

Getting money to where it matters

Shaping a new institution for Liberia's environmental projects

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Background

Liberia, the "Land of Liberty", is Africa's first Republic and one of only two nations in Africa that were never colonised. Located on the Atlantic Coast, Liberia has a lush natural beauty and is home to the second-largest area of primary tropical rainforest in West Africa – a biodiversity hotspot that is said to host the highest mammal species diversity in the world. The country is richly endowed with natural resources of iron ore, gold, diamonds, rubber, and timber, as well as substantial arable land and a climate favourable for agriculture.

While seeking to ensure these rich natural resources contribute to sustainable development, Liberia's low-income status means it is especially vulnerable to climate change and environmental hazards. Extreme weather, changing water availability, and coastal erosion from a combination of sea-level rise and increasingly frequent high-intensity storms all pose substantial threats to the homes, assets and livelihoods of communities. Climate change is expected to severely impact the Liberian economy¹ as it is heavily dependent on natural-resource-based, climate-sensitive sectors – such as agriculture, fisheries and forestry, where 70% of the labour force make a living.² Since the economy already suffers high levels of poverty and the majority of poor people in Liberia depend upon natural resources for their livelihoods, the effects of climate change are predicted to make these people even poorer.

Tackling climate change is consequently a national priority. The Government of Liberia (GoL) wants to build the resilience of climate-sensitive sectors and livelihoods, integrating climate change planning into all its development pillars and building the government's capacity for effective climate change governance. These ambitions are set out in the Pro-poor Agenda for Prosperity and Development (2018-2023), Liberia's five-year National Development Plan for "all Liberians [to] have the opportunity to contribute to, participate in, and benefit from national development."

National Policy Framework for Climate Change Adaptation and Mitigation

In the early 2000s, Liberia put in place a legal, policy and institutional framework for environment and climate change governance. This is founded upon Article 7 of the Constitution of the Republic of Liberia, which enshrines the responsibility of the GoL to "manage natural resources in a manner that ensures the maximum feasible participation

¹ The Intergovernmental Panel on Climate Change (IPCC) Fifth Assessment Report (2013) notes that climate change and climate variability worsen existing poverty, exacerbate inequalities, and act as a threat multiplier for poor people. Climate change represents a huge additional barrier to poverty eradication in Least Developed Countries like Liberia and is expected to impact agriculture, fisheries, energy and biodiversity.

² Liberia Labour Force Survey 2010.

of Liberian citizens” consistent with the principles of individual freedoms and social justice.³ It is the Environmental and Protection Management Law of Liberia (EPML) that establishes the legal framework for the sustainable development, management and protection of the environment. The Act Creating the Environmental Protection Agency of Liberia (EPA Act) establishes the Environmental Protection Agency (EPA) as the principal authority for managing the environment, empowering it to “co-ordinate, monitor, supervise and consult with relevant stakeholders on all activities in the protection of the environment and sustainable use of natural resources.”⁴ Headquartered in Monrovia, the EPA has 10 regional offices and 35 deployed environmental inspectors in the 15 counties of Liberia.

Following Liberia’s ratification of the Paris Agreement in 2018, GoL has now adopted the National Policy and Response Strategy on Climate Change, a policy framework for climate change mitigation and adaptation planning.⁵ A National Climate Change Secretariat was established at the EPA to coordinate, create awareness, advocate for, and serve as a clearing house on climate change activities in Liberia.

Since its establishment, the EPA has engaged various international and national, governmental and non-governmental organizations as development partners to help protect the environment and use natural resources sustainably. Many of these partnerships are geared towards supporting climate adaptation and mitigation efforts. The key to making them work is getting money to where it matters most and can have the best impact.

Climate Finance

Resources for climate change mitigation and adaptation are increasingly available through international climate funds, as well as multilateral development banks and development cooperation partners. Under the United Nations Framework Convention on Climate Change⁶ (UNFCCC) and the Paris Agreement⁷, the global community pledged US\$100 million per year to address the climate mitigation needs of developing countries.⁸ This has paved the way for climate finance – local, national or transnational financing from public, private and alternative sources of financing to support mitigation and adaptation projects. In 2018, US\$ 78.9 billion of global climate finance was mobilized from

³ Article 7 of the Constitution under Chapter II: General Principles of National Policy.

⁴ Section 5 of the EPA Act.

⁵ Mitigation aims at tackling the causes and minimising the impacts of climate change. Adaptation involves adjustments in natural or human systems to respond to actual or expected climate change impacts.

⁶ UN General Assembly, *United Nations Framework Convention on Climate Change*: Resolution adopted by the General Assembly, 20 January 1994, A/RES/48/189.

⁷ Paris Agreement, *in* UNFCCC, COP Report No. 21, Addendum, at 21, U.N. Doc. FCCC/CP/2015/10/Add, 1 (Jan. 29, 2016)

⁸ COP16 Accords, Decision 1/CP.16, UNFCCC 2010.

bilateral providers and multilateral development banks for developing countries.⁹ Most of this flows through multilateral concessional climate funds such as the Global Environment Facility, Green Climate Fund, and Adaptation Fund. These offer direct and catalytic support to developing countries. Where countries like Liberia can have direct access to multilateral climate funds, this could promote climate change adaptation investments that are more sharply focused on national needs, and especially the needs of vulnerable local communities.¹⁰

Although Liberia has a legal, policy and institutional framework in place, and significant potential to utilise climate finance, GoL recognises that there is inadequate enforcement of the framework,¹¹ exacerbated by the EPA's technical and legal capacity gaps. This is why the EPA sought out the Oxford Policy Fellowship (OPF) to help ramp up its institutional capacity to tackle climate change. When the OPF Fellow arrived, her starting point was to review the legal and policy framework to identify real opportunities for leveraging global climate finance – and especially for channelling it to much-needed interventions in Liberia's climate-sensitive sectors, as well as to climate change mitigation and adaptation projects that also contribute to national development priorities.

Upping the game – looking for Direct Access to Climate Finance

Liberia has been missing out on climate finance. Technical and institutional capacity gaps at the EPA have continually undermined its ability to access the new funds. There are weaknesses in developing and implementing climate change project proposals; and in managing unstable funding patterns, shifting donor priorities and complex donor-specific reporting methodologies. As a result, the 'indirect access' modality applies. This means Liberia has access to funding through international organizations accredited as 'implementing entities' for the funds. These implementing entities identify, develop, implement, and monitor projects and are accountable for the overall use of a specific fund on behalf of the recipient countries, working in collaboration with 'executing entities', which could be national, sub-national, or local organizations.

Even when this 'indirect access' is ostensibly decentralised to engage all relevant stakeholders, experience on the ground suggests otherwise. The Fellow's analysis noted poor coordination between various government agencies; little consultation with the intended beneficiaries; a failure to harmonize policies, programs and procedures in alignment with GoL development priorities; and, consequently, only weak country

⁹ OECD (2020), Climate Finance Provided and Mobilised by Developed Countries in 2013-18, Climate Finance and the USD 100 Billion Goal, OECD Publishing, Paris, <https://doi.org/10.1787/f0773d55-en>.

¹⁰ Manuamorn, O.P. and Biesbroek, R., "Do Direct-access and Indirect-access Adaptation Projects Differ in their Focus on Local Communities? A Systematic Analysis of 63 Adaptation Fund Projects" (2020) 20 *Regional Environment Change*, 139.

¹¹ Pro-poor Agenda For Prosperity And Development, Objective 3.4.2: *Manage Natural Resources Sustainably*.

'ownership' of environment projects. Indeed, Liberian newspaper headlines tend to read "World Bank Project" or "UNDP Project" with the EPA portrayed as a mere "flower girl".

As a technical advisor embedded in the EPA, the Fellow has been helping the EPA to change the narrative towards direct access for strong national ownership and real results. The EPA believes it *can* and *should* be implementing its climate change projects directly. While there is little guidance in terms of laws and regulations supporting direct access modalities for development funding, the EPA can take advantage of the institutional framework under the EPML and the EPA Act. But it needs to operationalise it better.

"When we needed quick and expert input, we called upon the Oxford Policy Fellow and she always delivered. She is a disciplined, reliable and dependable team player and proved to be an invaluable asset to the EPA in its goal of strategic leadership in the environmental sector in Liberia."

Prof. Wilson K. Tarpeh
Executive Director/CEO, EPA

So, to lead the necessary reforms, the EPA embarked on an institutional reform agenda inspired and shepherded by its Executive Director/CEO, Prof. Wilson K. Tarpeh. Affirming GoL's commitment to country ownership of projects, Prof. Tarpeh has stressed the need to manage environmental projects using "national systems in order to strengthen national capacities" as opposed to using intermediaries such as multilateral development banks and UN agencies. It might also be noted that there is a growing dissatisfaction with overreliance on foreign consultants recruited by these intermediaries to manage and conduct projects, particularly if the projects are of strategic importance to the EPA.

The Fellow's legal review highlighted how the EPA is constrained by operational silos which result in fragmented and dissipated project operations. For example, the national focal persons for different multilateral environmental agreements (MEAs) operate independently of the EPA when they develop and implement projects under the respective MEAs. Hence the Executive Director had the idea to centralise management of all environment-related projects under a new Project Management Department (PMD) at the EPA.

An OPF legacy – helping establish the new Project Management Department (PMD)

Prof. Tarpeh brought together a small team of three advisors to set up the new PMD – the UNDP/EPA Energy and Environment Program Coordinator, with an ODI Fellow working as the Technical Advisor, and the Oxford Policy Fellow working as a Legal and Policy Advisor. This team reported directly to him and worked closely with the National Climate Change Secretariat.

“The capacity of EPA has improved significantly through the expertise that the Oxford Policy Fellow has brought to the institution. She developed standardized contract formats and a system for contract management and has contributed research and legal advice that place EPA in a more credible position in negotiations with international partners, donors, and other government entities.”

Salimatu Lamin-Gilayeneh

Program Coordinator, EPA/UNDP Energy and Environment Program

Understanding the coordination and operational challenges, the advisory team recommended that the PMD should provide development, oversight and technical support in managing and reporting for environmental projects or initiatives in Liberia in all key stages and processes in the life cycle of a project (and not simply project finance management). This should include: (i) project identification, (ii) preparation, (iii) development, (iv) implementation, (v) completion/evaluation, and, depending on the type of project (vi) post-completion follow-up.

The team got to grips with the structure and size of the project management function in the EPA – should it operate as a Unit under the Executive Department or as a separate Department? They also examined its relationship with the EPA – should it be ring-fenced from the institution or incorporated as an executive arm? – and identified development partners that could support it. The Fellow provided policy advice drawn from international best practice on efficient project management; drafted the PMD concept note; and developed the institutional and policy framework that would provide the guiding documents for the PMD’s development. The team pulled this together into a funding proposal and participated in scoping meetings to raise financial support.

The EPA’s strategy to incorporate all environmental project management functions under one department is a policy experiment for Liberia. It is an innovation that deviates from similar project management units at the Ministry of Education and at the Ministry of Finance Development and Planning, which focus solely on project finance management. This is because, in the long-term, the PMD is expected not only to help Liberia secure and manage climate finance, but also to provide sufficient high-level oversight and

harmonization so that projects meet national priorities and so there is mutual accountability with donors.

The EPA team is conscious of the contextual challenges as they develop the PMD – sharing its vision and recruiting other governmental agencies' support are critical. Environment-related projects can be tough to manage as they can be vast in scope, cross-cutting and long-term in nature, requiring collective action to address environmental phenomena that can be subject to huge uncertainties. Liberia's Energy and Environment Sector receives on average 15-20% of development funding – a significant quantity, and so there is a need for caution and wisdom in changing prevailing implementation arrangements. Managing development partner expectations is also a major concern. Needless to say, a strengthened EPA is better able to tap into climate finance, improve overall government coordination, and achieve project outcomes efficiently.

Fellow reflection

Working on institutional reform at the EPA has been a novel experience, coming at a critical time when modalities for development, for climate finance, and for project implementation are all in flux. With Liberia's high reliance on overseas development assistance, the new policy interventions are paving the way for new relationships between the EPA and its development partners, both national and international. As an embedded Fellow, I have had to adjust my perspectives on climate finance governance to take into consideration the vast and varying political, social and economic context of the country. My legal and policy acumen was critical in clarifying the rationale and filling the cracks in the implementation arrangements that could cause disputes in the future. The lawyer's role in problem solving is a strong contribution to building consensus on strategies and plans for effective management.

I worked with an incredible team at the EPA to deliver the foundational policy tools that will raise Liberia's profile in climate change adaptation and mitigation planning. It will be rewarding to see the EPA take the lead – to develop, manage and 'own' its environmental projects, and to channel increasing volumes of global financial resources to handle the climate change emergency soundly and sustainably. In the PMD, I believe the EPA's work with OPF has built the right institutional architecture for securing strong national ownership of projects, effective coordination of the stakeholders, and sustainable results. Liberia will soon have greater Liberty to shape its own development through nurturing its rich natural resources and building resilience to climate change.

Njeri Mwathi

OPF is a demand-led Fellowship Programme that works with governments to deliver legal capacity support and development. We do this through Fellows, networks, and learning.

We source high performing legal advisors to work within current government systems and processes for two years so that their work contributes to ongoing policymaking, rather than creating parallel structures for getting things done. By providing governments with key support that they themselves have defined and requested, we deliver sustainable and locally-owned development impact. We also host a network of government practitioners working at the interface of law and public policy, promoting a culture of knowledge sharing and learning across governments and the wider community.

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