environment of competing development needs with limited fiscal space. The transition is also constrained by low public confidence in the Liberian security apparatus, which is due in part to weak professional integrity and corruption.

Given these challenges and the importance of ensuring a smooth transition, the government is encouraged to adopt a strategic approach such that the sustainability of security financing is ensured. It is clear that the government will not be able to absorb the full anticipated cost of security operations expected to be transferred from UNMIL. This Note, therefore, suggests that the government embrace the recently introduced medium-term expenditure framework (MTEF) that emphasizes a strategic focus on the security sector from the top-down and prioritizes realistic costing from the bottom up. Such an approach

calls for prioritization of the transferred security functions based on a national strategic policy that accounts for a limited resource envelope. The process calls for the proactive role of the National Security Council (NSC) in making strategic security policy and setting a complementary resource envelope in close coordination with the Ministry of Finance and Economic Planning and other relevant security agencies. In the meantime, the deepening of reform throughout the security sector should be encouraged to improve coordination, financial accountability and oversight, all of which will go a long way in reducing the cost and improving the effectiveness of security operations during a critical period of the country's efforts to transform the economy to middle income status by 2030.

Going forward, the note recommends that individual security agencies revise their own strategic plans to ensure consistency with the security sector's strategic objectives and that address the challenges associated with the UNMIL transition. The plans should be costed and prioritized, and take into account a realistic assessment of the available resource envelope and capacity of the security sector. In this context, the NSC could play a proactive role in setting a top-down priority for the whole security sector. Over the medium-term, the Note suggests that the security agencies focus on improving efficiency of the delivery of security services, both ongoing (to reduce operating cost) and new associated with the UNMIL transition. This could be achieved through: (a) rationalizing BIN and BCR operations, effective management of security assets (vehicles and buildings), sharing infrastructure among key security agencies, and improving efficiency of operations of regional security hubs to reduce operating costs; (b) strengthening public sector management in the security sector through implementing functional reviews to consolidate functions and eliminate redundancies; (c) improving human resource management (pay, grading structure, and training opportunities) as well as enhancing the professional integrity of security personnel (disciplinary actions and sanctions); and (d) strengthening public financial management in the security sector.

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I. Introduction

1. **A history of poor governance culminated in nearly fifteen years (1989-2003) of brutal conflict that destroyed lives, key institutions and infrastructure, and brought the Liberian economy to a halt.** The origins of the conflict were rooted in the marginalization and/or exclusion over many years of a large part of the Liberian population from political power and the economic wealth flowing from the country's substantial natural resources. As social discontent deepened and with few apparent options for redress, the country ultimately erupted into brutal civil war in 1989. The conflict left a disastrous toll on the nation: it led to the deaths of an estimated 270,000 Liberians, made the delivery of education and health services nearly impossible, and severely destroyed the country's public and private infrastructure (roads, railroads, electricity generation and transmission, potable water and sewage facilities). The 1995 peace agreement, which led to the election in 1997 of one of the warlords, Charles Taylor, as president, did not hold. Two years later, fighting broke out again and only worsened an already struggling economy. This state of affairs was to continue for another next 6 years.

2. **The 2003 Accra Comprehensive Peace Accords (ACPA) marked the beginning of a new era for Liberia.** Following the signing of the accords in August, 2003, a two-year National Transitional Government of Liberia (NTGL), headed by Charles Gyude Bryant, was established to ensure the implementation of the ACPA and carry out normal government functions including economic management, delivery of public services in education, health, infrastructure, etc. The United Nations Mission in Liberia (UNMIL) was established with a stabilization force consisting of 15,000 United Nations military personnel, including up to 250 military observers and 160 staff officers, and up to 1,115 UN police officers and units. The force was deployed to assist in the maintenance of law and order throughout the country, and a civilian component was established to support the implementation of the ceasefire agreement and peace process. This time, now exhausted by war and after having found so elusive a quick return to peace and stability, the country embraced the opportunity to rebuild with the support of the international community. Peace and security were enhanced as combatants were disarmed and demobilized. However, reintegration into society was (and continues to be) difficult given the limited economic opportunities and lack of adequate and ongoing counseling services. The gradual return of security eventually led to the free and fair legislative and presidential elections of November 2005, which resulted in the inauguration of Africa's first democratically elected female president. Although the president's party failed to win a majority in parliament, the result of active exchanges with the opposition and civil society soon led to support and enactment of a number of reforms on a variety of fronts.

3. **The new government articulated a broad vision of a peaceful, secure, and prosperous Liberia as described in *Lift Liberia*—the country's first poverty reduction strategy (PRS-1, 2008-**

2011). During this period, Liberia made good progress as the economy recovered and growth was sustained, especially in the urban areas. This was supported by macroeconomic stability characterized by low inflation, essentially balanced budgets, and a significant reduction in external debt as well as significant inflows of foreign direct investment to the agriculture and mining sectors. The financial sector expanded in size and in the range of services offered, and banks' balance sheets improved. Rebuilding of physical infrastructure began, and coverage of health and education services expanded by most measures.¹ Some aspects of governance improved and instances of poverty declined (Table 1).

Table 1: Liberia - Key economic indicators, 2003-2011

	2005	2006	2007	2008	2009	2010	2011
Real GDP growth (%)	5.6%	7.9%	12.7%	7.8%	6.2%	6.1%	8.1%
Inflation (annual average)	6.9%	7.2%	13.7%	17.5%	7.4%	7.3%	8.5%
<i>Fiscal Account (Percent of GDP)</i>							
Total Revenue and Grants	80.3%	12.3%	17.9%	20.4%	20.8%	23.5%	26.4%
Total Expenditure	12.3%	8.8%	14.8%	19.4%	22.1%	23.0%	27.0%
Overall Fiscal Balance	0.7%	3.5%	3.1%	1.0%	-1.2%	0.5%	-0.6%
Total Public External Debt	748.9%	678.8%	529.8%	315.7%	283.9%	137.2%	8.0%
<i>Monetary and Credit</i>							
M2/GDP	20%	23%	20%	24%	27.9%	33.3%	37.0%
Credit to Private Sector (% change)	20.6%	41.7%	39.2%	44.1%	31.5%	40.1%	32.4%
<i>Balance of Payments (% of GDP)</i>							
Exports, f.o.b.	16.9%	22.1%	22.4%	23.1%	13.3%	16.6%	24.7%
Imports, f.o.b.	-46.3%	-60.3%	-53.7%	-64.4%	-49.7%	-52.1%	-64.1%
Current Account Balance	-30.6%	-11.4%	-22.9%	-44.3%	-29.2%	-33.2%	-33.2%
Gross Official Reserves (US\$ million)	8.0	46.2	85.3	129.4	312.2	391.4	415.8
<i>Memo:</i>							
GDP (in Million US\$)	542	604	928.7	1,100.5	1,155.9	1,292.7	1,544.9

Sources: IMF

4. **A second democratic election took place in October 2011 with a run-off in November that led to victory for the incumbent party, a process that was conducted peacefully and benefited from UNMIL and broad international support.** Ellen Johnson-Sirleaf won another term as president. Indeed, Liberia has accomplished much since the signing of the Accra accords, making notable progress on many fronts. Still, the country remains fragile with substantial political and socioeconomic risks. As a way to focus her administration and citizenry on the way forward and ensure continued foreign support, the government is developing a *National Vision: Liberia Rising 2030* that calls for transforming the economy to middle-income status by 2030. To achieve the vision, a second Poverty Reduction Strategy for 2012-17, *Agenda for Transformation (AfT)*, is currently being formulated.

5. **Looking ahead, the newly elected government is confronting myriad challenges as it continues to lay the foundations for the country's long-term development.** Liberia must overcome economic, institutional, and security hurdles. On the economic front, infrastructure bottlenecks (energy,

¹ Republic of Liberia, Lift Liberia Poverty Reduction Strategy - A Result Focused Assessment (June 2008-December 2011).

transport, ports, water and sanitation) must be alleviated to facilitate trade and commerce, revitalize agriculture, and support private sector development. Progress in these areas will diversify the economy, create jobs for hundreds of thousands of unemployed youth and adults in the urban and rural areas, and help lift Liberians out of poverty. De-concentration of the government from the capital city to counties and districts is seen as a key priority of the transformation agenda to bring the state closer to the population, facilitate social reconciliation, and improve the delivery of basic services (education, health). On the institutional front, endemic corruption and weak state capacity at all levels are perceived as serious challenges hampering the government's ability to meet the development aspirations. Finally, on the security front, the administration is also facing the more immediate reality of a drawdown of UNMIL personnel and equipment beginning this year and the daunting task of transferring these costly but effective security functions to Liberia's own poorly paid, inadequately equipped and insufficiently trained security agencies. This Note focuses on the last issue: preparing for UNMIL's drawdown and assuming a larger responsibility for its own security.

6. **Recognizing the positive impacts of peace and security on Liberia, the World Bank in close collaboration with UNMIL is assisting the government to identify the core security functions and their associated costs as well as options to ensure a smooth security transition.** As such, this report does not carry out an in-depth analysis of public expenditure in the security sector. Instead, the costing of the security is based on the draft transition plan prepared jointly by the government and UNMIL, alongside the relevant costs outlined in the Liberia Peacebuilding Program, a central component of which is the development of regional justice and security hubs. The finding of this Note is expected to inform the government of the security cost, especially related to UNMIL's drawdown and strategic approach to ensure fiscal sustainability of the security financing over the medium and long-term. The Note is organized as follows: Section Two provides the country and sectoral context, followed by Section Three, which discusses the structure and functions of the country's security sector. Section Four discusses UNMIL operations in Liberia. Section Five discuss the challenges in taking on the security function especially the financial challenges. The section presents the estimated cost of security services (including the cost of government security operations, the cost of transferred functions and the recurrent cost of the Joint Security and Justice Program or JSJP), the estimated financing requirement, and fiscal space and gap. Section Six outlines a road map for sustaining the security cost to be borne by Liberia. The final section provides recommendations for the government to consider as it moves forward.

II. Security Context

A. Threat assessment

7. **Liberia has remained generally stable since the deployment of UNMIL in 2003, but despite the prevailing stability, peace is fragile.** Many of the remaining security threats to Liberia are of an internal nature, including the recurrent tendency of minor incidents to escalate into large-scale violent confrontations beyond the response capability of the national police. Liberians still fear for their personal security because of a high incidence of violent crime and an inadequate justice system. Youth alienation is a particular challenge, and to address this will require a comprehensive intervention to tackle it. In addition, land disputes remain a serious conflict trigger throughout the country, exacerbated in many

instances by a lack of regulation and long-standing divides between ethnic groups or communities, given that the country is alienated along ethnic and geographical lines. Moreover, a number of structural conflict triggers persist, such as economic inequality, corruption, exclusion and perceived or real lack of political voice, human rights violations, impunity, ineffective accountability mechanisms and weak state institutions.

8. **While the sub-region is generally stable, each of the countries in the Mano River Union is undergoing some form of internal transition.** Each country remains vulnerable to disruption by political tensions or insecurity in any of the neighboring countries due to highly porous borders and limited state presence along the border areas. Networks for the illegal exploitation of natural resources remain, particularly in inaccessible areas of the country bordering Guinea, Cote d'Ivoire and Sierra Leone, and trans-national crime, including drug and goods trafficking persist, though the presence of UNMIL continues to deter more significant transnational criminal activity. Moreover, the refugee crisis in Liberia in 2011 following the contested elections in Ivory Coast continues to put a strain on the state, with sizable number of refugees still present in the volatile border areas.

B. Liberia's national security strategy

9. The 2008 *National Security Strategy* is the foundational document for orientating the security sector in Liberia. The Strategy defines national security in a holistic manner that factors in democracy, rule of law, human rights, political and economic stability, civic duty, regional dimensions, reconciliation, professionalism of security actors and the environment. The Strategy takes into account *internal matters, regional factors and global issues*. Internal threats are identified as lack of respect for the rule of law, poverty, poor national resource management, deactivated ex-servicemen (17,000), ex-combatants (103,019 demobilized and an estimated 9,000 who did not benefit from reintegration programs), corruption, robbery, drug abuse and trafficking, illegally-held arms, land and property disputes, ethnic hatred and tensions, citizenship, illiteracy, fire occurrences, overcrowded prisons and HIV/AIDS.

10. The objectives of the Strategy include: consolidation of peace; development of a coordinated national security system; avoidance of duplication of roles; transparent recruitment of staff; gender responsive reform initiatives; establishing county and district security councils; democratic civilian oversight mechanisms; safeguarding the integrity, sovereignty and political independence of Liberia; participation in Regional Security Forces – Africa Union (AU) Standby Forces and ECOWAS Standby Forces; economic security and poverty reduction via PRSP; and environment and resource management.

11. Despite a good National Security Strategy and reform strategies developed by individual security sector agencies and the significant reform progress achieved, the development of the Liberian security sector remains hampered by shortcomings in coordination, oversight and financial sustainability. While the national security strategy emphasizes the need for an accountable and democratic security architecture, reform of the sector has so far focused on developing the operational effectiveness of the security institutions. Mechanisms for accountability and coordination remain weak, and civilian oversight of the security sector is ineffective. The passage in August 2011 of the National Security and Intelligence Act should help resolve the issue in the Liberian security system of multiple institutions with duplicate or archaic mandates. Nevertheless, more remains to be done in order to enhance security sector coordination

and to enhance synergy and cooperation between security sector agencies. Moreover, legislation is still pending on a new police law, gun control, drug control and prison reform, and while the National Defense Act was passed in 2008, a draft national defense strategy remains under review.

12. Given that internal security and public order are the key security threats faced by Liberia, the Liberian National Police (LNP) and the border police (the Bureau for Immigration and Naturalization - BIN) are the critical security sector agencies in view of the UNMIL transition. The Armed Forces of Liberia (AFL) is less significant as their remit relates to external security and territorial integrity, which is less of an issue for the country at this time.

13. The donor community has played a critical supporting role for the security sector and has ensured alignment with national priorities in line with the Paris Declaration on Aid Effectiveness. A Justice and Security Trust Fund was activated in late 2010, co-chaired by the Minister of Justice and the Deputy Special Representative of the Secretary General (SRSG) for the Rule of Law. From 2012 the Trust Fund Board has been integrated into a larger Justice and Security Board that takes account all donor support linked to a new three-year Joint Program on Justice and Security. The Joint Program prioritizes critical UNMIL transition gaps (including the hubs) and coherently integrates the various available funding instruments, including support from the Trust Funds, bi-lateral donors, the UN Peace Building Fund (PBF) and GoL budget. Sweden has also created an informal donor justice and security group (Sweden, US, UK, Norway, Ireland, Japan, Germany) to ensure effective donor coordination on security sector issues. Given that Liberia is also a member of the Peace Building Commission and receives PBF support, a Peace Building Joint Steering Committee (JSC) exists and is co-chaired by the Minister of Finance and Economic Planning and the Deputy SRSG Recovery and Governance. Government, the UN, civil society organizations (CSOs) and a select number of donors are represented on the JSC.

C. De-concentration of justice and security services

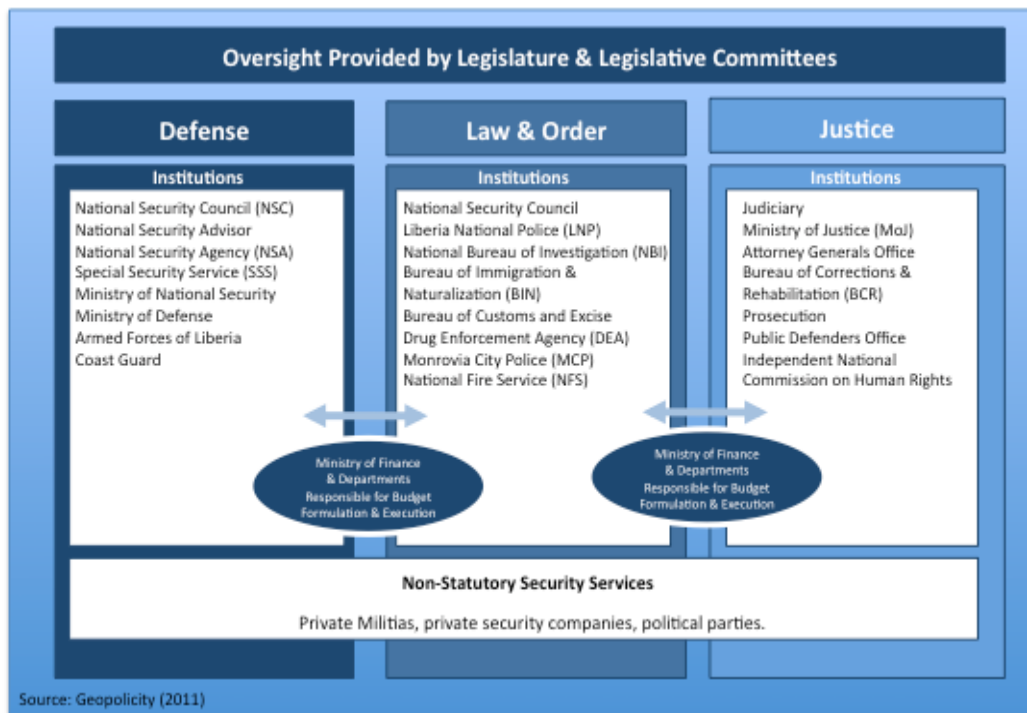
14. **UNMIL continues to play a critical role in either providing security and justice services or facilitating the provision of these services by Liberian security actors especially outside of the capital (Monrovia).** With the UNMIL drawdown on the agenda and given the weak justice and security infrastructure in the country, a decision was taken in late 2010, based on consultation between the UN and the government, to develop five justice and security hubs throughout Liberia, with each hub aiming to enhance the provision of existing services in three surrounding counties. The regional hubs are designed to extend security and justice services throughout the country. The regional hubs will act as a forward operating base for the Liberian National Police (including a robust Police Support Unit element) and the Bureau of Immigration and Naturalisation (BIN). The hubs will also include corrections facilities and courts so as to enable the justice system to operate more effectively. Building upon the National Security Strategy and the strategic plans of various agencies (Ministry of Justice, the Judiciary, the Bureau for Corrections and Rehabilitation, the Liberian National Police and the Bureau of Immigration and Naturalization), the Hub project is a holistic approach to providing security and delivering justice throughout the country by: (a) fostering linkages among rule of law actors—LNP, BIN, Corrections, Judiciary, public defense and prosecution; (b) increasing security response capacity; (c) improving work and training facilities; and (d) reinforcing administrative effectiveness and accountability. The first hub in Gbarnga (Bong County) is due to be operational by July 2012. Each hub costs in the range of US\$3

million to construct, while an additional US\$1 million is required to enhance services, deployment and outreach. In addition, recurring costs to sustain the hub will need to be phased into the national budget. While the UN Peace Building Fund (PBF) fully financed the first hub, co-financing options with donors are sought for the remaining four hubs.

III. The Structure and Functions of the Security Sector

15. Figure 1 provides an overview of the security sector in Liberia by grouping ministries and agencies under three clusters: defense, law, and order and justice. The clustering is an artificial divide and is simply meant to help readers better understand the sector.

Figure 1: Structure of the security sector in Liberia



16. **The broad security functions in Liberia include defense, public order and safety, and justice.**² The defense function that focuses on protecting the territorial integrity of Liberia is performed

² The UN and OECD DAC provide the broad definitions of the security sector. The 2008 UN SG’s Report on SSR provides a more formal conception of the security sector that focuses on those actors with a constitutional and legitimate responsibility for the provision of security for the state and its citizens. Generally, they include defense, law enforcement, corrections, intelligence services and institutions responsible for border management, customs and civil emergencies. Elements of the judicial sector responsible for the adjudication of cases of alleged criminal conduct and misuse of force are also included in many instances. In addition, the security sector includes actors that play a role in managing and overseeing the design and implementation of security, such as ministries, legislative bodies and civil society groups. The OECD’s Development Assistance Committee defines the security sector to include core security actors (armed forces, police, paramilitaries, intelligence and security services), executive and

by the Armed Forces of Liberia (AFL) and the Liberian Coast Guard (LCG) under the Ministry of National Defense (MND). The law and order function seeks to detect and deter crimes, apprehend offenders, protect life, liberty and property, and enforce all laws and regulations. These duties are performed by the Liberia National Police (LNP). Immigration management and border protection are the responsibility of the Bureau of Immigration and Naturalization (BIN). The justice function covers prosecution, law courts, and public defenders, the Bureau of Correction and Rehabilitation (BCR) and the Human Rights Commission (HRC). The National Security Agency (NSA) manages and coordinates intelligence for the state; the National Security Advisor advises the President and acts as the secretariat to the National Security Council (NSC); and finally, the protection and security of the President, his/her immediate family, and other officials and visiting dignitaries (VIPs) are under the responsibility of the Special Security Services (SSS). The following sections briefly describe the responsibilities and strengths of key front line security agencies in Liberia.

17. The National Security Council (NSC), chaired by the President of Liberia, meets regularly on matters of national security. The National Security Reform and Intelligence Act, signed into law in September 2011, clearly codifies the role and membership of the Council. Importantly, the 2011 law includes the Minister of Finance and Economic Planning as a new member of the Council, alongside other key ministers and the National Security Advisor as the secretariat to the Council. The Council has a number of responsibilities including: advising the President, identifying and defining national security goals, initiating and discussing national security policy based on state intelligence, ensuring that agencies of government implement the security policy decisions of the Council, monitoring security agencies including approving policies and plans of the Ministry of National Defense, and when deemed necessary, serving as a war cabinet.

A. Core security actors

18. **Armed Forces of Liberia (AFL).** The AFL is responsible for defending national sovereignty and the country's territorial integrity (land, air and maritime). It participates in international peacekeeping activities conducted by the UN, the Africa Union, ECOWAS, Mano River Unions (MRU), and/or all international institutions of which Liberia may be a member. It provides support to civil authorities in the event of a natural or man-made disaster, outbreak of disease or epidemic, assists in search, rescue, and saving of life on land, sea, or air, and supports national law enforcement agencies at the request of the President.³ The AFL has been totally reformed. The force is now comprised of all new recruits and is expected to be operational by 2014. Its current strength is just under 2,000, including the engineering company, military police and coast guard. Regrettably, the attrition rate is high (estimated at about 10 percent), and professionalism and discipline are areas of serious concern.

19. Overall, AFL skills remain rudimentary and in need of continued development. The U.S. is the lead donor for and coordinator of support for the AFL. Within its mandate, UNMIL supports the AFL

legislative authorities with security management and oversight responsibilities, justice and law enforcement institutions, and non-statutory security forces.

³ This is based on the 2008 New National Defense Act approved on August 21, 2008. It repealed the National Defense Act of 1956, the Coast Guard Act of 1959, and the Liberian Navy Act of 1986.

upon requests from the government and in cooperation with the U.S. Embassy. In 2010 the AFL officially completed initial training, facilitated by the U.S. Army Training and Evaluation Program. The AFL has since assumed independent budgetary and functional responsibility for its own training. It continues, however, to be assisted by 61 U.S. military personnel under the authority of Liberian Defense Sector Reform mentors (known as Operation Onward Liberty or OOL).

20. **Liberia National Police (LNP).** The LNP is responsible for enforcement and maintaining law and order. Its functions include preserving peace, protection of life, limb and property, recovery of lost and stolen property, arresting violators of the law, prevention and detection of crime, enforcement of all laws and ordinances, and testifying in court. The LNP is comprised of the regular LNP, Emergency Response Unit (ERU), and the Police Support Unit (PSU). Regular LNP police are deployed in the counties and districts; the ERU responds to emergency security situations,⁴ and the PSU responds to disorder incidents, anti-crime patrolling, and protection of assets and VIPs.⁵ The strength of LNP stands at about 4,200 trained police officers, resulting in a police/citizen ratio of 683.⁶

21. Overall, LNP skills are basic and in need of continued development. Of particular concern is a weak command and control apparatus. Nonetheless, some key achievements have been made including (a) finalization of the LNP Manual; (b) introduction of standard operating procedures for LNP stations; (c) established systems and procedures for case file management; (d) formalization of registration of criminal complaints nationwide; (e) harmonization and streamlining of the payroll system with all officers enrolled in a direct deposit system allowing officers to receive salaries through-out the country; (f) community police is becoming a standard practice; and (g) improving investigative capacities.

22. UNMIL and the government estimate that the number of LNP should be increased incrementally in the coming years up to 8,000 (from the current level of 4,200) to maintain an adequate level of public security that will prevent Liberia from sliding back. In terms of a timeframe, it is strongly advised that the 8,000 LNP officers be in place before UNMIL/UNPOL completely depart Liberia. While UNMIL/UNPOL will maintain its current strength until mid 2015, its status after that point is as yet unclear and will depend on the UN Security Council. The call for 8,000 LNP officers is based on a police-to-population ratio of approximately 1:500.⁷ Given the country's poor road infrastructure, the lack of police communications and limited mobility, even a ratio of 1:500 may not ensure adequate police presence nationwide. Today, the lack of police presence and very slow police response time is one of the key grievances of the Liberian population. This is the case even despite considerable UNMIL logistics and capacity support for the LNP. Therefore, as UNMIL draws down, effort will need to be made to

⁴ It has 321 officers that have been trained and armed. Its performance is slowly improving in terms of efficiency and sufficiency.

⁵ The PSU has 681 police officers that have been trained and deployed.

⁶ This is based on population projections to 2019-20. A police strength figure of 7,000 in 2011-12 would represent a rate of 1:571, and a police strength of 9,500 in 2019-20 would represent a rate of 1:503.

⁷ The United Nations recommends on average one police officer for every 450 citizens. However, a number of caveats related to context need to be taken into consideration in deciding on the ratio, including the country's geography and road network; the country's policing model; police mobility and communications capacity; the resilience/contribution of informal policing mechanisms; the country's crime rate; and the fiscal space to recruit and sustain a professional police service.

increase the size and capacity of the LNP. This will have significant once off and recurring cost implications.

23. Training has evolved from UNMIL/UNPOL delivering basic training to LNP instructors teaching the majority of classes at the National Police Training Academy (NPTA). The Academy, which was recently accredited by the Ministry of Education, can train up to 300 LNP new recruits per year. This figure has recently been increased to 600 now that an expansion of the campus is complete. Part of the training includes instruction on standard operating procedures (SOPs) in key areas. Still, gaps exist in human resource management, logistics and procurement, information management and technology due to lack of available technical expertise. UNPOL is working with LNP to increase the number of instructors.

24. **Bureau of Immigration and Naturalization (BIN).** The BIN, established by the 1955 Act, is responsible for, and administers and enforces, the Aliens and Nationality Law of Liberia. It has the broad mandate to safeguard and protect the borders of Liberia against illegal entry of aliens into the country, as well as regulating the residence of foreigners by creating and maintaining a database and providing them with the required immigration status. It is a paramilitary organization with both law enforcement and revenue-generating functions. It operates in all 15 counties with a central office in Monrovia. Given vast and unmanned borders of approximately 1,500 km neighboring Guinea, Sierra Leone and Ivory Coast, there are approximately 176 entry points into Liberia. However, BIN officers are deployed at only 36 official entry points due to limited resources. The current number of BIN personnel (as registered on the payroll) is estimated at fewer than 2,000 officers; however, many are not qualified and some are eligible for retirement. The Ministry of Justice needs to engage in a dialogue with the Ministry of Finance to identify appropriate mechanisms and resources to enable the BIN to reduce the number of incompetent and fictitious officers.

25. **Bureau of Corrections and Rehabilitation (BCR).** The BCR, established by law in 1969, is one of three functional components of the Criminal Justice System and includes the Police, Courts and Prosecution. It comprises prisons, probation and parole, and parole board. The government is currently finalising the composition of the parole board. In addition, probation is now operational in Bong and Montserrado counties and will be expanded to Nimba and Lofa counties this year. The prison component has been established at a minimum level nationwide. Individual facilities are headed by superintendents who are answerable directly to the Director of Prisons. Corrections officers serve under the superintendents. Currently, the BCR manages 15 prisons and detention facilities, and also leads the capacity building program, including the rehabilitation of prison inmates (estimated at 1,500 in 2010). About 259 corrections officers have been recruited, trained and deployed to date, making the ratio of correction officer to prisoners 1:6, a figure that is far from the recommended ratio of 1:3. It is yet to develop its own critical response capacities to address prison violence and uprisings. Currently, prison security is provided by BCR staff, LNP and PSU officers as well as UNMIL troops in a number of locations across Liberia.

26. **In addition, five regional security hubs are being planned to enhance access to justice and security at the regional and county levels.** The government, together with UNMIL, UNDP and other development partners, developed a three-year Justice and Security Joint Program (JSJP). This initiative is based on a holistic approach that balances both capacity and infrastructure to strengthen justice and

security institutions (law enforcement, courts, state prosecution and defense, and corrections); enhance linkages between these institutions; and develop relationships between the institutions and the communities they serve. The program aims to establish decentralized justice and security hubs in five regions to extend services that are urgently required. The regional hubs will address justice and security provisions through co-location of the regional LNP headquarters (including a robust Police Support Unit-PSU element), BIN and elements of the justice system such as county attorneys, public defenders, magistrates and judges. Public information and legal assistance, awareness and outreach will be enhanced through a Public Services Office and related services. Each hub will service three counties to increase effectiveness in operational control and increase proximity for staff deployment, communication and service delivery. Currently, the first regional hub in Gbarnga (serving Bong, Nimba and Lofa counties) is under construction.⁸

B. Oversight of the security sector

27. **Oversight of the security sector is weak.** At the national level, legislative oversight of the security sector lies with several committees including the Committee on National Security, the Committee on National Defense, and the Committee on the Judiciary in the Senate and the House of Representatives as well as ad hoc commissions constituted to deal with specific aspects of oversight and regulations. The Committee on National Security is the main body that enforces legislative accountability of the government. These committees are weak and ineffective in exercising authority due to a lack of permanent staff, poor capacity and weak governance. Financial oversight of the security sector is performed by the General Audit Commission and Anti-Corruption Commission. Oversight at the county level is exercised by the County Attorney who regularly convenes security committee meetings. The National Security Strategy (2008) proposed that county security councils (CSCs)⁹ and district security councils (DSCs) be created. However, in the absence of decentralization in Liberia, it will be challenging to put CSCs or DSCs in place. Finally, the lack of civilian oversight further perpetuates informal or facilitation payments and corruption. As a result, access to security and justice services and public trust in security personnel are undermined and thereby limit the use of the formal justice system.

C. Financing of security services

28. **At present, the security sector (public safety and order, law enforcement, and justice) is insufficiently funded to effectively protect society.** As shown in Table 2, total public spending on the security sector has steadily increased both in nominal and relative terms (from US\$37 million or 4.3 percent of GDP in 2008/09, to US\$67 million or 5.3 percent of GDP in FY2011/12); however, its share in total expenditure remains flat at about 15 percent. The budgetary increases reflect adjustments in public spending to enable security agencies to perform their functions affected by the gradual UNMIL

⁸ The four remaining regional hubs will be located in Zwedru (serving Grand Gedeh, and Sinoe counties); Harper (serving Maryland, Grand Kru, River Gee counties); Tubmanburg (serving Bomi, Grand Capemount, and Gborpolu counties); and Buchanan (serving River Cess, Grand Bassa and Margibi counties).

⁹ CSCs facilitate coordination at different levels: between government actors, local authorities and clan and town chiefs. This creates a framework for review and oversight of local security issues. CSCs report to the Office of the Minister of Internal Affairs, which in turn forwards its report to the National Security Adviser and the MoJ (Griffith, 2010).

drawdown that began in 2006/07. Although about 90 percent of security expenditure are allocated to personnel costs and goods and services, the growing size of the security workforce, especially police, is still too small to effectively maintain public safety, law and order, and justice. New recruitments are limited by the current training capacity of 300 officers per year at the Liberia Police Training Academy and unattractive compensation. The sector also depends on funding from development partners to meet the required capital investments (e.g., the construction of vital infrastructure) and recurrent costs.

Table 2: Spending on the rule of law and public safety sector

	2008/09	2009/10	2010/11	2011/12*
Total security spending by GOL and Donors (Mill. US\$)	\$68.6	\$71.9	\$76.8	-
Total security spending per capita (US\$)	\$18.3	\$18.4	\$19.2	-
Total security spending by donors (Mill. US\$)	\$31.9	\$27.7	\$22.6	-
Donor spending on security per capita (US\$)	\$8.5	\$7.1	\$5.7	-
Percent of total GOL security budget	87%	63%	42%	-
Total GOL security budget (Million of US\$)	\$36.7	\$44.2	\$54.2	\$66.9
Percent of total security spending	54%	61%	71%	-
Percent of total public expenditure	14.7%	15.1%	14.7%	16.3%
<i>of which: Defense Spending</i>	2.4%	2.5%	2.9%	3.1%
Percent of GDP	4.3%	4.7%	5.1%	5.3%
<i>of which: Defense Spending</i>	0.7%	0.8%	1.0%	1.0%
Public spending on security per capita (in US\$)	\$9.8	\$11.3	\$13.6	\$16.4

* Budget Appropriation

29. **The consolidated budget for the security sector includes allocations for Judiciary, MOJ, MND, MNS, and other autonomous agencies including NSA, SSS, NBI and HRC.** The MOJ budget accounted for over 40 percent of the consolidated security budget (Table 3), while shares of Judiciary and MND in the total security budget are roughly similar to each other for FY2011-12. The budgets for key security agencies including LNP, AFL, SSS and BIN accounted for 20, 15, 9 and 7 percent of the total security envelope, respectively. In particular, the LNP and AFL have been receiving an increasing share of total budget appropriations.¹⁰

¹⁰ Between 2010-11 and 2011-12, these agencies (except the LNP) experienced a fall in appropriations, though trend wise increases are consistent. The Judiciary also experienced an overall fall in appropriations as a percentage of total appropriations since 2008-09.

Table 3: Security expenditure by key administrative agency
(Percent of total security sector expenditure)

	2008-09	2009-10	2010-11	2011-12*
Rule of Law and Public Safety Sector	100%	100%	100%	100%
Judiciary	27%	24%	20%	19%
Ministry of Justice, of which:	42%	41%	42%	44%
Liberia National Police	19%	19%	20%	22%
Bureau of Immigration and Naturalization	7%	7%	7%	7%
Bureau of Correction and Rehabilitation	2%	2%	2%	2%
Prosecution	3%	3%	3%	3%
Ministry of National Defense, of which:	16%	16%	20%	19%
Armed Forces of Liberia	14%	14%	17%	13%
Other Security Agencies				
National Security Agency	4%	3%	3%	5%
Special Security Services	7%	9%	11%	9%
Ministry of National Security	2%	2%	2%	1%
National Bureau of Investigation	1%	1%	1%	1%
Human Rights Commission	1%	3%	2%	2%

* Budget Appropriation

Source: Ministry of Finance, Republic of Liberia

IV. UNMIL Peacekeeping Operation

30. **The Accra Comprehensive Peace Agreement (ACPA) called for the establishment of a UN Mission in Liberia (UNMIL) with the overall mandate of ensuring security, reconstruction support and peace building.**¹¹ Specifically, UNMIL was tasked with supporting implementation of the ceasefire agreement; protection of United Nations personnel, facilities, and civilians; support for humanitarian and human rights assistance; support for security sector reform (monitoring and restructuring the police force, developing police training programs and assisting in the police training); and support for implementation of the peace process. As part of its core security functions, the Mission performs border security (coastal, air patrol, border check posts), operational police support, advising and training; plus judiciary and corrections support duties. Given the multitude of responsibilities, UNMIL is comprised of three components: military, police and civilian.

A. Impact of UNMIL presence

31. **The presence of UNMIL contributed to Liberia's security reform efforts and most recently helped establish the conditions for 2011's peaceful democratic elections and inauguration of a new government.** Over the years, Liberia has made steady progress in reforming the army, police, the Bureau of Customs and Excise and the Bureau for Corrections and Rehabilitation (although reform of the Bureau of Immigration and Naturalization remains a work in progress). Other actors in the security sector have also seen improvement, including the National Security Agency. In the area of justice, the prosecution services have registered some improvements, although reform of the judiciary requires continued focus. These reforms have enabled the Liberian security agencies to undertake security functions in urban and rural areas with UNMIL support, training and mentoring. More recently, UNMIL provided logistical

¹¹ UN Security Council Resolution 1509 (2003).

support, particularly facilitating access to remote areas, coordinating international electoral assistance, and supporting Liberian institutions and political parties in creating an atmosphere conducive to the conduct of peaceful elections in 2011, including support to national security agencies in providing for election security. UNMIL's presence also served to calm tensions that could have potentially led to violence during the period around the elections in early November 2011 when the opposition candidate called for a boycott of the elections.

32. **The peacekeeping mission also contributed indirectly to economic growth.** As a result of UNMIL's efforts to re-establish peace and security, it allowed development opportunities to emerge. It provided incentives for people to work and invest, and the favorable environment that ensued attracted direct foreign investment into the country. This self-reinforcing process stimulated economic growth. Despite a declining budget, UNMIL transfers have contributed to the local economy through the direct creation of local employment opportunities and spending for local procurement, and indirectly through local spending from international staff allowances (Box 1). According to the 2006 UN report, local spending of the peacekeeping mission (estimated at less than 10 percent of mission spending) boosted local income by almost 10 percent of GDP.¹² The impact was concentrated mainly in Monrovia and in those industries and sectors that directly support the mission.

Box 1: Cost of peace keeping operations by UNMIL

Total UNMIL spending has been steadily declining from US\$723 million in 2004/05 to US\$512 million in 2010/11. These amounts cover significant spending outside Liberia (military contingents, international civilian salaries, IT and communications infrastructure, and air transportation); personal allowances not spent within the mission country; mission funds spent in the country but for purchasing imported goods and services; and mission spending on locally produced goods and services. However, the cost for Liberia of taking over these functions is expected to be less than the cost currently incurred by UNMIL because not all functions need to be replaced. For example, Liberia can forego most UNMIL civilian personnel (such as international civilians, civilian police, military observers, UN Volunteers) and the costs associated with protecting UNMIL personnel and assets. Further, the costs of Liberian security personnel and recurrent items are significantly lower than those of UNMIL. For example, an average salary of a Liberian police officer is about US\$150 per month as compared to the UN counterpart whose salary is based on international standards.

Source: UN annual budget and financial reports to the General Assembly

B. UNMIL transition process

33. **UNMIL began drawing down its operations prior to the 2011 elections.** In 2006, the UN Security Council authorized a phased, gradual consolidation, drawdown and withdrawal of UNMIL's troop contingent as the situation permitted and without compromising the security of Liberia.¹³ The

¹² Carnaham, M., Durch, W., and Gilmore S. (2006), "Economic Impact of Peacekeeping," UN Department of Peacekeeping Operation.

¹³ UN Security Council, Resolution 1712 (2006).

drawdown was conducted during October 2007-May 2010,¹⁴ although the process was stalled in late 2010 as Liberia prepared for its second general elections. In early 2010, UN Department of Peace Keeping Operation (DPKO) directed that UNMIL start to consider the implications of the transition of security responsibilities to the government. The Mission developed a broad plan on how to approach the issue. It was clear from the outset that the handover of security responsibilities would underpin the whole transition process and this became the primary focus of the transition team appointed by the SRSB.

34. **The government has been actively involved in the preparation of the security transition.** Its involvement effectively commenced with a joint transition workshop, held between 28 June and 1 July 2010. The workshop examined security transition issues using examples from other peacekeeping missions' experiences. As a result of the workshop, the GOL and UNMIL agreed a broad structure of a plan for the gradual hand over of security tasks currently being performed by UNMIL to the GOL. The end state for this phase of the work was a mutually agreed list of security functions to be transferred, the gaps in GOL capability, and an overview of likely costs to fill the gaps. This work was completed in October 2011. The next steps called for agreement on the criteria for establishing priorities and to prioritize the agreed list of security functions to be transferred against the likely fiscal inputs. It is envisaged that a second transition planning workshop will take place in mid to late 2012 to support this process. This Note will serve as a useful background document for the envisaged workshop.

C. The planned drawdown calendar

35. **The UN Security Council (UNSC) Report of April 2012¹⁵ proposed a gradual UNMIL drawdown process.** The report was prepared at the request of the UNSC (Resolution 2008, 2011) to deploy a technical assessment mission (TAM) to Liberia after the inauguration of the government in 2012. The report reviewed progress made towards the transition benchmarks and developed proposals for the next stages of the Mission's drawdown. It recommended a gradual drawdown process over the three year period to provide a window of opportunity to scale up the capacity of LNP and BIN. The UNSG report concluded that, based on current threats, four infantry battalions could be gradually repatriated in three phases between August 2012 and July 2015, leaving UNMIL's military strength at approximately 3,750 troops by end 2015 (currently there are close to 8,000 UNMIL military), including battalions from ECOWAS countries and appropriate enablers. Major military equipment no longer required for operations could be repatriated, including one aviation unit of three armed helicopters.

36. **The UNSC report also recommended that UNMIL maintain UN police at its current strength.** Given the lack of national capacity to maintain public order, it recommended that no reduction be made to UNMIL's police component. However, it would be necessary to make internal adjustments in

¹⁴ An initial drawdown included a reduction of 2,450 military personnel during October 2007 to September 2008 and 498 police officers during the period April 2008 to December 2010 (Resolution 1777 (2007)). The second drawdown repatriated 1,460 military personnel during October 2008-March 2009 but increased 240 police officers (Resolution 1836 (2008)). The last stage of drawdown repatriated 2,029 military personnel, three helicopters and 72 armored personnel carriers during October 2009-May 2010 (Resolution 1885 (2009)). Current authorization of UNMIL strength (expiring at end-September 2012) includes 9,233 uniformed personnel (including 7,812 troops, 133 military observers, and 1,288 UN police), 481 international civilian personnel, 992 local staff, and 237 volunteers.

¹⁵ UN Security Council, Special Report of the Security General on the United Nations Mission in Liberia, S/2012/230, April 16, 2012.

view of the enhanced priority on mentoring the national security services, especially the police and immigration services, to expedite their readiness to assume security responsibilities from UNMIL. In order to build confidence and mitigate the effect of any potential security vacuum resulting from the drawdown of UNMIL troops, the report further recommended an increase in the number of UNMIL's formed police units (FPUs) by up to three additional units to provide backup support to national police in areas of the country without UNMIL troop presence.

V. The Challenges of Taking on their Own Security

37. **Despite the improvements of the past few years, security and peace in Liberia remain fragile.** A key reason for the concern is that the security sector continues to suffer from significant capability gaps. The number of national security personnel is insufficient, logistics ability is lacking and citizen trust in the security sector is a work in progress. The sector is constrained by ad hoc institutional practices in the absence of formal procedures, resource limitations, continual training needs for new and serving security personnel, and unattractive salaries and challenges in the area of oversight and control. The effectiveness of security operations is also compromised by the lack of functional structures, systems of command and control, and coordination challenges among national agencies. And, even if resources were available, the sector would still face the issue of corruption and the tendency of higher political interference that undermines public trust.

38. **In the case of Liberia, the fragility also stems from both domestic and external risks.** On the domestic front, ethnic conflict, land disputes, youth unemployment, and other societal issues could quickly lead to violence and threaten the peace. On the external front, the lingering refugee situation, tensions in Cote d'Ivoire, and spillover from Guinea and Sierra Leone could flare up and lead to instability. If these factors were to materialize, the current security posture, without adequate UNMIL support, would be unable to counter the risks. The UNMIL drawdown therefore poses significant challenges.

39. **The solutions to the security predicament are not straightforward and are tied to limited available resources.** Given the looming development needs to achieve the national vision and limited available resources, the government finds itself in a difficult situation to sustain the financial costs of the security functions to be transferred from UNMIL. The government will need to prioritize the security inputs – including personnel requirements, the national investment necessary to gear up logistics capacity to manage more complex responsibilities, and the absorption of recurrent costs – against the availability of fiscal resources for the security sector and its strategic goals. The absorption of recurring costs over a multi-year period is perhaps the most challenging part of the equation. Whereas international partners have shown some willingness to support once-off costs in view of the UNMIL transition, phasing in recurrent costs into the national budget will need to be prioritized and carefully managed.

A. The cost of security services

40. **To illustrate the challenges faced by the government in managing the UNMIL security transition, a costing scenario for the security services, based on the government-UNMIL transition plan, was prepared by Geopolicity, a security consultancy.** The costing scenario was based on the draft GOL-UNMIL transition plan that mapped out the security functions that should be transferred to the Liberian security agencies and the needs for personnel, equipment, and logistics. The plan also considered the costs associated with the Joint Program on Justice and Security, most notably the Justice and Security hubs. The cost was spread over 2012-2019 based on the assumption that the speed of the drawdown would be moderate—that is, a gradual downsizing of different UNMIL components in terms of both functions and spending. The macroeconomic outlook was based on IMF calculations that projected¹⁶ economic growth of 7 percent per annum, annual inflation of 5 percent over the period, and increased government revenue by 2014 partly due to an increase in iron ore exports by a mining concession.

41. **According to the consultant’s study, the total cost of providing security services during 2012-19 is estimated at US\$712 million (Table 4).** This figure comprises the cost of maintaining the ongoing security services already provided by the Liberian security agencies, the cost of transferred security functions from UNMIL (transition cost), and the recurrent costs of the Justice and Security Joint Program (JSJP). The ongoing security service cost (US\$546 million) is projected to increase at the same rate as average inflation. This price tag includes personnel costs (salaries, allowances, pension, etc), and non-wage recurrent costs, which support the operation and maintenance of equipment and infrastructure (fuel, repair maintenance, office supplies, etc). The transition cost related to the handover of security functions from UNMIL¹⁷ is estimated at US\$157 million and includes personnel and fixed costs and assumes a gradual UNMIL drawdown over seven years.¹⁸ The final element of the overall security bill to be covered by the government includes recurrent outlays for the proposed regional justice and security hubs under the JSJP (financed by bilateral partners and the UN Peace Building Fund).

¹⁶ International Monetary Fund, Seventh Review under the Three-Year Arrangement under the Extended Credit Facility, July 2011.

¹⁷ These functions include: (a) eleven border security camps, (b) ten coastal, air patrol, and border check posts, (c) forty-two troop camps, (d) prisoner escorts, (e) hot spot armed deployments, (f) high crime area armed foot patrol (Paynesville and Congo Town sections of Monrovia), (g) cash escort for the Central Bank of Liberia (CBL), (h) helicopter lifting, and (i) perimeter security in the larger prisons. Additionally, Liberian security agencies will need to either ramp up their responsibilities or assume them for the first time in the following areas: specialized security operations such as state security for VIPs and visiting dignitaries; support to human resources development, leadership mentoring, and training; supply of equipment and logistics; communications for prisons; police training; immigration; Red Light police station; SPA; and Roberts International Airport.

¹⁸ This includes an increase of US\$72 million to the annual budget for salaries and allowances, the recurrent cost related to goods and services (travel, fuel, repair and maintenance, uniforms, and training costs) in the amount of US\$23 million, and fixed investment (infrastructure, mobile base stations, security logistics, transport equipment and furniture) of US\$62 million. The estimated wages and salaries are based on an increase in the number of security personnel and technical officers operating security equipment by 4,333 persons (taking into account projected training capacity at the National Police Training Academy (NPTA) of 600 persons per year).

Table 4: Total cost of security services
(Millions of US\$)

	<i>Projections</i>							<u>Total</u>	
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2012-15	2012-19
Total Cost of Security Services	108	96	102	93	99	104	110	306	712
1. Cost of ongoing security services	69	72	75	78	81	84	87	216	546
2. Transition Cost, of which:	39	23	25	14	16	19	21	87	157
Liberia National Police	11	12	14	6	7	8	10	37	68
Bureau of Immigration and Naturalization	4	3	4	3	4	4	5	11	27
3. On-budget Recurrent Cost	1	1	2	2	2	2	2	3	10
<i>Memo items:</i>									
Consolidated On-budget transition cost	39	24	27	15	18	20	23	90	166

Source: Geopolicity

B. Financing of the security services

42. **The key challenge is how to best prioritize security activities while ensuring that the security apparatus and personnel attain the organizational competence and skill level required to maintain the peace dividend achieved to date.** To set the priorities for the security sector, a strategic approach is required to rank security functions against fiscal reality. Such an approach is embedded in the Medium-term Expenditure Framework (MTEF) that the government introduced this year. The MTEF is an effective mechanism for allocating limited resources as it requires a two-pronged approach whereby a top-down resource ceiling for a sector is set (typically by the Ministry of Finance), and the bottom-up medium-term cost is estimated by the sector ministry/agency in question. The top-down process for the security sector requires clear mandates as to decision-making authority at top levels of government to set security priorities and allocations informed by the security strategic goal. The bottom-up process requires that security agencies evaluate and scrutinize the different costs and revenue sources available to the sector to arrive at coherent options.

43. **Clearly, the government needs to prioritize security activities given the fiscal constraints it faces over the foreseeable future.** The consultant's report estimates a financing gap of US\$86 million will emerge given a total resource ceiling of US\$626 million¹⁹ and a consolidated cost (for ongoing security services) of US\$546 million. The consolidated transition gap is estimated at US\$166 million during 2012-19 (Table 5). The projection shows a large financing gap (US\$77 million) during 2012-15 because of significant upfront fixed investment needs for infrastructure, logistics, equipment and increased recurring costs. The gap becomes smaller after 2015 as government revenue from iron ore exports is projected to accelerate once Accelor Mittal operations reach full capacity.

¹⁹ The resource ceiling is calculated based on the historical resource allocation rule of 4.9 percent of GDP.

Table 5: Financing requirement in the security sector
(millions of US\$)

	<i>Projections</i>							<u>Total</u>	
	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2012-15	2012-19
1. Total Security Cost	108	96	102	93	99	104	110	306	712
(a) Consolidated On-budget transition cost 1/	39	24	27	15	18	20	23	90	166
(b) Cost of Ongoing Security Services	69	72	75	78	81	84	87	216	546
2. Security Resource Envelope (Historical Rule) 2/	71	76	82	88	95	103	111	229	626
3. Fiscal Space (2-1(b))	2	4	7	11	14	19	23	13	81
4. Financing Gap	-37	-20	-20	-5	-3	-1	1	-77	-86
<i>Memo Items</i>									
Security Cost Per Capita (US\$)	26.6	23.2	23.9	21.5	22.3	23.2	24.0	24.6	23.5

Note: 1/ Consolidated on-budget transition cost includes on-budget transition cost and the recurrent cost.

2/ The historical resource allocation rule is calculated as an average security budget allocation during the past three years and is equivalent to 4.9 percent of GDP.

Source: Geopolicity

44. **Given limited fiscal space, the government will not be able to fully replace UNMIL security functions outlined by the draft transition plan; alternative spending options will need to be explored.** The estimated transition cost is clearly unaffordable under the current fiscal environment. Thus, a road map that lays out a prioritization process should be developed to inform policymakers’ decisions about how to make trade-offs regarding how much security capability to buy, over what period of time, and at what cost. The process should begin with identifying a core set of “priorities among priorities,” acquiring certain capacities over a longer period, and finding cost savings in the current security configuration.

VI. A Road Map for Sustainable Security Financing

45. This section proposes a road map of sequenced actions that will help government be more strategic in making policy choices and trade-offs in managing the security transition in a resource constrained environment. Such a road map will be embedded in the MTEF to ensure that the budget will play a central tool for facilitating the security transition. The top-down approach led by the NSC will play an active role in setting up security priorities at the national level according to the security strategic goal articulated in the AfT.²⁰ A top down approach also requires the setting of a resource ceiling for the security sector and allocating resources within the sector. The bottom-up approach will involve individual security agencies setting their own priorities against the agency’s strategic plan and estimates of the cost of security activities. The road map will facilitate priority setting in the security sector, and thus enable the government to make strategic choices that will rationalize the financing of the security services without compromising the security and peace dividend achieved to date.

A. Top-down approach

46. **The rolling MTEF for next year’s budget cycle presents an entry point for aligning security priorities with the national security strategic goal and the resource envelope.** The MTEF process for

²⁰ The Agenda for Transformation (AfT) incorporates the JSJP financed by donors.

this year's budget has been concluded with the submission to legislature in May 2012. The next year MTEF will provide an opportunity for the NSC to set security priorities in accordance with the national security strategy and the joint security transition plan as well as determine a resource envelope for the security sector taking into account fiscal reality.

47. **The National Security Council (NSC) should play a proactive role in the top-down MTEF process.** Under the National Security and Intelligence Act, signed into law in September 2011, the Minister of Finance and Economic Planning was appointed full member of the NSC. It will be important to ensure that issues pertaining to UNMIL's transition are regularly addressed in NSC meetings and that the minister actively participates in these discussions as the transition is not just a security issue but also involves financial considerations. A proactive role in priority setting and involvement in the MTEF process should ensure that the security budget discussed at the National Budget Committee is informed by the NSC's decision.

48. **Priorities in the security sector should be established through a sector-wide strategic lens rather than a silo approach.** The 2008 national security strategy has facilitated the full integration of the security sector into the first and second Poverty Reduction Strategies, which incorporated the sector's contributions to growth, revenue and employment in Liberia. The AfT for 2012-17 that is being formulated also integrates the security sector and the rule of law in its medium-term agenda as maintaining peace and security is a prerequisite for investment and economic growth. However, the national security budget is incremental and is still driven by individual agency needs instead of national priorities for the security sector.

49. **The government and UNMIL are finalizing the transition plan based on the April 2012 UNSC security report.** The plan will identify the methodology for the security transition, priority of the security functions to be undertaken by the Liberian security agencies, and the critical security gaps emerging from the UNMIL drawdown taking into account the strategic security goals. The plan will facilitate security agencies in setting their own priorities and determining realistic security transition costs.

50. **The imminent UNMIL drawdown and the apparent high cost of the security transition necessitate that the government identify a package of core security functions and services that can be obtained in line with a limited budget.** The country has benefited from the security services provided by UNMIL and Liberia's own agencies since the end of the civil war in 2003. Given that security risks and threats could most likely emerge from domestic disturbances, the maintenance of law and public order and related safety functions, as performed mainly by the LNP and BIN, are seen as the core security services that need to be provided by the government and international community. The government can work with UNMIL and key development partners to identify an affordable core security service package. This will inform the composition, size and quality of the security personnel and the level of investment needed for infrastructure, logistics and equipment (as well as the necessary recurrent cost) of the regional hubs to sustain peace and security in Liberia.

B. Bottom-up process

(i) Determining realistic security transition costs

51. **To arrive at a realistic cost for the transition, the security functions to be transferred should be prioritized to reduce pressure on security financing.** There are three issues that the government is facing. First, it needs to determine the minimum number and quality of security personnel in the key security agencies (especially LNP, BIN, BCR, and AFL) required for effective duty. This will affect the sustainability of personnel costs as well as training costs over the medium- and long-term. Secondly, the government will need to rationalize investment as necessitated by the UNMIL drawdown to ensure effective security operations. Finally, the recurrent costs associated with undertaking UNMIL security functions as well as recurrent cost of the regional security hubs need to be absorbed into the medium-term budget.

52. **The size of the security workforce should be informed by the security strategy objective and fiscal reality to sustain personnel costs over the medium-term.** According to the transition plan, the number of security personnel is expected to be increased in a number of agencies (AFL/LCG, LNP, BIN, BCR and judiciary). For example, the total number of additional staff required to undertake the transferred security functions is 5,426 personnel including 1,500 BIN officers, 3,563 police, and 14 customs officers. Some targets for security personnel in the current strategic plans are based on international benchmarks rather than what is affordable and feasible. Further, these targets do not account for a potential reduction in personnel delivering non-core security services that could be affected by a rationalization of security functions.

53. **The identified investment spending in the areas that UNMIL provides should be prioritized based on the security sector's strategic objectives to reduce the financing requirement in the short-term.** While investment in infrastructure, logistics, and equipment is vital for improving core security services as performed by the LCG, LNP, BIN, and BCR, it should be rationalized and prioritized to align with strategic priorities. The government should rationalize the upfront one-time fixed investment cost (US\$62 million) identified in the draft joint transition plan that served as a basis for the consultant's estimated cost. This is especially the case for transport vehicles (cars, motorcycles, helicopters, armored trucks), logistics (patrol kits and uniforms, furniture, generators), equipment (mobiles, computers, scanners, weapons, etc), construction buildings, and construction and rehabilitation equipment for force engineering.²¹ This could be achieved by reducing the quantities of the items being proposed and by strengthening public procurement to achieve value for money.²² Revenue from iron ore exports is expected to increase in the years ahead. This will enable the government to meet many of the external

²¹ The estimated cost of civil engineer services provided by AFL (US\$6.2 million) comprises 20 demolition kits (US\$4 million), 3 concrete mixers (US\$1.2 million), and one pile driver (US\$1 million). The LNP's estimated cost of US\$25.9 million comprises 363 cars (US\$12.8 million), 137 trucks (US\$8.2 million), two helicopters (US\$4 million), and 6 armored vehicles (US\$0.9 million). The estimated cost for BIN (US\$11.5 million) comprises 137 trucks (US\$8.2 million), uniforms (US\$1 million), and 70 4-WDs (US\$2.3 million).

²² For example, a Kobelco 7045 pile driving crane, 45 tons lift capacity, leader length 28m, costs EUR 129,000; a MI-8 helicopter costs between US\$5-8 million (2006 prices), while very old ones reach US\$10,000; late model Kenworth concrete mixer trucks in good condition are sold for under US\$50,000, while a brand new state of the art Mack concrete mixer goes for under US\$200,000.

security costs that currently have been paid for by the international community. Prioritizing the investment related to the security transition, and taking into account the increasing availability of government resources over time, is particularly critical.

54. **Recurrent costs associated with assuming priority security functions from UNMIL and with administering the regional security hubs should be incorporated into the medium-term budget.** These recurrent costs typically cover office supplies, gasoline, repair and maintenance, cleaning services. A recurrent budget that is inadequate to meet these needs could undermine the efficient deployment of security officers and thereby the quality of the services delivered by security agencies and the regional hubs.

(ii) Improving efficiency of the security sector

55. **Rationalizing the delivery of ongoing security services could generate savings in the short-term and increase efficiency over the medium-term.** As the total financing requirement for the security sector is driven by the cost of ongoing services, the government could focus on rationalizing security activities as illustrated by the following example (as cited in the consultant's report). The BIN has a large number of border posts (36 posts and 176 porous and uncontrolled border areas) to manage and supervise. Focusing deployment of the limited manpower and resources to strategic border posts with high security risks will help strengthen border control. Strengthening management of security assets (vehicles and buildings) could similarly generate cost savings by reducing investment and recurrent costs. This could be achieved through rationalizing the number of vehicles, improving procurement of fuel and logistics, and ensuring proper repair and maintenance of fixed capital (equipment and vehicles). Sharing or using common infrastructure, such as barracks, can also be a cost effective way to reduce the cost of county deployment. Finally, the effective functioning of the regional justice and security hubs can lead to greater cost savings in the future as it will reduce the unit cost of security operations and strengthen intra-sectoral coordination. The government needs to monitor the functioning of the hubs: the first hub is expected to become operational in July 2012, and work on the second and third hubs is expected to commence thereafter.

56. **Deepening security sector reform (SSR) could reduce the cost of ongoing security service over the medium-term.** Reform efforts should encompass both institutional and human resource management. It is expected that implementation of the recently approved National Security and Intelligence Act (August 2011) could eliminate duplication of functions performed by multiple security agencies that result in inter-agency rivalry and inefficiencies with regard to cost, training and service delivery implications. The Act calls for the Ministry of National Security to be abolished and the functions of the National Bureau of Investigation (NBI) to be integrated with those of the LNP. Pensioning off a large number of inactive BIN officers would also create cost savings over the medium term. Early consultation between the Ministry of Justice and the Ministry of Finance should be undertaken with this objective in mind. Finally, strengthening external oversight of the security sector by the legislature and civil society organizations will be critical to fostering cost effectiveness, improving transparency and accountability.

57. **Human resource management reform should aim to address challenges in recruiting and retaining security personnel.** The reform should include an assessment of the staffing requirement appropriate to the new security structure and functions, pay and grading structure, and incentives (such as training opportunities) to enhance career progression prospects. This will attract qualified personnel to the security sector and improve service; however, it will limit force expansion given budget constraints. Complementary measures are necessary to create fiscal space for staff expansion and to ensure service quality. For example, the retrenchment of the security workforce – especially ghost workers, unqualified personnel and those eligible for retirement – will generate fiscal space and increase labor productivity over the medium-term. Because salary improvement by itself does not guarantee efficient security services, the integrity of the personnel needs to be strengthened (through strict disciplinary action against poor performance and corruption, a civilian complaints board, etc).

58. **Enhancing public financial management in the security sector will also contribute to greater transparency and efficiency in public spending and thus generate more room for priority functions.** To begin with, a credible security budget is necessary. This will require that the capacity of security agencies in strategic planning and the medium-term budget process (including budget planning, execution, reporting, procurement, and audit) be improved. Transparent and competitive procurement practices in the sector will also be central to increasing value for money and thereby efficiency of resource utilization. Lastly, strengthening financial oversight will go a long way to enhance transparency and accountability and deter corruption.

59. **The government should identify areas where improved security sector provision can positively influence revenue mobilization (customs, coast guard, etc) and respect for the rule of law.** Improvements in security services such as customs and coast guard are expected to have positive impacts on revenue mobilization. This could be a strong justification for a greater resource envelope for the security sector with the Ministry of Finance. Similarly, improvements in security services that have a positive impact on the respect for the rule of law could reduce the cost of security services indirectly as security incidences decline over time.

C. Dealing with limited fiscal space

60. **The incremental approach to the security budget will likely provide inadequate resources for some security agencies; thus, it is likely that some agencies could end up with a financing gap even after careful prioritization.** Such an approach is based on historical budget trends²³ rather than the sector strategic priorities over the medium-term. Given the major role that security services play in social and economic development, the resource allocation should be based on the priorities of the security sector and expected results rather than an incremental budget. The strategic approach to budget allocation could either increase or maintain the level of resource allocation for a security agency depending on the relative priority and the expected results.

²³ It is calculated as an average of public spending on the security sector as a ratio to GDP during the past three years (2009-2011), equivalent to 4.9 percent of GDP.

61. **Increased investment in the Liberia Coast Guard (LCG) and the Bureau for Customs and Excise (BCE) has the potential to increase revenue.** The consultant report suggested that further investment in the LCG and the BCE could have a dual advantage of both increasing security and revenue enhancement given that investment to scale up capacity of the LCG and BCE is estimated to be small. The revenue could be earmarked to the security sector in agreement with the MOF. By contrast, non-tax revenues including fees (visa and resident applications) and fines (illegal fishing, court and police) collected by the LNP, BIN, Customs, and Judiciary will likely be low.²⁴ It will not increase significantly over the next three years given the level of poverty, lack of trust in security agents, and widespread informal payments²⁵ in the security sector. While this doesn't close the gap significantly, the fees could cover some annual running costs in the sector when combined with other agencies' revenue generation.

62. **The government should seek to mobilize additional external grants to help close the gap.** Given Liberia's fragility and development needs, external partners should be more willing to assist if security activities are efficiently managed and well prioritized. An initiative that could appeal to donors is support for increasing training capacity at the National Police Training Academy (logistics, infrastructure, instructors, etc). Additionally, the government may appeal to donors to target their assistance towards critical security services such as those provided by LNP and BIN. Co-financing through the Justice and Security Trust Fund based on the work plan for the Justice and Security Joint Program could be instrumental to attract resources from both bilateral and multi-lateral donors.

63. Table 7 provides a summary of a road map towards sustainability of the security services during the UNMIL transition.

²⁴ NPL remitted around US\$100,000 of fees and fines in 2008; BIN remitted around US\$450,000 in 2008, of which 98% was for residence permits; and courts remitted just over US\$10,000 for the fees and fines issued.

²⁵ These payments are related to the delivery of certain security services within the police force (e.g., to enable arrests of suspects requiring lengthy journeys), prisons (e.g., to enable a pre-trial or convicted person to be moved from court to prison), immigration (e.g., rapid goods inspection charges) and the courts (e.g., to fast track proceedings).

Table 6: Summary of a road map for a sustainable UNMIL transition

Road map	Responsible agency
<i>Top-down approach led by NSC</i>	
<ul style="list-style-type: none"> Identify an affordable core security service package in collaboration with UNMIL and key development partners 	GOL, UNMIL, key DPs
<ul style="list-style-type: none"> Prepare and approve a medium-term Security Transition Plan once the UNSC decides on the timetable and components of UNMIL drawdown 	GOL and UNMIL
<ul style="list-style-type: none"> Proactive and strong NSC in the top-down MTEF process 	GOL, NSC, MOF
<ul style="list-style-type: none"> Establish security sector priorities with sector-wide strategic lens 	NSC and security agencies
<i>Bottom-up approach led by individual security agencies delivering core security services</i>	
<ul style="list-style-type: none"> Revising and costing the agencies' strategic plans 	All security agencies
<ul style="list-style-type: none"> Determining realistic security transition costs of personnel and investment 	All security agencies
<i>Improving efficiency in the sector</i>	
<ul style="list-style-type: none"> Rationalizing the delivery of ongoing security services in BIN and BCR operations, effective management of security assets (vehicles and buildings), sharing infrastructure among key security agencies, efficient operation of regional security hubs 	All security agencies
<ul style="list-style-type: none"> Institutional reforms – functional review, consolidation of functions, and redundancies 	MOJ, LNP, BIN, MNS, NBI, BCR
<ul style="list-style-type: none"> Human resource management – pay, grading structure, and training opportunities as well as improve professional integrity of security personnel (disciplinary actions and sanctions) 	All security agencies, especially LNP
<ul style="list-style-type: none"> Strengthen public financial management in the security sector, including MTEF 	All security agencies
<i>Dealing with limited fiscal space</i>	
<ul style="list-style-type: none"> Align budget allocation to the sector's strategic priorities 	MOF, NSC, and all security agencies
<ul style="list-style-type: none"> Mobilize foreign grants/credit from development partners 	MOF and key security agencies

VII. The Way Forward

64. **The MTEF for next year's budget will be an entry point for the security sector to ensure that strategic priorities are consistent with the availability of resources.** The MTEF process involves establishing a resource ceiling and the medium-term costing of both ongoing services and the functions to be assumed after the UNMIL drawdown. The process will set in motion an assessment of the resource allocation for the security sector and trade-offs among various activities at the agency and sector levels. A realistic resource envelope for the security sector should be based on prioritized needs aligned with the sector's policy, not on an historical resource allocation rule. Meanwhile, fine-tuning of the medium-term costing will require the government to revise the costing and make trade-offs among various programs without compromising security outcomes while balancing current and capital expenditures. Trade-off decisions are reached through the alignment of security priorities at the agency and sector levels. The final outcome will be a re-prioritization of activities that take into account resource constraints and the eventual intra-sectoral reallocation of budgetary resources within an agency and throughout the security sector.

65. **The NSC needs to play a proactive role in the MTEF process.** As a body responsible for coordinating security sector policy, the NSC should participate in taking decisions concerning the security resource envelope and sector priorities. Currently, the resource envelope for the sector is set by the Ministry of Finance with minimum input from the security sector. The minister will need to be an ever present member of the NSC, the body entrusted to provide security policy advice to the government. Further, the NSC will need to participate in discussions on the MTEF process that sets the resource envelope and establishes priorities for the sector. Close involvement of the security sector in this process is critical if effectiveness and efficiency are to be ensured.

66. **Individual security agencies need to revise their own strategic plans.** The revised plans should identify security priorities consistent with the security strategic objectives articulated in the AFT and take into account the security transition plan to be finalized. These plans should be realistically costed based on the available resources informed by the medium-term expenditure framework next year.

67. **Efforts should be focused on making the delivery of security services, both ongoing and new, to be as cost effective as possible.** These include a realistic target for security personnel and the rational investment cost for infrastructure, logistics and equipment. Improving the efficiency of security service provisioning could involve deepening reforms on various fronts including institutional and human resource management as well as public financial management.

68. **A strategic prioritization of the security functions should go hand in hand with a strategic budget allocation for the security sector.** This approach will promote strategic budget planning that focuses on achieving results rather than on incremental budgeting for the security sector.

69. Finally, a decision must be made with regard to the phasing of construction and operation of regional hubs over time given the limited available resources and the recurrent cost to operate and maintain the hubs.

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