

Document of  
The World Bank

Report No: 37389-LR

PROJECT APPRAISAL DOCUMENT  
ON A  
PROPOSED GRANT FROM THE  
TRUST FUND FOR LIBERIA  
IN THE AMOUNT OF US\$2.0 MILLION  
TO THE  
GOVERNMENT OF LIBERIA  
FOR A  
DEVELOPMENT FORESTRY SECTOR MANAGEMENT PROJECT

September 6, 2006

Environmentally and Socially Sustainable Development 4 (AFTS4)  
Country Department 10  
Africa Region

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## CURRENCY EQUIVALENTS

(Exchange Rate Effective June 30, 2006)

Currency Unit = Liberian Dollars  
59.76 LRD = US\$1.00

## FISCAL YEAR

January 1 – December 31

## ABBREVIATIONS AND ACRONYMS

ACPA	Accra Comprehensive Peace Agreement
CDD	Community Driven-Development
CI	Conservation International
CIFOR	Center for International Forestry Research
CGIAR	Consultative Group on International Agricultural Research
FDA	Forestry Development Agency
IATA	International Air Transport Association
LACE	Liberian Agency for Community Empowerment
LFI	Liberia Forestry Initiative
LICUS	Low Income Countries under Stress
NTFP	Non-Timber Forest Products
NTGL	National Transitional Government of Liberia
RFTF	Results-Focused Transitional Framework
TFLIB	Trust Fund for Liberia
UNDP	United Nations Development Program
UNSC	United Nation Security Council
IUCN	International Union for the Conservation of Nature and Natural Resources
WWF	World Wildlife Fund

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LIBERIA

DEVELOPMENT FORESTRY SECTOR MANAGEMENT PROJECT

PROJECT DOCUMENT

AFRICA

AFTS4

Date: September 6, 2006	Team Leader: Paola Agostini
Country Director: Mats Karlsson	Sectors: Forestry (100%);
Sector Manager/Director: Mary Barton-Dock	Themes: Other Environment and Natural
Project ID: P091984	Resources Management(P)
Lending Instrument: Technical Assistance	

**Project Financing Data**

Loan  Credit  Grant  Guarantee  Other:

For Loans/Credits/Others: -  
 Total Bank financing (US\$m.): US\$2.0 Million  
 Proposed terms: -

<b>Borrower:</b>	<b>Responsible Agency:</b>
Ministry of Finance	UNDP
1000 Monrovia 10	United Nations Drive
Monrovia	Monrovia
Liberia	Liberia

**TF Estimated disbursements (Bank FY/US\$m)**

FY	2007	2008	2009	2010	Total				
Annual	0.4	0.6	0.7	0.3	2.0				
Cumulative	0.4	1.0	1.7	2.0					

Project implementation period: September 2006 to September 2009  
 Expected effectiveness date: September 30, 2006  
 Expected closing date: September 30, 2009

**Development Objective**

1. The objective of the component and of the World Bank medium term engagement in this sector is to assist Liberia to harness the potential of forest to reduce poverty in a sustainable manner, integrate forests effectively into sustainable economic development, protect the vital local and global environmental services and values of forests, based on an integrated package of key reforms in the sector, that will improve the performance of national institutions to make the

forest sector vibrant and sustainable. In close coordination with the LFI, the Bank will assist the Government to implement the forestry program.

**Project description:**

Priority actions that need to be undertaken in order to transform the forestry sector into a vibrant and sustainable engine of growth in the country require the following six program components/activities

**Component 1:** Institution-building in the public sector: consolidation of a number of important institutional reforms in the public sector.

**Component 2:** Sustainable management of community forests: Promotion of the conservation and sustainable use of natural forests.

**Component 3:** Sustainable agro-forestry systems: focus on management of natural forests, but also on management of plantations and agro-forestry systems

**Component 4:** Sustainable small and medium private sector development: Creation of a modern and competitive private sector that will contribute to sustainable development of the forest sector in Liberia as one of the driving forces of growth of the economy.

**Component 5:** Competitive Forest Development Facility: Financing on a cost-sharing basis, of a program of grants to private sector, non-governmental organizations, and communities for the creation of micro-enterprises for reforestation and sustainable forestry management sub-projects.

**Component 6:** Public Communication Program for Forestry Sector: Development and implementation of a Public Communication Program on the forestry reform, aimed at building public support to transparent and equitable management of forestry resources, fostering broad-based debate on forest management, and support community oversight and bottom-up pressure for change.

# PROJECT APPRAISAL DOCUMENT

## LIBERIA SURPLUS GRANT DEVELOPMENT FORESTRY SECTOR MANAGEMENT PROJECT (P091984)

### Strategic Context and Rationale

#### *Country and Sector Issues*

2. Liberia has undergone profound changes in the past two years. A country long known for corruption and exploitation of the population by a minority descended into civil and political strife in the 1980s, in a civil and regional war known for its brutality against civilians. The Accra Comprehensive Peace Agreement (ACPA) of August 2003, UN Security Council Resolutions 1509 and 1521, the collaborative work between the transitional government and donors that followed, leading to the legislative and presidential elections of October-November 2005 that were generally considered peaceful, free and fair have created a spirit of hope after these decades of conflict. An elected government headed by Ellen Johnson Sirleaf assumed office on January 16, 2006. An ambitious 165 day reform program has been announced, which includes moving forward on long delayed economic governance reforms. This provides a unique opportunity to work jointly with a reformist government in critical reform areas, two of which are covered through this document.

3. The World Bank has been actively involved from the outset of the process of peace, reconciliation and reconstruction, beginning with the needs assessment in December 2003 and continuing through the evolution of a powerful Results-Focused Transitional Framework (RFTF) that was adopted in January 2004 by the National Transitional Government of Liberia (NTGL) as its strategic plan to guide the transition period, to a successful International Reconstruction Conference in New York on 5-6 February 2004. The Bank's re-engagement activities form part of a closely coordinated multi-partner effort in humanitarian, political, security and development reform to assure that this peace becomes permanent and that Liberia can be placed firmly on a path to human and economic development.

4. On March 9, 2004, the Bank's Executive Directors discussed a reengagement strategy for Liberia<sup>1</sup>. Based on the progress toward transition in Liberia, this strategy outlined a plan for Bank re-engagement within the RFTF. On August 25, 2004 they approved the establishment of a Trust Fund for Liberia (TFLIB). Subsequently, the Board of Governors of the Bank approved on October 13, 2004 the transfer from surplus to the TFLIB of US\$25,000,000 as a grant to be administered by the International Development Association. The three priority programs being supported by TFLIB are infrastructure rehabilitation, community driven development, and economic management and development. The Economic Management and Development Program focuses on both financial management and forestry and an amount of US\$4.50 million was set aside for this program. The new Minister of Finance has requested a review of the financial management component of the program. To accommodate this request, and in light of the economic management crisis facing the forestry sector, it has been decided to process the

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<sup>1</sup> IDA/R2004-0046 titled: Liberia: Country Re-Engagement Note and Additional Activities

financial management and forestry components of the economic management and development program separately. Consequently, this Project Appraisal Document focuses only on the forestry component of the program to which the amount of US\$2.00 million has been allocated.

5. In October 2005, legislative and presidential elections considered by observers to be free, fair and transparent led to the inauguration on January 6, 2006 of Ellen Johnson-Sirleaf. The new administration is assured the continued support of the UN and other partners in maintaining security, reforming the armed forces and reinserting ex-combatants into civilian life, and in reinstalling refugees and the internally displaced. However, the challenges are immense. Regional conflict, still active in Côte d'Ivoire, continues to threaten to re-erupt in Liberia or Sierra Leone, its birthplace, as well as in neighboring Guinea; security expenses remain immense. Decades of conflict, conflict-driven emigration and a heritage of corruption have drained the pool of basic domestic competence and integrity required to recruit the new government's economic management at all levels. The opposition-led legislature covers a broad range of interests including ex-warlords, and its contribution to development and economic management is not yet known. Three of the country's major sources of export revenues and fiscal receipts (diamonds, gold and forest products) are under international sanction by the UN Security Council due to their role in financing conflict.

#### ***Rationale for Bank Involvement***

6. The case for Bank re-engagement in Liberia at this time is compelling. The infrastructure and databases, physical and intellectual, for public economic management have been destroyed through decades of conflict and public malfeasance. The August 2003 peace agreement and the work of the donor community in the months that followed have set Liberia on a promising path to peace and recovery. The path is rocky; however, there have already been stumbles and a significant risk of a damaging fall. To stay the course, Liberia's new government needs to be able to rely on an adequate response from international donors both in terms of expertise and finance. In addition, peace provides a window of opportunity for the Bank to rebuild its knowledge base and understanding of national partner institutions, both of which are essential to increase readiness for a Bank lending program when that becomes possible.

7. The World Bank has had extensive involvement in the rehabilitation of the economic management of post-conflict countries and collapsed states worldwide. This experience ranges from the establishment of the basic transparency and governance that permits the mistrustful parties to the peace process as well as the population at large to gain confidence in the institutions emerging from the transition, to the development of regulations, codes and laws as well as the tools and other means of implementing and monitoring the reforms. The transition government seeks to install the basic economic and regulatory infrastructure upon which the post-election government can build its operations. TFLIB will enhance the ability of the Bank to participate in the coordination of the transition.

#### ***Higher level objectives to which the Project Contributes***

8. The various activities financed by TFLIB contribute to the rehabilitation of essential economic and social infrastructure and reduce the root causes of conflict. Among the components, the economic management and development component has the least direct impact on populations but is essential for the transition to longer-term sustainability of other initiatives. Though this component may present a high risk, in that the infrastructure for economic and regulatory management may be evaded by office holders, even partial success will lead the way



for good governance in a country with little history of providing social services to its population and an environment conducive to growth.

## **Project Description**

### ***Project development objectives and key indicators***

9. The main objective of the proposed Development Forestry Sector Management Project is to build robust and transparent structures for economic and fiscal governance and prepare a foundation for good governance, economic recovery and growth in the forestry sector. This will provide a regulatory and governance framework for the new government. The Bank will support activities identified in the areas of: (i) public sector reform (civil service/decentralization of salary payment), (ii) governance and management in the forestry sector, (iii) public enterprise reform (private sector participation), (iv) the fiduciary framework (procurement/financial management and controls), and (v) the policy and regulatory framework and instruments for guiding fiscal and financial sector reform. This activity addresses one of these topics: governance in the forestry sector.

10. Key indicators for the proposed technical assistance program and subsequent downstream implementation of emergency work will include:

- a. completion of critical institutional reforms (in particular FDA institutional reform; forestry policy, forest taxes reform),
- b. implementation of the results of the concession review through Executive Order or other instrument,
- c. collaboration with five Forestry Producer Associations active in Forestry Districts;
- d. chain of custody for export logs that is operating in a transparent manner from the stump to aboard ship; and
- e. functioning of a voluntary Forestry Certification Program Office.

11. Progress depends on activities contributed or supported by other partners (primarily the European Commission, the U.S. and the UN agencies). Progress will be evaluated and reflected in the PAD for a follow-on activity; it is not expected that meaningful quantitative benchmarks of progress can be identified under this sub-activity in the time span covered.

### ***Implementation***

12. It is proposed that the activities to be financed under this Grant be implemented by the United Nations Development Program (UNDP) in light of the limited capacities within the Republic of Liberia. The description and justification by component are given in the next section. The financing envelope for assistance in the development forestry sector management project will be US\$2.00 million.

### ***Project components***

13. The major activities in forestry sector reform that the Bank will finance from the trust fund are given in Box 1. They will be executed by UNDP.

#### **Box 1. Components of the Forestry Sector Reform Activity**

Support to a key Liberian governance instrument of the transition, the Liberia Forest Initiative, in the development of the policy or procedural reforms mandated to it, particularly to provide:

1. technical assistance to the FDA in improving governance and performance within the forestry sector, and
2. support to the FDA and forest sector reform that might establish the conditions for no re-imposing of UN Sanctions against the country's major potential export earner.

14. Forests are clearly one of the most important natural resources in Liberia, yet have never been managed to deliver anywhere near their full potential to contribute to the long-term, sustainable economic growth of the nation, the livelihoods of local and rural communities, or the long-term conservation of the country's natural heritage.

15. Liberia lies entirely within the Upper Guinean Forest Ecosystem, and contains two of the last three remaining large blocks of Upper Guinean Rainforest in West Africa, an equivalent of 42-43% of this forest type. These biologically rich forests are home to approximately 240 timber species, 2,000 flowering plants, 125 mammal species, 590 bird species 74 reptiles and amphibians and over 1,000 insect species. Such statistics serve to emphasize the incredible diversity and value of Liberia's forest biodiversity, and the need to develop systems and capacity to manage these forests in ways that enhance, and not degrade, this globally important resource. Forestry in Liberia has the potential to contribute 8-10 percent of GDP and contribute significantly to export revenue and fiscal receipts. In recent years these forests have not been managed either to support biodiversity or to support the livelihoods of the poor.

16. To halt the rapacious anarchic, full-scale logging begun in the 1990s in order to finance Liberia's civil war, the United Nations in May 2003 imposed Sanctions on timber exports (Box 2). These Sanctions were renewed for one year in December 2004 (a decision confirmed in the June 2005 mid-term review by the Security Council) and have been renewed for an additional year in December 2005. Additionally, in July 2005 the NTGL's Forestry Concession Review Committee recommended all existing forestry concessions be cancelled, and that a committee comprising Liberian and international interests including civil society be established under the Liberia Forest Initiative (LFI) partnership (Box 3)—to monitor land use planning, the chain of custody, and the forest revenue system, so that the system of forest concessions and operations be transparent and in the public interest. The cancellation of all concessions by Executive Order No. 1 by the President in Feb 2006 and all the draft reform work done contributed to the lifting of these Sanctions on June 19 2006 (Resolution 1689) that will be re-imposed if the Forestry Law and other reforms are not approved in the next 3 months.

### **Box 2. UN Sanctions against Liberia**

The UN initially imposed Sanctions on Liberia in 2001 in response to the role of Liberia (and Charles Taylor in particular) in the conflict in Sierra Leone. The Sanctions included a ban on arms procurement, a ban on the diamond trade and a travel ban on officials. The Security Council announced in November 2002 that the Sanctions would remain in place until May 2003. In May 2003 the Sanctions were renewed again in Security Council Resolution 1478 and extended to include a ban on timber production and exports.

This ban was based on evidence suggesting that diamond and timber exports were being used primarily to finance the internal conflict. This ban has thrice been extended, most recently in December 2005. The Panel of Experts re-established by resolution 1579 (2004) reported to the UNSC in June 2005 that there is no evidence of illegal timber being exported from Liberia, but noted that few of the reforms in the NTGL roadmap necessary to meet the conditions set forth in resolution 1521 (2003) for lifting the measures on timber have been implemented. In order for the ban to be lifted, the Security Council has stated that a transparent government accounting system should be in place, the Government should be in control of the logging areas and that a review of timber concessions and a sustainable logging plan be developed. On June 19, 2006 Sanction have been lifted but will be re-imposed in 3 months if the Forestry Law and Regulations are not passed before in the Assembly.

17. The performance of this sector is closely linked to both economic management and economic growth. A well-managed forest sector has a strong potential to contribute to economic growth, poverty alleviation, and environmental sustainability in Liberia. Forested lands still cover a large part of the country and their sustainable development could become a pillar of the rural economy. Furthermore, the areas of greatest poverty in Liberia tend to correspond with areas of remaining forest, so development in this sector will have an immediate impact on the alleviation of poverty in the poorest rural areas of the country. Finally, forests in Liberia provide many environmental services, including conservation of globally critical biodiversity, and the ongoing provision of these services depends on a well-managed sector.

### **Box 3: The Liberia Forestry Initiative**

The Liberia Forest Initiative (LFI) is a coalition of donor governments, lending agencies, non-governmental organizations and civil society participants committed to the long-term sustainable management of Liberia's forest estate through a shared multi-donor program sponsored by parallel financing mechanisms. Members of the LFI, in addition to the World Bank, include organizations such as the US State Department, the European Commission, the US Forest Service, the International Monetary Fund, the Food and Agriculture Organization, IUCN, the Environmental Law Institute, Conservation International, CIFOR, IATA, CGIAR, and Fauna and Flora International, as well as Liberian government agencies and civil society organizations. The LFI's primary objective is to ensure Liberia's forests contribute to the long-term well-being of Liberia's people, while maintaining and enhancing its rich biological diversity.

18. The current post-conflict situation, and the efforts of the LFI and other initiatives, provide an unique, if fragile, opportunity to assist Liberia in rebuilding its institutional structure and support civil society organizations to manage Liberia's forest estate in a sustainable manner and to conserve its biological diversity.

**Development Forest Sector Program Objective**

19. The objective of the component and of the World Bank medium term engagement in this sector is to assist Liberia to harness the potential of forest to reduce poverty in a sustainable manner, integrate forests effectively into sustainable economic development, protect the vital local and global environmental services and values of forests, based on an integrated package of key reforms in the sector, that will improve the performance of national institutions to make the forest sector vibrant and sustainable. In close coordination with the LFI, the Bank will assist the Government to implement the forestry program described above.

20. The Forestry Reform Program builds on the experience of the World Bank in many other forestry projects in Africa, Latin America and Asia, and on the experience of many other donors.

**Project Components**

21. The World Bank decided to take a step by step approach to the forests issues in Liberia, where the LICUS Trust Fund grant financed some immediate enabling actions supporting the multi-donor LFI in the pre-election period, and funds from this component will finance medium term actions after elections and leading into the new administration. A GEF medium size grant for the only national park in Liberia (Sapo Park) has been approved also for an integrated approach to forests that includes conservation and sustainable use.

22. Priority actions that need to be undertaken in order to transform the forestry sector into a vibrant and sustainable engine of growth in the country require the following six program components/activities: (i) Institution-Building in the Public Sector, (ii) Sustainable Management of Community Forests, (iii) Sustainable Agro-Forestry Systems, (iv) Sustainable Small and Medium Private Sector Development, (v) Competitive Forest Development Grant Facility, and (vi) Public Communication Program for Forestry Sector. Certain components (institution-building, sustainable private sector development and the Forest Development Grant Facility) are of a national scope. Others (sustainable management of community forestry, sustainable agroforestry systems) will be targeted to specific geographical areas. The forest sector components are proposed as an integrated package, with a comprehensiveness and breadth commensurate with the seriousness of Liberia’s governance problems on the one hand and the potential of Liberia’s forest resources, if well managed, on the other. The proposed reform package is intended to alter permanently the conditions that led to the imposition of the timber Sanctions. The Bank, in close coordination with all the LFI partners, will assist the Forestry Development Administration (FDA) undertake the basic activities necessary to ensure that the forestry sector contributes to the national and local economies. The timeline for the forestry activities is given in Box 4.

Box 4: Timeline for the Forest Program							
Component	Length (in months)						
	0	6	12	18	24	30	36
2.1 Institution-building in the public sector							
2.2 Sustainable management of community forests							
2.3 Sustainable agro-forestry systems							
2.4 Sustainable small & medium private sector development							
2.5 Forest Development Grant Facility							
2.6 Public Communication Program							

### Component 1: Institution-building in the public sector (US\$0.5m)

23. Activities under the LICUS TF have supported the initiation of a number of important institutional reforms in the public sector that still must be consolidated. A process of modernizing the Forestry Development Authority (FDA) has been initiated by the LICUS TF and needs to be completed, based on the principle of decentralization to local authorities, participation of civil society, and regulatory efficiency. A draft forest law needs to be finalized and approved, which will better establish the legal framework and the responsibilities of each actor. More specifically, Component 1 will support:

- a. Restructuring of FDA's role and responsibilities;
- b. Design and implementation of new forestry regulations, policies and
- c. Design of financing instruments such as a Protected Areas Fund ;
- d. Local governance for legal reforms;
- e. Forestry Reform and Monitoring Committee;
- f. Training for FDA personnel on log-tracking and chain of custody;
- g. Establishment of an information management system (including FDA website); and
- h. Development of Code of Forest Practice
- i. Environmental and Social Assessment of the Project

### Component 2: Sustainable management of community forests (US\$0.3m)

24. This component will promote the conservation and sustainable use of natural forests. It builds on the LICUS TF activities related to Forestry Inventory and Log Tracking, as well as other LFI activities in these fields. Component 2 will:

- a. Provide training and technical assistance for the development of sustainable forest management plans for communities (including certification where appropriate) and the sustainable use of non-timber forest products (NTFPs) using Market Analysis and Development Methodology ( a methodology developed by FAO in the 90); and
- b. Support the establishment of two pilot community forestry concessions.

### Component 3: Sustainable agro-forestry systems (US\$0.3m)

25. It has been increasingly recognized that the integration of the forest sector with other productive sectors (such as crop production, cacao, and rubber) is essential to achieve a sustainable sector. The Tree Outside the Forest Program will therefore not only focus on management of natural forests, but also on management of plantations and agro-forestry systems. Component 3 will build on the considerable advances made in this field in West Africa by the tree-crops program of the International Institute for Tropical Agriculture. Activities will include:

- a. agriculture sectoral analysis of the interface between agriculture and forestry; and
- b. Assessment of the current situation and provision of technical and market-oriented training and technical assistance for tree crops management activities.

Component 4: Sustainable small and medium private sector development (US\$0.3m)

26. This component seeks to create a modern and competitive private sector that will contribute to sustainable development of the forest sector in Liberia as one of the driving forces of growth of the economy. The program will:

- a. perform an assessment of the capacity and needs of small and medium private sector forest institutions; and
- b. provide training to strengthen private sector forest institutions in their ability to practice innovation and research, marketing, and information management for tree and forest products.

Component 5: Competitive Forest Development Facility (US\$0.3m)

27. This component would finance, on a cost-sharing basis, a program of grants to private sector, non-governmental organizations, and communities for the creation of micro-enterprises for reforestation and sustainable forestry management sub-projects. Specifically, the program will fund:

- a. a seed grant program for communities, NGOs, and private sector to start up innovative activities, following the manual and criteria already developed under Small Grant Program by UNDP and CI; and
- b. a Sapo CDD program through Liberian Agency for Community Empowerment (LACE) for community driven development projects around Sapo National Park, to cover the extraordinary costs to LACE for project execution in this remote region.

Component 6: Public Communication Program for Forestry Sector (US\$0.3m)

28. This component will support the development and the implementation of a Public Communication Program on the forestry reform, aimed at building public support to transparent and equitable management of forestry resources, fostering broad-based debate on forest management, and support community oversight and bottom-up pressure for change. Activities will include public awareness campaign on the forestry reform, support to advocacy work led by civil society and community groups and capacity building to the FDA on transparency and public communication. These activities will be implemented in close coordination with the other LFI members and will benefit from synergy from their own proposed activities. A LFI Communication Steering Committee has been set up to facilitate the development of the strategy and the coordination in terms of its implementation. Activities will include:

- a. designing a Public Communication Program that raises awareness on forestry reforms; and
- b. implementing the Public Communication Program through training in communication strategy and methodologies to support FDA transparency and public communication capacities and civil society and community group advocacy work.

## Appraisal Summary and Implementation

29. This activity, which will assist Liberia to harness the potential of its forests to reduce poverty in a sustainable manner and contribute to national growth and sustainable environmental services, will primarily consolidate activities launched under the LICUS Trust Fund. It would be third-party executed by UNDP.

	Activity	Financing
1	Institution-building in the public sector	470,000
2	Sustainable management of community forests	280,000
3	Sustainable agro-forestry systems	280,000
4	Sustainable small-medium private sector development	280,000
5	Forest development grant facility	280,000
6	Public communications program for forestry sector	280,000
	UNDP Fee	130,000
	<b>TOTAL FORESTRY SECTOR REFORM</b>	<b>US\$ 2,000,000</b>

### Financial Management

30. The grant will be third-party executed by UNDP, the Bank's partner in this conflict-affected country. UNDP's fee under the management contract will be six point five percent (6.5%). UNDP will only be responsible for the project financial management, recruitment and procurement of good and service for the project and will facilitate the actual implementation of the other activities for which the Government is responsible for (FDA) .UNDP will still be responsible for sending progress report to the Bank.

### Partnership arrangements

31. Liberian Forestry Initiative partners include the US, EC, IMF, FAO, IUCN, CGIAR, CI, the Environmental Law Institute and the Bank. The Bank would devote attention to bring other donors on board.

### *Monitoring and evaluation of outputs/outcomes/results*

32. In the forestry sector, the process of reform is constantly monitored by meetings of the LFI and will be reviewed regularly by Bank Staff.

33. Output and outcome indicators have been listed in paragraph 10 above. Specific indicators include:

- a. the completion of critical institutional reforms (reform of FDA, new forestry policy approved, forest taxes regulation issued),
- b. implementation of the results of the concession review through administrative and/or legal action,
- c. active operation of five Forestry Producer Associations in Forestry Districts,
- d. number of forest users groups registered and operational,

- e. operation in a transparent manner of a chain of custody for export logs from the stump to aboard ship, and
- f. establishment and functioning of a voluntary Forestry Certification Program Office.

34. Results will be measured by the not re-imposing of Security Council Sanctions against forestry production and the re-establishment of one of Liberia's major sources of employment, income and government revenue.

### ***Social***

35. The principle social issues are related to the role of local communities in implementing forestry activities. A social assessment, that will complement the social assessment done for the CDD project, will be carried out at the beginning of the program to ensure that project objectives and impacts are appropriate to beneficiaries. The activity will give particular emphasis to working on community forestry according to the "3 C's" LFI principles: community use, conservation, and commercial forestry.

### Participatory Approach and Consultation

36. The Bank's new forest policy promotes the active involvement of people living in and near forest areas in all aspects of the management, conservation, and sustainable development of their natural forests. This approach is consistent with the proposed operation.

37. A wide range of stakeholders will be involved in project implementation through the multi-donor LFI. Local and international NGOs will continue to be consulted during implementation. It is expected that some parts of the program will ultimately be implemented by the NGO community.

### Environment/Safeguard issues, including possible exceptions

38. The Forestry Reform activity does not expect to generate negative environmental impacts. On the contrary, it is expected to be highly beneficial environmentally, as it will promote sustainable forest management and conservation of areas important for biodiversity. Moreover, by supporting the development of a sustainable forestry sector in general, it will lead eventually to more standing forests that can provide an array of environmental services. The project will be implemented following all the principles of the new World Bank Forests Policy OP 4.36 and OP 4.01. The project could have unintended minor negative environmental impacts from investments in reforestation, forest management, or even conservation. The project team suggests a category "B" rating. An EMP is not currently seen as necessary for the proposed project. Nonetheless, as agreed at the review meeting and suggested by the Safeguard Team, a Strategic Sectorial Environmental assessment will be prepared within six months of the effectiveness date of the project. The study's intention is to analyze possible negative environmental and social impacts of the entire forestry sector.

39. The project will not finance any activity that would cause conversion or degradation of critical natural habitat and will give preferences to unforested or degraded forest land for establishment of plantations (Component 3). The project will not support industrial-scale commercial logging (under Components 2 and 4). The project may support forest management and harvesting by enterprises at community level and scale, but only if it is conducted in



accordance with the principles for sustainable, participatory forest management set forth in OP 4.36.

40. The forestry reform key stakeholders are identified as: i) local communities; ii) farmers; iii) consumers of wood; iv) consumers of other environmental services such as water; v) commercial timber dealers and processors; vi) public institutions , vii) private institutions ; and viii) women working in the forestry sector.

### ***Sustainability***

41. While emergency projects like this do not directly address sustainability issues, reform of forestry sector should contribute to long term sustainability and lay the basis for the post-transition governance. Indeed, the sustainability of the reforms supported by this project depends upon the efforts by the public, including international as well as national communities, to require transparency and accountability of the government and its members in the forest sector.

42. Also sustainability is strengthened by the following: (i) the design of the Program has, from the beginning, been based upon a successfully implementation of the LICUS TF and the active collaboration of the LFI, (ii) the Program focuses on capacity-building of forest communities and the public and private sector; (iii) the Program in component 1 supports the design of a Protected Areas Fund to ensure long-term availability of capital for conservation of critical protected areas in the country; and (iv) the Program encourages policy reforms to improve sustainability of the forest sector.

### ***Critical risks and possible controversial aspects***

43. This project, including the complementary endeavors financed outside this activity, is a high-risk project. The risks to the people of Liberia and to the subregion due to the likelihood of disillusionment with the transition and from that, the possible return to violence if the project is not undertaken are greater, which justifies proceeding and taking extra efforts to reduce the risks where possible, and manage them where this is not possible.

44. Donor coordination may falter. This is being addressed through regular and frequent meetings through relevant institutions present in Monrovia, including LFI.

45. After an initial high level of commitment to Liberia's recovery, donor fatigue and other priorities may lead to a loss of donor focus and a mismatch between early pledges and actual funding. This risk is present in all post-conflict contexts, but is particularly true at the present time given the coincidence of Liberia's transition with other high profile post-conflict reconstruction situations demanding donor response.

46. In forestry, there is a reputational risk that the program may be stopped by public opposition to harvesting of natural forests, even if certified. This is being addressed and will continue to be addressed through working closely with national and international NGOs from the inception of the program (e.g. IUCN, CI, WB/WWF alliance, Green Advocates).

### Grant conditions and covenants

47. This activity will be implemented through a direct Grant Agreement signed between the World Bank and UNDP. This agreement will detail the terms and conditions governing the implementation of this grant. The financial management arrangements for this Grant Agreement will be in accordance with the Memorandum of Understanding between the World Bank and UNDP of February 9, 2004 which is valid for a period of four years.. The detailed terms and conditions covering the financial management and disbursement arrangements are specified in Annex 5.

### Project Closing Date

48. The expected closing date of the Project is Sept 30, 2009.

## Annex 1: Results Framework and Monitoring

**Higher Level Objective:** Contribute to reducing the root causes of conflict through rehabilitation of essential economic and social infrastructure that will permit the transition to longer-term sustainability of other initiatives.

**Project Objective:** To assist Liberia to harness the potential of its forests to reduce poverty in a sustainable manner by integrating its forests effectively into sustainable economic development that protects the vital local and global environmental services and values of its forests.

Sub-Component	Activity	Outcome/ Results	Indicators
1 Institution-Building in the Public Sector	<ul style="list-style-type: none"> <li>a. Restructuring of FDA's role and responsibilities.</li> <li>b. Design and implementation of new forestry regulations and policies.</li> <li>c. Support to organizations of local governance.</li> <li>d. Support to the Forestry Reform and Monitoring Committee.</li> <li>e. Training for FDA personnel on log-tracking and chain of custody.</li> <li>f. Establishment of an information management system (including FDA website).</li> <li>g. Development of Code of Forest Practice</li> </ul>	<p>FDA financial and institutional reform designed</p> <p>Commercial procedures reform package finalized</p>	<p>Transparent internal financial management system of FDA operational.</p> <p>Transparent macro-level revenue management started.</p> <p>Monitoring of physical production; log tracking in place.</p> <p>Institutional reform of FDA planned.</p> <p>Concession management legislation reviewed and improved</p> <p>Assistance to the Forestry Reform Monitoring Committee provided.</p>
2: Sustainable Management of Community Forests	<ul style="list-style-type: none"> <li>a. Provide training and technical assistance for the development of sustainable forest management plans for communities (including certification where appropriate) and the sustainable use of non-timber forest products (NTFPs);</li> </ul>	<p>Community forestry established in Liberia and test pilot projects initiated</p>	<p>Community forestry program and support needs for the FDA community forestry division designed.</p> <p>Community forestry test sites established.</p>

<b>Sub-Component</b>	<b>Activity</b>	<b>Outcome/ Results</b>	<b>Indicators</b>
	b. Establishment of two pilot community forestry concessions.		
3 Sustainable Agro-Forestry Systems	a. Agriculture sectoral analysis. b. Tree Crop Establishment.	Enhance control over forest lands and resources through revived sustainable alternative agro-forest production systems for communities.	Forestry and agriculture interface analyzed  Secure community livelihood alternatives created.
4 Sustainable Small and Medium Private Sector Development	a. Small and medium private sector forest institutions capacity and needs assessment. b. Training in marketing and innovative forestry practices.	Training plan designed to implement sustainable forest product processing practices with aim of bringing NGOs, small and medium enterprises, and concession holders up to international standards.	Private sector trained in forest management based on the “3 Cs”.
5 Competitive Forest Development Grant Program	a. Seed grant program. b. Sapo CDD program	Secure commitment to protected areas and forest lands, and enforce rule of law in Sapó.	Income generating spin-off industries and community development fostered through the grant programs.
6 Public Communication Program	a. Design of a Public Communication Program for Reform. b. Implementation of Public Communication Program.	Forestry Sector Reform has broad-based public support	Public Communication Program created.  FDA and civil society partners trained in Public Communication Program.

## Annex 2: Project Costs

Project Cost by Sub-Component	Indicative Cost (US\$)
1 Institution-Building in the Public Sector	
a. Restructuring of FDA's role and responsibilities.	US\$40,000
b. Design and implementation of new forestry regulations and policies	US\$20,000
c. Design of Protected Areas Fund	US\$20,000
d. Support to organizations of local governance.	US\$40,000
e. Support to the Forestry Reform and Monitoring Committee.	US\$150,000
f. Training for FDA personnel on log-tracking and chain of custody.	US\$50,000
g. Establishment of an information management system (including FDA website).	US\$100,000
h. Development of Code of Forest Practice	US\$30,000
i. Sectorial Environmental Assessment	US\$20,000
2: Sustainable Management of Community Forests	
a. Provide training and technical assistance for the development of sustainable forest management plans for communities and the sustainable use of non-timber forest products (NTFPs).	US\$140,000
b. Establishment of two pilot community forestry concessions.	US\$140,000
3 Sustainable Agro-Forestry Systems	
a. Agriculture sectoral analysis.	US\$90,000
b. Tree Crop Establishment.	US\$190,000
4 Sustainable Small and Medium Private Sector Development	
a. Small and medium private sector forest institutions capacity and needs assessment.	US\$90,000
b. Training in marketing and innovative forestry practices.	US\$190,000
5 Competitive Forest Development Grant Facility	
a. Seed grant program.	US\$140,000
b. Sapó CDD program	US\$140,000
6 Public Communication Program	
a. Design of a Public Communication Program for Reform.	US\$90,000
b. Implementation of Public Communication Program.	US\$190,000
UNDP Fee	US\$130,000
<b>TOTAL FORESTRY</b>	<b>US\$2,000,000</b>

### Annex 3: Risk Analysis

#### Forest Reform Program: Critical Risks

<i>Risks</i>	<i>Risk rating</i>	<i>Risk mitigation measures</i>
<p><i>From outputs to objective</i></p> <p>GEMAP implementation proves difficult</p> <p>Lack of political commitment to a transparent and accountable sector</p> <p>Program is stopped by public opposition to harvesting of natural forests (even if certified – reputation risk)</p> <p>Internal conflicts between institutions impede operation of program</p>	<p>H</p> <p>S</p> <p>H</p> <p>H</p>	<p>Continuous vigilance will be done</p> <p>Include Communication strategy with high level decision makers</p> <p>Working closely with national and international NGOs from the inception of the program (e.g. IUCN, CI, WB/WWF alliance, Green Advocates)</p> <p>Development of effective inter-institutional channel of communication</p>
<p>Difficulty in coordination among LFI donors</p>	<p>M</p>	<p>Informal LFI Donor Committee meets every month</p>
<p><i>From components to outputs</i></p> <p>Political changes disrupt continuity of activities</p> <p>Low human resource capacity at FDA</p> <p>No support for establishing Community Forestry Programs</p> <p>Illegal logging still seen as more profitable and less demanding (administratively) than legal logging procedures</p> <p>Concessionaires do not accept the results the Executive Order and go to Court</p> <p>Small Grant Program ineffective</p> <p>Communication Strategy is too fragmented and leads to inconsistent messages</p>	<p>H</p> <p>H</p> <p>M</p> <p>H</p> <p>M</p> <p>M</p> <p>M</p>	<p>Creation of working groups on different reforms that can continue the work independently from political changes</p> <p>Professional, educational training will be provided by the LFI program</p> <p>NGOs and Communities trained to request and argue the need for community work</p> <p>Develop simplified procedures (e.g. permits) and certification program to add value to wood</p> <p>A communication campaign will be done to show that it is also in the private sector interest to accept the recommendation</p> <p>Experienced implementing partner will execute it</p> <p>The communication program will be implemented under the guidance of the “ad-hoc communication steering committees”</p>
<p><i>Overall risk rating</i></p>	<p>H</p>	

*Risk rating:* H (High Risk), S (Substantial Risk), M (Modest Risk), N (Negligible or Low Risk)

## **Annex 4: Procurement Arrangements**

### **1. Procurement arrangements**

Procurement for the proposed project will be carried out in accordance with the World Bank's "Guidelines: Procurement Under IBRD Loans and IDA Credits" dated May 2004; and "Guidelines: Selection and Employment of Consultants by World Bank Borrowers" dated May 2004, and the provisions stipulated in the Legal Agreement or any other method accepted by the Bank.

### **2. Procurement Implementation**

This Project will be third-party executed. UNDP will be required to follow Bank procurement procedures and prepare an annual procurement plan for every calendar year from January to December. The first Procurement Plan and Annual Operational Plan will be done in the first month of Project Implementation and thereafter by no later than Dec 15 for each subsequent year.

### **3. Procurement of Goods**

Goods procured under this Project will include Goods estimated to cost a total of US\$200,000 and consisting of computers & accessories, software, canoes, bicycles, motorcycles & helmets, 4x4 vehicles, AV equipment, HF radios, satellite phone, solar panels, deep-cycle batteries & associated wiring/equipment, generators, office furniture & equipment, office supplies (paper, pens, pencils, staplers, scissors, etc.), audio-visual equipment, environmental education equipment & supplies (portable television, microphone & loud-speaker, paper, chalk, boards, t-shirts, pins, badges, brochures, video camera, etc.) and field supplies (flashlights/torches, lamps, lamp fuel, batteries, rice, ponchos, cooking utensils, matches, etc.). International Competitive Bidding (ICB) will be used for contracts above US\$100,000 and National Competitive bidding (NCB) will be used for all contracts between US\$100,000 and US\$20,000. Shopping may be used for contracts below US\$20,000. The request for quotations shall be in writing and addressed to at least three suppliers. The quotations would be opened same time. The request for quotations will contain the following: technical specifications, delivery time, payment conditions and any other information that may be help the suppliers to prepare competitive offers.

### **4. Community Procurement Procedures**

Community Procurement Procedures would be set out in the project operation manual and written agreements entered into with subprojects beneficiaries.

### **5. Consultant Services (including technical services)**

Contracts for consulting services are expected to cost about US\$800,000. The project will require extensive use individual consultants as advisors to FDA that will form the core of the Strategic Planning Unit for managing the project's technical and administrative tasks. Individuals and Firms will also be selected for specific studies and other technical tasks. More specifically, the following selection procedures will be applied as the case may be for each contract.

- (i) *Quality- and Cost-Based Selection (QCBS)* in accordance to section II of the consultants Guidelines will be used for all major contracts under the project and for all contracts estimated to cost more than US\$100,000 equivalent. Shortlists for contracts estimated to cost less than US\$200,000 may consist of national firms only, where available.
- (ii) *Least Cost Selection (LCS)* may be used for assignments of a standard and routine nature for auditing and engineering services of no complex nature.
- (iii) *Consultants Qualifications (CQ)* may be used for assignments estimated to cost less than US\$100,000 and for which the need for proposing and evaluating competitive proposals would not be justified.
- (iv) *Single-Source Selection* may be used in accordance with paragraphs 3.8 to 3.11 of the Guidelines for the Selection and Employment of Consultants in the case of firms; and with section (V) Selection of Individual Consultants in accordance with paragraphs 5.1 to 5.3 of the Guidelines. This may include recruitment of *NGOs* which possess specific experience relevant for project purposes, as for sections 3.15 and 3.16 of the Consultants guidelines.
- (v) *Individual Consultants.* Services for assignments that meet the requirements set forth in the first sentence of paragraph 5.1 of the Consultant Guidelines may be procured under contracts awarded to individual consultants in accordance with the provisions of paragraphs 5.2 through 5.3 of the Consultant Guidelines. Under the circumstances described in paragraph 5.4 of the Consultant Guidelines, such contracts may be awarded to individual consultants on a sole-source basis.

## 6. Prior Review by the Bank

**For Goods contracts:** Each contract for goods estimated to cost the equivalent of US\$100,000 or more and all contracts procured under Direct Contracting shall be subject to Prior Review.

- All contracts awarded under the Single Source Selection method will not be subject to prior review.
- **For Consultants and Technical Services:** All TORs, all contracts awarded under the Single Source Selection method, each contract with a consulting firm estimated to cost the equivalent of US\$100,000 or more, and each contract with individual consultants estimated to cost the equivalent of US\$20,000 or more will be reviewed the Bank.
- **All other contracts** will be selectively reviewed by the Bank during project implementation and will be governed by the procedures set forth in paragraph 5 of Appendix 1 of the relevant Guidelines.



## **7. Procurement filing system**

The project staff will maintain accurate records of all procurement activities and documents related to the Project. The procurement files will be maintained for review by the Bank's supervision missions and independent auditing. The project staff will also consolidate procurement activities into Quarterly and Annual Progress Reports.

## **8. Training/Workshops/Committees**

Support to training, workshops and committees to be funded by the grant totals approximately US\$300,000. These will consist of support to regular meetings of the FDA, Parks Services, Communities, etc.

## **9. Operational Costs**

The grant will finance reasonable expenditures incurred by UNDP and FDA for operating the Project totaling approximately US\$200,000. These include communications (telephone and e-mail primarily), in-country transportation (taxis, buses), subsistence for local personnel traveling in Liberia, motorcycle, vehicle & generator operating costs (fuel, lubricants, maintenance), postage & shipping, airfares, international subsistence and indirect costs (office rents, water, electricity, insurance, maintenance of facilities, and internet fees), office rent and field allowances.

## **Annex 5: Financial Management and Disbursement Arrangements**

### **1. Introduction**

The financial management assessment was carried out in accordance with the Financial Management Practices Manual issued by the Financial Management Board on 3 November 2005. The objective of the assessment was to determine whether the implementing entities have acceptable financial management arrangements, which will ensure: (1) the funds are used only for the intended purposes in an efficient and economical way, (2) the preparation of accurate, reliable and timely periodic financial reports, and (3) safeguard the entities' assets.

UNDP Liberia will be receiving the funds and implementing the Project on behalf of Liberia, at the request of the Government of Liberia. UNDP will only be responsible for the project financial management, recruitment and procurement of good and service for the project and will facilitate the actual implementation of the other activities that are the responsibility of the Government (FDA). UNDP will still be responsible for progress reporting to the Bank.

### **2. Overview of Program and Implementation Arrangements**

The main objective of the proposed economic management and development program, including its forestry component, is to build robust and transparent structures for economic and fiscal governance and prepare the foundation for good governance, economic recovery, and growth. This will help support the efforts of the newly elected government to improve the regulatory and governance framework in Liberia. For this activity the Bank will finance from the trust fund major activities in forestry reform.

It is proposed that the activities under this objective and components be implemented as appropriate by the United Nations Development Program (UNDP) that has successfully implemented other projects in Liberia. The financing envelope for assistance in economic management and development is US\$2.00 million.

### **3. Country Issues**

Decades of corruption, abuse, and mismanagement of public finances and administration are acknowledged as both cause and consequence of the recent war. A dysfunctional judiciary allowed egregious fiscal and administrative practices to continue with impunity. With the war now over, financial and judicial systems remain weak or broken, public trust in Government institutions and officials is low, and commercial entities are subject to an outmoded regulatory regime and rent-seeking behavior.

There is no CFAA or CPAR that has been undertaken recently. However as part of the UN Needs Assessment in 2003/2004 there was quick diagnostic assessment of the PFM system undertaken by both the World Bank and the IMF. This has been followed up through targeted support through a Licus Grant for improving PFM systems and supporting the functioning of entities such as the Cash Management Committee in the Ministry of Finance.

Recent audits conducted by the Auditor General of Liberia, European Commission, and by ECOWAS investigators and economic crimes experts revealed grave mismanagement of public finances in GOL departments. Partly in response to these findings, the National Transition Government of Liberia (NTGL) and international partners developed the Governance and Economic Management Assistance Program (GEMAP) to improve economic management in Liberia. As government capacity is still weak, UNDP Liberia will implement this project. The risk analysis is based on this information and the capacity at the Department responsible for Forestry.

**4. Risk Assessment and Mitigation**

Risk	Risk Rating	Risk Mitigation Measure
<p><b>Inherent Risks:</b></p> <ul style="list-style-type: none"> <li>- The quality of PFM institutions is weak based on the initial assessment done in 2003 and follow up action since. No formal ESW diagnostics (PER / CFAA / CPAR) have been undertaken as yet. The accounting and auditing profession is weak as is the regulatory framework and the enforcement process.</li> </ul>	<p><b>M</b></p>	<p>The Government will not be responsible for implementing the project. UNDP Liberia will be receiving the funds and implementing the Project on behalf of Liberia, at the request of the Government of Liberia. Project will be managed or implemented in line with the technical direction and guidance provided by the World Bank. .</p>
<ul style="list-style-type: none"> <li>- The beneficiaries of this project are the Forestry Development Agency (FDA). Adequate control systems do not currently exist in any Government Ministry or agency that could be a potential implementing body. The Government's financial system and management of the forest sector is dysfunctional. There is weak capacity in Government, and a culture of rent-seeking permeates the public service.</li> </ul>	<p><b>S</b></p>	<p>UNDP shall implement this project. UNDP Liberia's implementing unit is its DEX (Direct Execution) Office. UNDP Liberia is structured so that its program (DEXS) and operations functions (FM Office) are separate and report to separate Managers. A separate office exists dedicated to financial management responsibilities within UNDP Liberia.</p>
<p><b>Overall Inherent Risks:</b></p>	<p><b>M</b></p>	

<p><b>Control Risk:</b> <b>Internal Control Procedures:</b></p> <ul style="list-style-type: none"> <li>a) The Ministry of Forestry has not documented any of FM procedures in a manual.</li> <li>b) FM policies are not adequate at the Ministry of Forestry</li> <li>c) Management may override any existing controls.</li> </ul>	<p>M</p>	<p>Project will be implemented by the UNDP-Liberia, which has adequate financial management systems to meet project's needs.</p> <p>Project Management is being located at UNDP whose procedures and policies are sufficient to be used to manage the project resources. In addition there will be review of work plans and budget by World Bank, supervision of activities by both UNDP operations managers and World Bank mission teams and external audits to provide additional controls.</p>
<p><b>Fund Flows</b></p> <ul style="list-style-type: none"> <li>a) Project may not submit withdrawal applications on timely basis, thereby causing possible implementation delays.</li> <li>b) Flow of funds to support sub-project activities may delay<sup>2</sup>.</li> <li>c) Reporting from implementing entities may delay thus causing delays in the submission of IFRs for funds.</li> <li>d) There may be no banks at beneficiary provinces and risks in the movement of physical cash</li> </ul>	<p>M</p>	<p>UNDP is familiar with World Bank disbursement procedures.</p> <p>Procedures and formats for accounting for sub-project activities will be simplified to ensure ease of reporting and will be presented in the operational manual.</p> <p>The basis of disbursement will be report based and UNDP systems will be modified to enable it produce these reports.</p> <p>Physical movement of funds will be limited and more secure transfers (say to nearest bank) and other methods of payments for services will be used.</p>

<sup>2</sup> Eligibility criteria for subprojects will be specified in the operational manual

<p><b>Internal Audit</b></p> <p>a) The Ministry of Forestry has no functioning IA unit.</p>	S	The internal audit unit of UNDP-Liberia will provide these functions under the project.
<p><b>External Audit</b></p> <p>The audited financial statements of the project will be submitted late.</p>	M	The audit will be carried out by independent auditors of UNDP activities in Liberia. The audit report will include a separate report on the project.
<p><b>Information Systems</b></p> <p>The Ministry of Forestry may not be able to implement a computerized accounting system in a satisfactory manner.</p>	M	The UNDP has a computerized accounting system which will be modified to ensure that the project activities are covered.
<p><b>Overall Control Risk.</b></p>	M	

## **5. Strengths and Weaknesses**

### Strengths

There is a strong commitment by the Forestry Development Agency to work with the UNDP in implementing this project. The implementing agency has the experience to ensure speedy and timely implementation and UNDP will ensure that appropriate financial management practices are followed and that project funds are used for intended purposes. UNDP in general is comfortable with World Bank FM requirements, and UNDP Liberia (DEX) specifically has prior experience implementing World Bank grants in Liberia.

### Weaknesses

As in other post conflict countries, the overall fiduciary environment in Liberia is very weak. Successful implementation of this project will require ownership and active participation of governmental authorities to ensure sustainability. This is the greatest challenge that this project will face.

## **6. FM Staffing for the Project**

UNDP has a fully staffed and qualified team including professional accountants both at HQ as well as in the field to provide financial oversight for this project. Financial and accounting staff report through a number of layers of hierarchy to ensure adequate oversight of quality of work and probity. UNDP uses ATLAS as its ERP software option, for which UNDP provides training for its staff in its use. UNDP has produced a Financial Manual that integrates its own established procedures with ATLAS user instructions. In addition to the use of ATLAS, separate paper files are kept to store project documents. UNDP has an acceptable internal control system in place. All project activities will be included in the annual internal control / internal audit task.

## **7. Budgeting Arrangements**

UNDP will prepare annual work plans and budget for the project based upon input from the beneficiary institution and will be sent for review from the World Bank within one month from effectiveness and there after by no later than Dec 15 each subsequent year. The budgets will be revised as necessary based on comments received. The budgets will serve several operational purposes: (i) planning of request of funds from the Bank; (ii) basis for quarterly forecasts to be included in IFRs; (iii) monitoring project implementation and identifying areas of delays.

## **8. Auditing Arrangements**

UNDP Liberia is annually audited by an internal auditor (external to the country) and the current auditing arrangements will be extended to cover this project. The last audit report contained no major findings and has been found to be adequate in scope and coverage for this project. This project will be audited as part of the UNDP Liberia activities and auditors will ensure that there is adequate information within their report on the project's activities. The audit will be completed on timely basis and copies submitted to the World Bank within six months after the

end of the fiscal year to which it relates. If the reports are not ready within 6 months after the end of the fiscal year, the World Bank reserves the right to request specific audits.

## **9. Reporting and Monitoring**

UNDP Liberia will prepare and generate interim un-audited Financial Reports (IFR) and submit them to the World Bank as part of the project progress report and for disbursement purposes. These reports will consist of:

- a. Financial Reports: to include sources and uses of funds and expenditures by project components and activities.
- b. Physical Progress Reports: to include narrative information and output indicators linking financial information with physical progress for the major activities under each of the project components.
- c. Procurement Reports: providing information on the procurement goods, works, services, training and selection of consultants showing procurement performance against plan, including information on all authorized contract variations.
- d. Separate Account Activity Statement (from UNDP books)
- e. Summary Statements of Separate Account Expenditures for contracts subject to prior review, and
- f. Summary Statements of Separate Account Expenditures for contracts not subject to prior review.

These reports will be submitted to the Bank within 45 days from the end of each quarter. The format of the IFRs will follow UNDP standard reporting formats, and will be reviewed and agreed before effectiveness.

## **10. Disbursement Arrangements**

The project will use UNDP's one universal US\$ Bank Account to receive the funds but shall maintain a Separate Account in UNDP's Books for the purposes of this project. The project will use the Reports Based method as basis for its disbursements. The project will submit its cash flow requirements for the implementation of the first six months of project activities to support its initial advance. The cash flow statement will be supported by the approved work plan and budget and a procurement plan.

The initial advance will be paid into the UNDP's universal account. Subsequent disbursements will be based on the IFR including subsequent six months cash flow statements (and related procurement plan) reconciled to the funds available in the account.



## 10. Conditions

The following actions are to be implemented as specified:

S/N	Action	By Whom	By When
1.	Agree on formats of IFR under the project	UNDP	Effectiveness

## 11. Supervision plan

During the first year of the project implementation, intensive World Bank supervision will be required in order to ensure that the project financial management arrangements are in place and functioning. The first FM supervision mission after effectiveness will include a review of the flow of funds arrangements for the transfer of funds for sub-project activities and make any modifications that may be required for effective implementation. There will be two supervision missions per year.

## 12. Allocation of Grant Proceeds

The allocation of the project proceeds by expenditure categories are the following:

Expenditure Category	Amount	Financing Percentage
1. Consulting Services	US\$800,000	100%
2. Goods	US\$200,000	100%
3. Workshops	US\$300,000	100%
4. Grants for Subprojects	US\$300,000	100%
5. Operational Costs	US\$200,000	100%
6. UNDP fee	US\$130,000	100%
7. Unallocated	US\$70,000	
<b>Total Project Costs</b>	<b>US\$2,000,000</b>	

**The Bank's Board of Executive Directors consented to the financing of expenditures from TFLIB at 100% due to the financial constraints facing Liberia.**

## 13. Conclusions of the FM Assessment

This would be a high risk project in a difficult post-conflict environment were it not for the role of UNDP Liberia as Grant Recipient and implementing agency. With UNDP taking on implementation responsibility for this project, the risk is assessed as "Modest". UNDP staff involved in the implementation of the project will have experience working with international donor agencies, and the World Bank in particular, as regards fiduciary responsibilities and accountability of project funds.

The project is likely to succeed through the combined supervision of UNDP staff and the Bank, especially in its early stages of implementation to ensure systems are adequately followed to manage project fund flows through to procurement, and appropriate reports are being generated to ensure proper oversight and accountability.

## Annex 6: Co-Financing

The Liberia Forestry Initiative is a partnership driven initiative in which the World Bank plays a lead in providing technical advice and in catalyzing donor support. The Bank's contribution is located in the table below that shows co-financing by source. In addition to the World Bank, the table presents other active donors, international NGOs, and GoL contributions.

Table A6: LFI Co-Financing by Source

<b>Donor</b>	<b>Amount</b>
US State Department	US\$4,500,000
USAID	US\$2,500,000
US Treasury	US\$100,000
World Bank (LICUS and TF)	US\$2,570,000
World Bank (GEF)	US\$1,000,000
EU Brussels	US\$2,000,000
EC Liberia	US\$200,000
GoL	US\$1,000,000
Fauna and Flora International	US\$500,000
Conservation International	US\$300,000
FAO	US\$55,000
<b>Total</b>	<b>US\$14,725,000</b>

**Annex 7: Liberia Forest Initiative Work Plan January-December 2006**

<b>Result</b>	<b>Sub-results</b>	<b>Action lines/steps</b>	<b>Organization</b>	<b>Timing</b>
Result 1. FDA financial and institutional reform designed	Transparent internal financial management system of FDA operational	<p><b>Completed Actions:</b></p> <ul style="list-style-type: none"> <li>Dissemination of pre-audit and EC management and financial reports to partner organizations.</li> <li>Prepare the terms of reference for the Short Term Technical Assistant for financial reform.</li> <li>Recruit and engage internal controller.</li> <li>STTA first mission initiated. (evaluate recent financial reports, pre-audit and EC management and financial report, close FY 2004 accounts and prepare budget for FY 2005)</li> </ul> <p><b>Actions for 2006</b></p> <ul style="list-style-type: none"> <li>Complete FDA audit for Oct 2003 to Date.</li> <li>Recruit independent outside controller for FDA</li> <li>Prepare terms of reference for designing transparent accounting system in the FDA.</li> <li>PWC design, train and implement internal financial management system.</li> <li>USAID recruit install GEMAP financial Controller</li> <li>GEMAP Controller provide oversight to PWC financial systems</li> </ul>	<p>USG and EC</p> <p>US Treasury, EC, WB FDA</p> <p>US Treasury, USFS, EC, WB USFS, US Treas US Treasury</p> <p>USFS</p> <p>USAID, WB USAID</p> <p>US Treasury, EC, WB, FAO</p> <p>WB, USFS</p> <p>USFS – FDA</p> <p>IRFC – US Treas</p>	<p>November, 04 Completed</p> <p>Early November</p> <p>Early December January 05 February, 05</p> <p>May 06</p> <p>March-June 06 March 06</p> <p>June 06</p> <p>January 05</p> <p>March/April 05 April 05</p> <p>ON GOING</p> <p>ON GOING</p>
	Transparent macro-level revenue management	<p><b>Actions Completed:</b></p> <ul style="list-style-type: none"> <li>Prepare terms of reference for macro-level revenue management assistance mission.</li> <li>STTA third mission started</li> </ul> <p><b>Actions for 2006</b></p> <ul style="list-style-type: none"> <li>Liaise with reform organizations in the Ministry of Finance – coordinate the linkages between log monitoring, revenue deposits and statistics</li> <li>Monitor transactions and system procedures</li> </ul>		

Result	Sub-results	Action lines/steps	Organization	Timing
	Monitoring of physical production; log tracking in place	<p><b>Actions Completed:</b></p> <ul style="list-style-type: none"> <li>• Prepare terms of reference for internationally log monitoring expert(s).</li> <li>• Contract expert(s).</li> <li>• Expert(s), with local staff, studies log monitoring system.</li> <li>• Tracking system defined and need for external monitoring company assessed.</li> </ul> <p><b>Actions for 2006</b></p> <ul style="list-style-type: none"> <li>• Recruit, install and provide oversight assistance to GEMAP Management Contract for Chain of Custody operations.</li> <li>• Train FDA staff, private sector and civil society on the requirements of the Chain of Custody.</li> <li>• Provide resources for initial Civil Society third party monitoring for chain of custody and contract compliance</li> <li>• Develop a Forestry Code of Conduct</li> <li>• Support to organizations of local governance</li> </ul>	<p>FAO World Bank, IUCN Expert</p> <p>USFS World Bank USFS, World Bank</p> <p>World Bank World Bank</p>	<p>Early – December</p> <p>January 05</p> <p>Feb – June 06</p> <p>Mar – June 06</p> <p>June 06 March-Dec 06</p> <p>December, 04</p>
	Plan for institutional reform of FDA.	<p><b>Action for 2006</b></p> <ul style="list-style-type: none"> <li>• Prepare terms of reference based on EC Management study and financial review of the FDA.</li> <li>• Coordinate reform efforts in concert with other public organization reform plans.</li> <li>• Prepare first draft of reform and FDA institutional development plan, including new regulations and policies</li> <li>• Organize review process including GOL, NGO, International Organizations and Civil Society.</li> <li>• Finalization of institutional development plan</li> <li>• Contract company to work directly with the FDA and Governance Reform Commission to “right size” the FDA.</li> <li>• Design FDA organigram based on right sizing exercise</li> <li>• Establish Information Management System (including website) at FDA</li> </ul>	<p>World Bank</p> <p>USFS</p> <p>World Bank, FAO</p> <p>World Bank, FAO</p> <p>USFS (Possible EC) World Bank</p>	<p>Mid –February Mid – March May</p> <p>June 06</p> <p>April 06</p> <p>June 06</p>

Result	Sub-results	Action lines/steps	Organization	Timing
Result 2: Transparent concession review completed	Concession Review Completed	<p><b>Actions Completed:</b></p> <ul style="list-style-type: none"> <li>• Endorsement of the Concession review process by LFI</li> <li>• Amendment of terms of reference of the Committee by the Chairman</li> <li>• Official legal opinion of the Principal Attorney of the RL on Law 2000</li> <li>• Prepare terms of reference of the Technical Secretariat.</li> <li>• Recruit and engage Technical Secretariat members</li> <li>• Start up the concession review process</li> <li>• Prepare final recommendations</li> </ul>	<p>LFI members NTGL, WB, USDA, EC</p> <p>Nov. 04</p> <p>Nov, 04</p> <p>Nov. 04</p> <p>Nov. 04</p> <p>Dec. 04</p> <p>Jan. 05</p>	<p>October 04</p> <p>Nov. 04</p> <p>Nov. 04</p> <p>Nov, 04</p> <p>Nov. 04</p> <p>Dec. 04</p> <p>Jan. 05</p>
	Public Awareness Raised	<p><b>Actions Completed:</b></p> <ul style="list-style-type: none"> <li>• Media involvement, rural radio, print media</li> <li>• Develop strategy for media: audience and key messages.</li> </ul> <p><b>Action for 2006</b></p> <ul style="list-style-type: none"> <li>• Continue public awareness of concession review results</li> <li>• Hold workshops in regional cities and Monrovia</li> <li>• Continue lobbying government to implement review recommendations</li> </ul>	World Bank IUCN	Nov. 04
	Concession management legislation reviewed and improved	<p><b>Actions Completed:</b></p> <ul style="list-style-type: none"> <li>• Regional and national workshops (to include community representatives, NGOs, government and private sector) organized to present lessons learned from concessions review and determine road-map for concession reform process.</li> <li>• Workshops on draft revisions both in Monrovia and rural communities.</li> </ul> <p><b>Action for 2006</b></p> <ul style="list-style-type: none"> <li>• Evaluate legislation and legal criteria for management of forest concessions and make recommendations</li> <li>• Technical Secretariat from the concession review prepares lessons learned document from the concession review.</li> <li>• Prepare Terms of Reference for drafting concession reform legislation.</li> <li>• Final national workshop on legislation and institutional reform</li> <li>• Presentation of draft laws and regulations to Liberian Legislature.</li> </ul>	<p>USFS, ELI, WB, IUCN, SDI</p> <p>March – April 2005</p> <p>ELI and WB IUCN</p> <p>March – April 2005</p> <p>ELI - IUCN</p> <p>ELI</p> <p>ELI and USFS</p> <p>May 2005</p> <p>June 2005</p>	<p>March – April 2005</p> <p>March – April 2005</p> <p>May 2005</p> <p>June 2005</p>

Result	Sub-results	Action lines/steps	Organization	Timing
Result 3: Commercial procedures reform package finalized	Provide assistance to the Forestry Reform Monitoring Committee	<p><b>Action for 2006</b></p> <ul style="list-style-type: none"> <li>• Provide technical assistance in the fields of law, chain of custody, taxation, concession allocation, land planning, contracting to ensure the completion of a consistent manual of procedures for the FDA commercial division.</li> <li>• Provide assistance for public vetting of procedure manuals.</li> <li>• Provide assistance to ensure that reforms are codified.</li> <li>• Provide resources for publishing reform procedure documents.</li> </ul>	World Bank	March-Dec 06
Result 4: Training plan designed to implement new transparent procedures as defined in	Design training program for FDA, civil society, and concessionaires	<ul style="list-style-type: none"> <li>• Prepare TOR for short-term technical and security training plan for FDA, NGOs, civil society and concessionaires.</li> <li>• Design a post-May 2005 training program for implementing the FDA restructuring plan.</li> <li>• Design, with assistance by FAO and NGOs, a training program for private and public sector in sustainable forest management as part of rural poverty alleviation.</li> <li>• Internal training team trains field teams in technical standards.</li> </ul>	USFS USFS, WB, FAO, IUCN, ELI USFS	November 04  January 04
Result 3: with aim of bringing FDA personnel, NGOs and concession holders up to international standards.	Train FDA and Concession holders in land usage management strategy based on the 3 Cs	<p><b>Actions for 2006:</b></p> <ul style="list-style-type: none"> <li>• Train FDA staff and concession holders to develop strategies for sustainable forest management plans</li> <li>• Train FDA staff to develop management strategies based on the three C's (Commercial, Conservation, and Community forestry) including zoning strategies and criteria.</li> <li>• Define minimum technical standards for FDA field staff for initial staffing phase in the field offices (scaling, grading, basic log tracking reporting systems and patrol/ranger activities).</li> </ul>	USFS  USFS	January  January
	Assistance for land planning procedures	<p><b>Action for 2006</b></p> <ul style="list-style-type: none"> <li>• Train FDA staff, civil society and private sector in the procedures and requirement for completing land use planning</li> <li>• Train FDA staff and civil society on process to identify and analyze feasibility for concession areas</li> </ul>		

Result	Sub-results	Action lines/steps	Organization	Timing
Result 5. Exercise control over forest resources	Assistance for concession allocation process	<p><b>Action for 2006</b></p> <ul style="list-style-type: none"> <li>• Train FDA staff, the private sector, and civil society on basic prospectus</li> <li>• Contract private company to train FDA staff to set reserve bids and to initially set reserve bid for first concessions</li> </ul>		
	Assistance for contract implementation and forest management	<p><b>Action for 2006</b></p> <ul style="list-style-type: none"> <li>• Finalize forest utilization contract changes</li> <li>• Train FDA staff, the private sector and civil society on contract implementation and requirements</li> <li>• Train FDA staff, the private sector and civil society on forest management planning and EIA procedures</li> <li>• Provide assistance and on the job training to complete first management plan and EIA</li> <li>• Provide training in Reduced Impact Logging</li> </ul>		
	No ex-combatant camps in the forest areas	<p><b>Actions Completed:</b></p> <ul style="list-style-type: none"> <li>• Provide liaison between FDA and CIVPOL/UNMIL and LNP for law enforcement support in the field and check points.</li> <li>• Ensure no private armed security employed by logging companies.</li> </ul> <p><b>Actions for 2006</b></p> <ul style="list-style-type: none"> <li>• Provide liaison between FDA and CIVPOL/UNMIL and LNP for law enforcement support in the field and check points to ensure that:               <ol style="list-style-type: none"> <li>1. field patrols are established</li> <li>2. no private armed security is used by companies legally permitted operations are taking place</li> </ol> </li> <li>• Establish regular FDA patrols in forest areas – particularly National Forest Reserves.</li> <li>• Begin demarcation of National Forest Reserves, e.g. Grebo, Krahn Bassa, Kpelle and Gola.</li> </ul>	<p>USFS/Embassy</p> <p>USDA and CI</p> <p>CI, possibly DAI</p>	<p>November</p> <p>December</p> <p>January</p>



<b>Result</b>	<b>Sub-results</b>	<b>Action lines/steps</b>	<b>Organization</b>	<b>Timing</b>
	Manage domestic timber and wood products market	<ul style="list-style-type: none"> <li>• Provide technical support to the FDA to define one-year timber sales areas.</li> <li>• Prepare TOR for a timber and wood products management plan.</li> <li>• Define transparent allocation, management, taxation and monitoring system for one-year salvage concessions.</li> <li>• Support FDA to allocate annual coupe salvage concessions through an open and transparent process.</li> </ul> Provide technical assistance to FDA to patrol all non-salvage concession areas for illegal logging activities. <b>Actions for 2006</b> <ul style="list-style-type: none"> <li>• Provide technical assistance to FDA to revise the domestic market timber management strategy that was established in 2005</li> <li>• Provide financial and technical assistance to implement the domestic market timber management plan</li> <li>• Equip FDA staff for minimum forest governance activities</li> <li>• Agriculture sectoral analysis and Tree Crop Establishment.</li> <li>• Small and medium private sector forest institutions capacity and needs assessment.</li> <li>• Training in marketing and innovative forestry practices.</li> </ul>	USDA Forest Service	November 04  Dec. 04 Jan. 05
Result 6. Secure commitment to protected area and enforce rule of law in Sapo and Nimba	Demarcate boundaries and enforce regulations at Sapo NP and Nimba NR	<ul style="list-style-type: none"> <li>• Deploy and support FDA staff to Sapo NP and Nimba NR</li> <li>• Train park staff in protected area management, law enforcement and community engagement</li> <li>• Build infrastructure and demarcate boundaries at Sapo NP and Nimba NR</li> <li>• Update Sapo NP management plan and define Nimba NR management plan.</li> <li>• Review and, where necessary, revise laws and regulations for conservation.</li> <li>• Re-establish hunting license system and enforce hunting regulations throughout the country</li> </ul>	World Bank World Bank World Bank CI/FFI/WB CI/FFI/WB CI CI/FFI/WB CI/FFI/WB CI CI CI	April-Dec 2006 April-Dec 2006 April-Dec 2006 Dec. 2004 March 2005 April 2005 May 2005 March 2005 Jan. 2005 Feb. 2005

Result	Sub-results	Action lines/steps	Organization	Timing
	Secure existing protected areas and community development strategies.	<p><b>Actions for 2006</b></p> <ul style="list-style-type: none"> <li>• Establish participatory management and regular law enforcement and demarcate boundaries at Sapo NP and Nimba NR.</li> <li>• Provide technical and logistical support to FDA protected areas and in-situ and ex-situ capacity building for protected area and wildlife management using SNP as a training ground.</li> <li>• Facilitate community development (infrastructure, basic services, income generating activities - alternatives) and income generating activities using SNP as a pilot through the Civilian Conservation Corps and other projects.</li> </ul>	<p>FFI/CI</p> <p>FFI/CI</p> <p>CI/FFI</p>	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p>
	Design protected area network and develop legislation to establish areas	<ul style="list-style-type: none"> <li>• Design and implement national education, awareness and outreach strategies to build constituency for community involved conservation and forest sector governance.</li> <li>• Complete a national biological and socio-economic database on which to provide recommendations for a protected area network -- building capacity for field surveys and community engagement in the process</li> <li>• Build consensus with rural, urban, government and civil society stakeholders and establish a first draft protected area network plan consistent with Liberia's domestic and international legal obligations</li> <li>• Foster employment, spin-off industry, income generating opportunities and community development through community involvement in park management activities.</li> <li>• Establish trust-fund for sustainable finance of protected area network.</li> </ul>	<p>CI and IUCN</p> <p>CI/FFI</p> <p>CI</p> <p>CI/FFI</p> <p>CI/CFOR/ICRAF/IUCN</p> <p>CI</p>	<p>December 2004</p> <p>May 2005</p> <p>August 2005</p> <p>June 2005</p> <p>July 2005</p> <p>July 2005</p>

Result	Sub-Results	Action lines/steps	Organization	Timing
		<p><b>Actions for 2006</b></p> <ul style="list-style-type: none"> <li>• Complete reform of FDA Conservation Department with organizational structure and terms of reference for all employees.</li> <li>• Complete general protected area network design, consistent with overall forest zoning process, and initiate field verification and community consultations to finalize network design.</li> <li>• Design Liberia conservation trust fund and secure donor support to cover recurring costs of conservation.</li> <li>• Complete initial stages of piloting communal forests around SNP as part of the protected area design activity.</li> <li>• Ensure legal consistency in legislation and regulations relating to conservation between the FDA, EPA, Ministry of Internal Affairs and other ministries.</li> <li>• Develop biological research and monitoring capacity and protocols through continued field surveys (RAP, transects) and training.</li> <li>• Develop wildlife management capacity providing logistical support to FDA wildlife staff, updating laws/regulations, and re-introduce the hunting license system.</li> <li>• Consolidate approach to integrated protected area management and community development resulting in agreed framework with government ministries and development partners (donors and NGOs).</li> <li>• Hold bi-lateral and multi-lateral discussions with Cote d'Ivoire, Guinea and Sierra Leone to develop agreement on trans-boundary collaboration and protected area management and introduce a resolution to ECOWAS.</li> <li>• Foster employment, spin-off industry, income generating opportunities and community development through Seed Grant and Sapu CDD Program</li> </ul>	<p>CI/FFI CI/FFI CI FFI FFI FFI/CI CI/FFI CI/FFI CI World Bank</p>	<p>April 2006 April 2006 June 2006 Dec 2006 Dec 2006 Oct 2006 Oct 2006 June 2006 Oct 2006 March – Dec 06</p>

Result	Sub-results	Action lines/steps	Organization	Timing
<p>Result 7: Community forestry established in Liberia and test pilot projects initiated</p>	<p>Design community forestry program and support needs for the FDA community forestry division</p>	<p><b>Actions for 2006</b> Assistance for Community Forestry</p> <ul style="list-style-type: none"> <li>• Train FDA Staff in Community Forestry identification and support for management of pilot project</li> <li>• Train community based institutions in community forest development principles and methodologies.</li> <li>• Train FDA and community in Community Forestry Regulations formulations.</li> <li>• Support curriculum development at University of Liberia for Community Forestry.</li> <li>• Training in capacity building of women and youths and disadvantaged</li> <li>• Provide training and technical assistance for the development of sustainable forest management plans for communities (including certification where appropriate) and the sustainable use of non-timber forest products (NTFPs);</li> <li>• Establishment of two pilot community forestry concessions.</li> </ul> <p><b>Technical Assistance 2006</b></p> <ul style="list-style-type: none"> <li>• The establishment of pilot community projects in Sapo National Park corridor and Nimba Nature Reserves.</li> <li>• Provide technical support for tree crop development in communities</li> <li>• Provide financial support for research in community forestry.</li> <li>• Provide financial and technical support for community forest areas and demarcation of boundaries.</li> <li>• Create and implement a Public Communication Program for Reform</li> <li>• Strengthen FDA in public communication strategy and techniques</li> </ul>	<p>IUCN should be involved in this outcome.</p> <p>USAID should be contacted to evaluate their participation.</p> <p>World Bank</p> <p>World Bank</p>	<p>March-Dec 06</p> <p>March-Dec 06</p>
<p>Result 8: Forestry Sector has broad-based public support</p>	<p>Support to establish community forestry test sites</p> <p>Public Communication Program</p>		<p>IUCN should be involved in this outcome.</p> <p>USAID should be contacted to evaluate their participation.</p> <p>World Bank</p>	<p>March-Dec 06</p>

**Annex 8 Maps**



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**LIBERIA FOREST COVER, 2004**

	CATEGORY 1		SELECTED CITIES AND TOWNS
	CATEGORY 2.1		COUNTY CAPITALS
	CATEGORY 2.2		NATIONAL CAPITAL
	CATEGORY 2.3		RIVERS
	CATEGORY 3.1		MAIN ROADS
	CATEGORY 3.2		RAILROADS
	CATEGORY 3.3		DISTRICT BOUNDARIES
	CATEGORY 5		COUNTY BOUNDARIES
	CATEGORY 6		INTERNATIONAL BOUNDARIES
	CATEGORY 7		
	CATEGORY 8		



**LIBERIA FOREST COVER, 1979**

	EXTENSIVE SHIFTING CULTIVATION		SELECTED CITIES AND TOWNS
	FOREST		COUNTY CAPITALS
	INTENSIVE SHIFTING CULTIVATION		NATIONAL CAPITAL
	OTHER CULTIVATED AREAS		RIVERS
	PLANTATIONS, TREE CROPS, SMALL HOLDINGS		MAIN ROADS
	SAVANNA GRASS WITH SHIFTING CULTIVATION		RAILROADS
	WATER AND MARSH		DISTRICT BOUNDARIES
	NO INFORMATION		COUNTY BOUNDARIES
			INTERNATIONAL BOUNDARIES

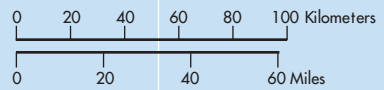




### LIBERIA FOREST COVER

- FOREST
- FOREST (1985) TO CLOUD (2001)
- SELECTED CITIES AND TOWNS
- COUNTY CAPITALS
- NATIONAL CAPITAL
- RIVERS
- MAIN ROADS
- RAILROADS
- DISTRICT BOUNDARIES
- COUNTY BOUNDARIES
- INTERNATIONAL BOUNDARIES

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### LIBERIA SAPO PARK DELIMITATIONS

- SAPO NATIONAL PARK
- FOREST
- SELECTED CITIES AND TOWNS
- COUNTY CAPITALS
- NATIONAL CAPITAL
- RIVERS
- MAIN ROADS
- RAILROADS
- DISTRICT BOUNDARIES
- COUNTY BOUNDARIES
- INTERNATIONAL BOUNDARIES

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