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**INTERNATIONAL DEVELOPMENT ASSOCIATION
INTERNATIONAL FINANCE CORPORATION
MULTILATERAL INVESTMENT GUARANTEE AGENCY**

COUNTRY PARTNERSHIP FRAMEWORK

FOR

THE REPUBLIC OF LIBERIA

FOR THE PERIOD FY19-FY24

October 26, 2018

**International Development Association
The International Finance Corporation
The Multilateral Investment Guarantee Agency**

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Exchange Rate Effective as of September 30, 2018

Currency Unit = Liberian Dollar (LRD)

US\$1.00 = LRD155.6021

FISCAL YEAR

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ABBREVIATIONS AND ACRONYMS

A2A	Africa-to-Africa	INDS	Intended Nationally Determined Contributions
AfDB	African Development Bank	EPAG	Economic Empowerment of Adolescent Girls and Young Women
ASA	Advisory Services and Analytics	ESF	Environmental and Social Framework
BETF	Bank-executed Trust Fund	EU	European Union
CCSA	Cross-cutting Solution Area	EVD	Ebola Virus Disease
CDD	Community-Driven Development	FAO	Food and Agriculture Organization
CLR	Completion and Learning Review	FCV	Fragile, Conflict and Violence
CLSG	Côte d'Ivoire-Liberia-Sierra Leone-Guinea	FDA	Forestry Development Authority
CMAW	Creating Markets Advisory Window	FDI	Foreign Direct Investment
CPF	Country Partnership Framework	FY	Fiscal Year
CPPR	Country Portfolio Performance Review	G2B-ESP	Getting-to-Best Education Sector Plan
CPS	Country Partnership Strategy	GBV	Gender-based Violence
DFID	UK Department for International Development	SDGs	Sustainable Development Goals
DPO	Development Policy Operation	GDP	Gross Domestic Product
DRM	Domestic resource mobilization	GEF	Global Environment Facility
DSA	Debt Sustainability Analysis	GFF	Global Financing Facility
ECE	Early Childhood Education	GIZ	German Society for International Cooperation
EERP	Ebola Emergency Response Project	GNI	Gross National Income
EITI	Extractive Industries Transparency Initiative	GP	Global Practice
IFAD	International Fund for Agricultural Development	GPE	Global Partnership for Education
IFMIS	Integrated Financial Management Information System	HIES	Household Income and Expenditure Survey

HSSP	Health Strengthening System Program	PPPs	Public-private Partnerships
ICT	Information and Communication Technology	PRSDPO	Poverty Reduction Support Development Policy Operation
IDA	International Development Association	PSW	Private Sector Window
IMF	International Monetary Fund	REDD	Reduced Emissions from Deforestation and Degradation
IPF	Investment Project Financing	REDISSE	Regional Disease Surveillance Systems Enhancement
IPFMRP	Integrated Public Financial Management Reform Project	RETF	Recipient-executed Trust Fund
KfW	Kreditanstalt für Wiederaufbau, German government-owned development bank	RF	Results Framework
km	kilometer	RRA	Risk and Resilience Assessment
kWh	Kilowatt hour	SCD	Systematic Country Diagnostic
LFI	Liberia Forest Initiative	SMEs	Small and Medium-Size Enterprises
LFSP	Liberia Forest Sector Project	SOE	State-owned enterprise
LISGIS	Liberia Institute of Statistics and Geo-Information Services	SSA	Sub-Saharan Africa
LRD	Liberian Dollar	STAR-P	Smallholder Agriculture Transformation and Agribusiness Revitalization Project
LRTF	Liberia Reconstruction Trust Fund	TA	Technical Assistance
MFD	Maximizing financing for development	TF	Trust Fund
MIGA	Multilateral Investment Guarantee Agency	TSA	Treasury Single Account
MSMEs	Micro, Small and Medium Enterprises	UN	United Nations
MW	Megawatt	UNICEF	United Nations Children's Fund
NGO	Non-governmental organization	UNMIL	United Nations Mission in Liberia
NPL	Non-performing Loans	USAID	United States Agency for International Development
ODA	Official Development Assistance	WAPP	West Africa Power Pool
PAPD	Pro-poor Agenda for Prosperity and Development	WARFP	West Africa Regional Fishery Project
PBF	Performance-based financing	WASH	Water, Sanitation and Hygiene
PFM	Public Financial Management	WBG	World Bank Group
PforR	Program-for-Results	WDI	World Development Indicators
PLR	Performance and Learning Review	WFP	World Food Programme
PPD	Public-private Dialogue	WHO	World Health Organization
		WTO	World Trade Organization
		YOP	Youth Opportunities Project

	IDA	IFC	MIGA
Vice President:	Hafez M. H. Ghanem	Sergio Pimenta	Keiko Honda
Director:	Henry G. R. Kerali	Aliou Maiga	Merli Baroudi
Task Team Leader:	Larisa Leshchenko	Frank Ajilore	Moritz Nebe

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I. INTRODUCTION

1. This World Bank Group (WBG) Country Partnership Framework (CPF) for FY2019-FY2024 describes the main elements of WBG support to Liberia as it strives to achieve sustainable, resilient, pro-poor economic growth. The CPF reflects Liberia’s strategic priorities as defined in its five-year development plan, the Pro-poor Agenda for Prosperity and Development (PAPD) (July 2018-June 2023), formulated by the administration of President George M. Weah. The PAPD aims to establish an accountable and effective public sector, combat corruption, promote an honest and transparent private sector, improve human-development outcomes, close critical infrastructure gaps, protect the environment, and deliver rapid job creation. This comes after the first peaceful transfer of power from former President Ellen Johnson Sirleaf, who governed for 12 years immediately after the civil war that ravaged Liberia between 1989 – 2003.

2. The CPF is informed by the Systematic Country Diagnostic (SCD)¹ and supports Liberia’s pro-poor growth and transformation agenda on three pillars: (i) strengthening institutions and creating an enabling environment for inclusive and sustainable growth; (ii) building human capital to seize new economic opportunities; and (iii) narrowing the infrastructure gap to foster equitable development nationwide. The design of the CPF program is based on selectivity filters that reflect the priorities identified in the SCD, comparative advantages derived from the WBG’s long-term engagement in Liberia, and complementarities with the programs of other development partners. The CPF envisages a cohesive policy and operational framework supported by International Development Association (IDA), International Finance Corporation (IFC), and Multilateral Investment Guarantee Agency (MIGA) that is ready to leverage coordinated financial and technical support to respond swiftly to the country’s evolving conditions.

3. The CPF lending program embodies the key strategic shifts from the heavily skewed infrastructure portfolio of the previous Country Partnership Strategy (CPS) towards a strong focus on education, agriculture, economic empowerment of women and youth, and maternal and child health. The CPF investment portfolio will increasingly concentrate on human development and intangible capital while keeping the balance with investments in infrastructure to consolidate successes of the previous CPS and reinforce the impact of the WBG program aimed at building human capital and boosting private sector development. The CPF emphasizes selectivity by limiting the program to eight priority objectives and keeping a tab on the number of projects under implementation in line with the capacity of the Government and the WBG.

4. The CPF seeks to maximize financing for development (MFD) through close collaboration between IDA, IFC and MIGA, and harnessing the role of the private sector in financing development. The IDA-funded pipeline will be implemented strategically and WBG resources will be leveraged to mobilize other donors’ and private-sector financing for greater impact. Private financing will be mobilized

¹ World Bank Group (2018). *Republic of Liberia. From Growth to Development: Priorities for Sustainably Reducing Poverty and Achieving Middle-Income Status by 2030*. Systematic Country Diagnostic. Report No. 113720-LR. <http://documents.worldbank.org/curated/en/585371528125859387/pdf/LBR-SCD-draft-10-06012018.pdf>.

using guarantee schemes, and continued efforts will go into attracting development partners' resources, building on successful experience of partnership, particularly in infrastructure. For the private sector, the CPF applies the IFC strategy of facilitating economic recovery and job creation, improving the business climate, encouraging private sector participation in infrastructure and service delivery, and strengthening the domestic financial sector. The WBG program seeks to leverage national IDA with additional regional window resources to help Liberia achieve stronger development outcomes through its integration in regional markets, infrastructure, value chains and reap the benefits of enhanced learning opportunities through partnerships with its neighboring countries. The WBG will also work with the private sector to identify investments with highly positive development impacts and enhance their effectiveness.

5. Drawing on recent analysis of the drivers of state fragility in Liberia,² the CPF aims to strengthen socio-economic resilience and consolidate peace and reconciliation efforts, with a focus on women's empowerment and youth development. The WBG program will help expand access to education and skills training, close the gender gaps in education, and create better employment opportunities. New WBG interventions will include activities targeting youth and women, whom the CPF recognizes as the country's most valuable underutilized assets. The World Bank Group will continue to partner with United Nations (UN) Women, United Nations Children's Fund (UNICEF), German Society for International Cooperation (GIZ) and other organizations to address the root causes of gender-based violence (GBV). The WBG program will complement ongoing GBV-related programs of other stakeholders, such as the construction of women's centers, and campaigns to raise awareness and build capacity to address women's empowerment.

6. The CPF program will promote deployments of innovative solutions and disruptive technologies to reduce poverty. Given the magnitude of Liberia's development challenges, applying traditional approaches could take considerable time and may not deliver the short-term results expected by a society eager to regain the higher levels of economic activity and well-being experienced before the conflict. Innovative approaches to economic and social reconstruction can utilize emerging technologies to disrupt the vicious cycle of underdevelopment and instability. The CPF embraces technological innovation in sectors with a demonstrated potential to benefit from digital solutions, such as education, digital infrastructure, identification for development (ID4D³), agriculture and financial inclusion.

7. To meet client demand effectively and ensure the program's continued alignment with the government's priorities, the CPF applies the "Agile Bank"⁴ approach. The Agile Bank program was launched in 2016 with the goal to bring greater value to our clients and calls for a more flexible and adaptive approach to help them solve complex problems. This flexible and responsive approach is especially relevant to Liberia's country context, as the WBG program may need to rapidly adjust to reflect the evolving priorities of the government as it implements the PAPD. The proposed approach will better facilitate the management of emerging risks and adjustment of the CPF implementation or WBG engagement as might be dictated by the changing context. Under the Agile framework, *biannual portfolio reviews*, combined with the capacity building activities, will be carried out to deepen the government's knowledge of the WBG program and strengthen their implementation capacity. Also, in line with the proposed agile approach, the CPF results framework (RF) comprises both "firm" and "adaptive" indicators. The "firm" indicators are well defined based on the existing program and have baselines and measurable

² Annex 7: Fragility and Resilience in Liberia and the Application of a Fragility and Resilience Lens to the WBG Program.

³ <http://id4d.worldbank.org/>

⁴ <http://operationsonline.worldbank.org/agilebank/Pages/Featured/What-does-agile-mean-for-us-in-the-Bank.aspx>.

targets that can be revisited at the time of the Performance and Learning Review (PLR). The “adaptive” outcome indicators set the new strategic directions of the CPF program, such as employment creation, workforce skill development, and value-adding activities. The corresponding baselines and targets will be defined at the PLR stage as the program evolves.

II. COUNTRY CONTEXT AND DEVELOPMENT AGENDA

A. Country Context

8. Liberia is a fragile state striving to overcome the legacy of two devastating civil wars, which severely disrupted the economy and inflicted an especially devastating toll on the poor. Founded by freed American slaves in 1847, Liberia is Africa’s oldest republic. However, its original political and societal architecture was characterized by elitism, nepotism, and cronyism, creating a society marked by profound disparities and rising ethnic and class tensions. The two civil wars between 1989-2003 caused widespread loss of life, suppressed economic activity, and destroyed vital infrastructure, including electricity lines, roads, and water and sewage systems. They had a disproportionate impact on the poor and left deep rifts between communities and social groups. Massive population displacement shut down public services in rural areas, including primary healthcare, causing maternal and infant mortality rates to rise to extremely high levels⁵. The education system also ceased to function in much of the country, leaving an entire generation of Liberians with little or no schooling. Efforts at postwar reconciliation have been largely successful thus far, but they remain incomplete, and the government continues its efforts to consolidate peace and stability.

9. The peaceful handover of power in January 2018 from one democratically elected administration to another is a turning point in Liberia’s history and presents an opportunity to reinvigorate its development process. Following the election that international observers regarded as free and fair, the President declared his commitment to fight corruption, promote an honest and transparent private sector, and accelerate job creation. The President enjoys strong support both in the legislature and among the public and his popularity is especially high among young Liberians. However, President Weah may need to expend significant political capital to implement his agenda of deep reforms aimed at improving governance, enhancing public-sector management, and fostering a conducive business environment. Young Liberians are eager for rapid progress in job creation, income growth, and improved access to public services. The government must balance the more immediate demands of the President’s youthful constituency for swift and visible action with the long-term challenge of implementing deep reforms.

10. Despite its abundant natural wealth and favorable geographic location, Liberia is among the world’s poorest countries. In 2016, Liberia’s gross national income (GNI) per capita was just US\$370.⁶ Liberia’s territory covers 111,000 square kilometers (km), approximately the size of Bulgaria. It has a 360-mile Atlantic coastline and overland borders with Sierra Leone, Guinea, and Côte d’Ivoire. Its natural resources include iron ore, timber, diamonds, gold, fertile soil, and abundant rainfall. Liberia is also rich in fishery and forestry products. However, the economic potential of these assets remains largely untapped,

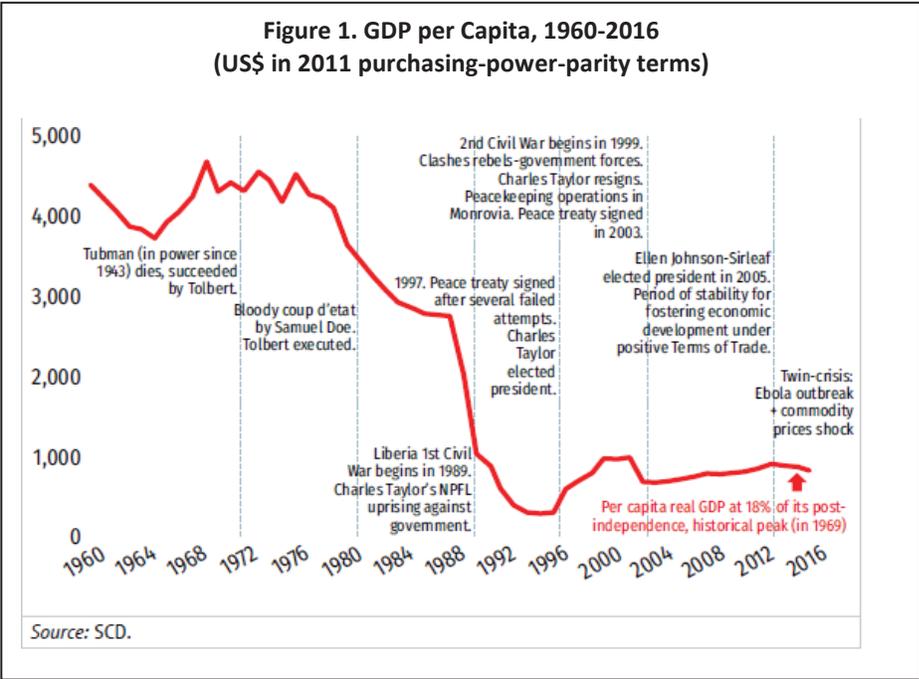
⁵ In 2005, maternal mortality was 1020 deaths per 100,000 pregnancies; infant mortality was 87.6 per 1,000 live births.

⁶ Data sources, including the HEIS 2016 and ASYCUDA, indicate that Liberia’s official annual GDP of about US\$2 billion underestimates its actual level of economic activity. Revisions to the national accounts are on-going, but preliminary IMF figures suggest that nominal GDP for 2016 will be approximately 1.6 times higher than the current official estimate. However, even if this revision occurs, Liberia will remain a low-income country.

and further reforms will be necessary to ensure their sustainable use. One-quarter of the country’s 4.5 million people lives in the capital city, Monrovia, and in surrounding Montserrado County. The remaining 3.4 million people live in the other 14 counties. Liberia ranked 181st out of 189 countries in the latest United Nations Development Programme (UNDP) Human Development Index and Gender Inequality Index (2017).

11. The end of the internal conflict has created high expectations for reconstruction and recovery. Favorable prices for Liberia’s main exports helped jump-start economic growth and respond to the expectations of the population. Indeed, after contracting for a quarter century, Liberia’s per capita Gross Domestic Product (GDP) grew by 3 percent per year between 2003 and 2013, albeit from a low base. However, the process of rebuilding and transforming institutions proceeded at a slow pace, and gains in core social indicators as well as progress toward diversifying the economic base was limited.

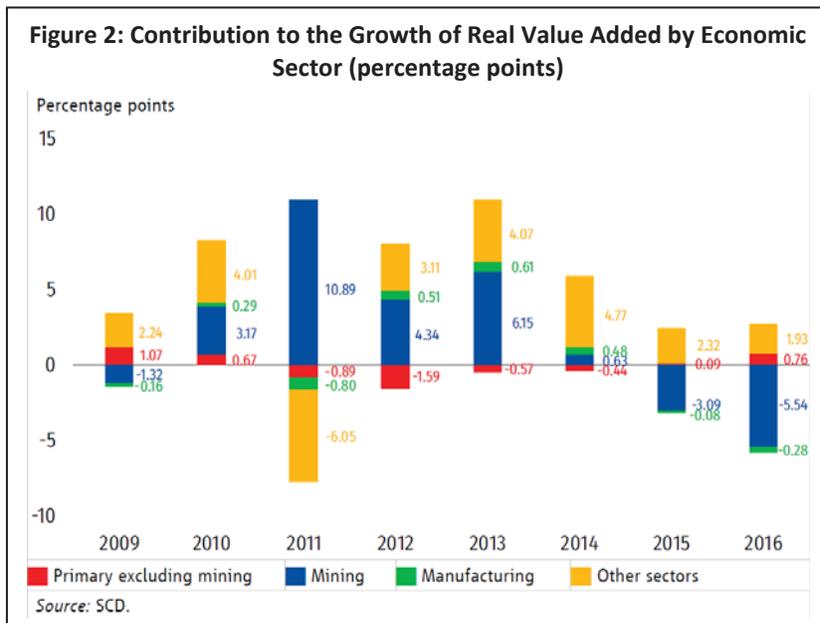
12. The 2014-2016 Ebola crisis and the protracted slump in global commodity prices tested the robustness of the post-war recovery and brought Liberia’s renewed expansion to a halt. The economy contracted at an average rate of 0.8 percent per year from 2014 to 2016, or 3.2 percent per year in per capita terms (Figure 1). Liberia seeks, for the second time, to relaunch the process of reconstruction, but this time without the benefit of a commodity price boom. Renewed growth will require a broader focus on tapping the potential in agriculture, fishing, forestry and the growing urban centers, especially Monrovia. To



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succeed, Liberia will need to incorporate large segments of the population into the national economy.

13. The Liberian economy is undergoing a process of structural transformation, as the dominance of agriculture and mining gradually gives way to a rising services sector. Between 2009 and 2013, the primary sector—which includes agriculture, forestry, and mining—contributed 4.4 percentage points to the 6.0 percent total increase in real value added (Figure 2). However, the decline in commodity prices weakened the terms of trade, reducing the primary sector’s contribution by 2.2 percentage points per year between 2014 and 2016, though the modest growth of the industrial and services sectors partially offset this effect. The services sector expanded from 20 percent of GDP in 2003 to 30 percent in 2016 and employed 42 percent of the labor force. While the share of the workforce employed in agriculture and mining has fallen sharply over the past three decades, an estimated 48.9 percent of the workforce remains employed in agriculture primary production, mostly as smallholders.



14. Much of the Liberian economy is structured around foreign direct investment (FDI) and the development of private agricultural, mining, and forestry concessions. While this model has boosted Liberia’s GDP, limited demand for local labor by foreign firms weakens its impact on employment and income levels. FDI has steadily risen since 2003, supported by land concessions to international firms and other investment incentives. In total, concession agreements now cover over 40 percent of Liberia’s territory and affect about 30 percent of the rural population. While commercial agricultural concessions are highly productive, the smallholder farming households that comprise much of the rest of the agricultural sector are far less competitive due to large pre- and post-harvest losses, the limited use of improved technologies, poor transport infrastructure and the extremely limited use of modern cultivation methods. Concession-related employment is generally restricted to unskilled labor and low-paid seasonal work, though capital-intensive mining concessions create a small number of jobs for skilled workers.

15. Poor governance and weak institutions inhibit the development of Liberia’s private sector. Liberia continues to lag its regional and global peers on indicators of the quality of the business environment. In the 2018 *Doing Business* report, Liberia ranked 172nd out of 190 countries on the overall ease of doing business. Liberia’s global rank in Transparency International’s Corruption Perceptions Index fell from 75th out of 174 countries in 2012 to 90th in 2016, then plunged to 122nd in 2017—the largest single-year drop in Africa. The World Bank Enterprise Survey (2017), which measures corruption from the perspective of the private sector, corroborates the findings of the Corruption Perceptions Index, rating corruption in Liberia above the Sub-Saharan African (SSA) average. While inadequate infrastructure, limited workforce skills, and an underdeveloped financial sector impede both domestic entrepreneurship and foreign investment, burdensome regulations, weak enforcement of public policies, and ubiquitous corruption in both the private and public sectors slow economy-wide growth.

16. Due to a combination of high fertility rates and low average life expectancy⁷, Liberia's population is very young. Over 70 percent of Liberians are under the age of 35, and a large share of young workers intensifies demand for jobs, farmland, infrastructure, and public services. The country's high fertility rate, which was estimated at 4.7 children per woman in 2015, strains the country's already inadequate healthcare and education sectors. Only 55 percent of Liberian children have received a complete set of vaccinations, 32 percent of children under five are stunted, and the country's maternal and neonatal mortality rates are among the highest in the world. An estimated 47 percent of women and girls, and 33 percent of men and boys, have never attended school. In rural areas, these rates rise to 63 percent and 43 percent, respectively.

17. Gender inequality compounds the country's larger socio-economic disparities, as women from poor households and vulnerable communities face severely limited economic opportunities and endure worse human development outcomes. Women from households at the top of the income distribution enjoy ample opportunities in both the public and private sectors, and Liberian women have risen to top positions in the government. However, girls and women in rural areas and poor urban communities have very little access to quality education, healthcare, and employment options. Liberian women experience high rates of early pregnancy, school dropout, and child and maternal mortality, all of which are especially common among poor households. During the conflict, rape was used as a weapon of war, and fourteen years later Liberia continues to grapple with a high incidence of rape and other forms of GBV. The number of reported GBV cases dropped from over 2,000 in 2013 to almost 1,400 in 2014, likely due to the Ebola crisis, then rose from more than 1,500 in 2015 to almost 1,700 in 2017⁸. Reporting effects may influence this observed trend, as the increase in the number of reported GBV cases can be partially attributed to enhanced community awareness of GBV issues and ongoing activities to address them.

18. Liberia receives significant inflows of development assistance but leveraging external support to create a foundation for sustainable and inclusive growth poses a persistent challenge. As a fragile post-conflict state, Liberia receives large amounts of direct budget support, investment financing, humanitarian aid, and technical assistance (TA). In 2014-2016, net official development assistance (ODA) to Liberia represented 45.3 percent of its GDP and amounted to almost 2.3 times Liberia's gross capital formation—one of the highest ratios in the world. ODA helps cover the substantial gap between the government's capacity for public spending and the needs of its growing population. However, Liberia's domestic wealth remains concentrated in natural resources, with very low levels of physical and human capital. Responsibly managing a large natural-resource sector and effectively leveraging development assistance to drive sustainable development both require strong and sophisticated government institutions, underscoring the critical importance of building a robust and capable public administration.

19. Liberia's strong historical links with the United States—a major destination for Liberian labor migration—result in high rates of international labor mobility and remittances. In 2017, the country ranked 6th in the world in terms of value of remittances received relative to GDP, which averaged 28.2 percent in 2014-2016. More than one-third of Liberia's inbound remittances originate in the United States. While Liberia is highly dependent on remittances as a source of income, they have limited impact on poverty reduction, as remittances primarily flow to relatively affluent households in Montserrado, the

⁷ Life expectancy at birth was 62.5 (63.5 for female and 61.5 for male) in 2016 (Source: World Development Indicators (WDI)).

⁸ Data of the Ministry of Gender, Children and Social Protection.

county with the lowest incidence of poverty. Furthermore, remittances outflow is also very high; in 2014-2016, the value of outbound remittances relative to GDP averaged 14.6 percent.

B. Recent Economic Developments and Outlook⁹

20. The Liberian economy showed signs of recovery in 2017-2018, amid significant fiscal and external imbalances. GDP growth in 2017 is estimated to have recovered to 2.5 percent and is projected to rise to 3.0 percent in 2018. The incipient recovery is driven largely by increased production of gold and iron ore, following the uptick in the prices of gold and iron ore on the international market. Non-mining sector GDP growth remains very low (Table 1). Aid flows, which were elevated during 2014-2016, declined by over 20 percent on average in 2017-2018, increasing pressure on exchange rate, foreign reserves, inflation and the government's fiscal resources. Headline inflation continued to rise, reaching an all-time high of 24 percent (y/y) in June 2018 from 10.8 percent the same period last year. The prolonged period of political uncertainty surrounding the 2017 presidential and legislative elections and the handover of security from United Nations Mission in Liberia (UNMIL) further strained fiscal resources. Intensifying fiscal pressures, coupled with limited domestic revenue mobilization, widened the overall fiscal deficit from 4.8 percent in FY17 to 7.2 percent in FY18. Meanwhile, the current-account deficit also deteriorated, as an improved trade balance only partially offset declining aid flows.

21. Persistent debt vulnerabilities require a prudent debt-management policy, a credible strategy for domestic revenue mobilization and fiscal consolidation, and structural reforms to promote growth and economic diversification. Although Liberia's debt stock remains low by regional standards, it has significantly increased in the last few years, while further public investment in roads and electrification, inter alia, will be necessary to provide a foundation for sustained economic growth. Liberia obtained Heavily Indebted Poor Countries (HIPC) debt relief in 2010, but its risk of debt distress rose from low to moderate in 2015 as the accumulation of new debt accelerated and twin shocks of the Ebola epidemic and falling commodity prices worsened the economic outlook. The total public external debt stock, which is primarily composed of multilateral loans, reached US\$736 million (22.7 percent of GDP) at end-FY2017. A 2018 debt sustainability analysis (DSA)¹⁰ underscored the Liberian economy's continued vulnerability to external shocks and confirmed its moderate risk of external debt distress, though this assessment was contingent on the government's continued use of concessional borrowing to finance its ambitious infrastructure agenda and on its strong commitment to mobilize domestic resources.

22. The medium-term outlook remains positive, assuming the new government maintains prudent macroeconomic policies, pursues a judicious borrowing policy, and implements planned structural reforms. The favorable medium-term growth outlook also assumes that sound macroeconomic management and structural reforms will strengthen investor confidence. Given these conditions, the GDP growth rate is projected to recover gradually to 4.8 percent by 2020 and to 5.3 percent over 2021-2023. Gold and iron mining are expected to drive growth in the near term, while improvements in the power supply and road connectivity will support economic activity over the medium-to-long term. The commissioning of new power plants that use cheaper fuels has started to boost the supply of electricity.¹¹ In the medium-to-long term, access to the West Africa Power Pool (WAPP) via the Côte d'Ivoire-Liberia-Sierra Leone-Guinea (CLSG) regional electricity transmission line will allow Liberia to import cheaper electricity, reducing its reliance on thermal-based generating plants. With increased availability of

⁹ This section uses the revised GDP data, consistent with the macroeconomic framework adopted in the latest joint World Bank-IMF Debt Sustainability Assessment (June 2018).

¹⁰ IMF Country Report No. 18/124, June 2018.

¹¹ These include the Mount Coffee Hydropower Plant (88 MW) and three HFO/LFO thermal-generation plants.

electricity, the challenge remains to expand networks and connections to help boost economic activity. The rehabilitation of the road network is also expected to have a highly positive impact on aggregate supply. The annual inflation rate is projected to remain high in the near term, then decline gradually to single-digits by 2023. The fiscal deficit is also expected to remain elevated, as the government continues to meet high spending needs, before narrowing to 5.0 percent of GDP in FY23.

23. The implementation of an ambitious infrastructure agenda is expected to support long-term growth and poverty alleviation, especially in rural areas. However, the authorities will need to strike a balance between macroeconomic stability and growth to prevent a further increase in the risk of debt distress. The government must carefully prioritize pro-growth projects, restrict itself to concessional borrowing, and enhance public investment management to ensure value for money. Financing the infrastructure agenda will likely require the government to access a combination of funding sources, including grants, concessional loans, guarantees, public-private partnerships (PPPs), and equity, while paying attention to debt sustainability.

Table 1: Selected Economic Indicators, 2014-2023

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
	Est.	Est.	Est.	Prel.	Proj.	Proj.	Proj.	Proj.	Proj.	Proj.
<i>All numbers in the table are growth in percent unless otherwise specified</i>										
Real sector										
Real GDP	0.7	0.0	-1.6	2.5	3.0	4.5	4.8	5.3	5.2	5.3
Agriculture & fisheries	-3.7	0.7	6.6	1.7	3.5	4.2	4.3	4.7	5.7	5.4
Forestry	2.2	2.0	0.0	-8.0	-6.3	6.0	5.0	5.0	5.0	5.0
Mining & panning	3.3	-15.9	-33.0	28.8	29.3	12.9	9.7	9.7	6.6	5.0
Manufacturing	-0.7	-1.5	-5.2	1.4	0.1	2.9	2.2	3.1	3.3	5.1
Services	2.4	4.5	2.2	1.0	-0.5	2.1	3.9	4.7	4.7	5.5
Real GDP excluding mining sector	0.3	2.6	2.6	0.2	0.1	3.2	4.0	4.6	4.9	5.4
Nominal non-mining per capita GDP (U.S. dollars)	683.3	707.4	724.4	694.5	648.2	638.1	640.7	654.5	696.3	738.2
Nominal GDP (millions of U.S. dollars)	3137.9	3164.1	3278.0	3284.7	3216.3	3240.5	3335.3	3507.3	3925.9	4268.3
Inflation										
Consumer prices (annual average)	9.9	7.7	8.8	13.2	20.4	24.5	20.0	16.0	12.0	8.5
Consumer prices (end of period)	7.7	8.0	12.5	13.9	27.0	22.0	18.0	14.0	10.0	7.0
Population (millions)	4.4	4.5	4.6	4.7	4.9	5.0	5.1	5.2	5.4	5.5
Central government operations¹										
Total revenue and grants	28.6	30.2	33.3	31.0	27.5	29.8	29.5	28.5	27.4	26.0
Total revenue	15.0	14.1	14.0	14.3	12.6	13.7	14.5	14.9	15.0	15.1
Grants	13.6	16.1	19.3	16.7	14.9	16.0	15.0	13.7	12.4	10.9
Total expenditure and net lending	29.9	36.5	36.0	35.8	34.7	35.8	35.0	34.0	32.9	31.0
Current expenditure	20.9	24.5	22.9	22.9	22.8	23.6	22.2	21.1	19.7	17.7
Capital expenditure	9.0	12.1	13.1	12.9	12.0	12.1	12.7	13.0	13.2	13.3
Overall fiscal balance, including grants	-1.2	-6.3	-2.7	-4.8	-7.2	-6.0	-5.4	-5.5	-5.5	-5.0
Overall fiscal balance, excluding grants	-14.8	-22.5	-22.0	-21.5	-22.1	-22.0	-20.4	-19.2	-17.9	-15.9
Public external debt	8.4	14.7	18.0	22.7	26.6	31.8	36.1	39.4	41.1	42.1
Public domestic debt ²	9.0	9.7	0.4	2.0	1.9	0.5	0.5	0.4	0.4	0.5
M2/GDP	22.2	22.4	20.5	19.9	19.9	19.9	19.9	19.9	19.9	19.9
Credit to private sector (percent of GDP)	12.1	12.9	12.8	14.6	16.4	17.9	19.2	20.0	19.7	19.9
Credit to private sector (annual percent change)	5.6	8.1	2.3	14.7	10.0	10.0	10.0	10.0	10.0	10.0
External sector										
Current account balance										
including grants	-26.4	-26.6	-18.5	-22.8	-21.5	-24.6	-25.3	-26.4	-23.7	-23.4
excluding grants	-55.4	-58.2	-47.1	-44.1	-38.6	-40.2	-39.7	-39.6	-35.3	-33.7
Trade balance	-40.4	-40.4	-28.1	-20.2	-16.7	-19.0	-18.2	-18.0	-16.7	-16.2
Exports	23.2	12.9	11.6	13.0	13.4	13.4	14.5	15.6	15.1	14.8
Imports	-63.6	-53.3	-39.7	-33.2	-30.1	-32.4	-32.7	-33.6	-31.8	-31.0
Grants (donor transfers, net)	29.0	31.6	28.6	21.2	17.1	15.6	14.4	13.3	11.6	10.2
Financing gap (- deficit / + surplus)	0.0	0.0	0.0	0.0	-2.3	-1.6	-0.9	-0.6	-0.4	-0.1
Gross official reserves (millions of U.S. dollars)	409.5	448.5	453.0	432.2	393.0	417.4	430.8	451.0	470.3	490.5

Sources: Liberian authorities; and IMF staff estimates and projections, September 2018.

¹ Fiscal table is shown on a commitment basis and refers to the central government operations, excluding social security fund. Data and projections refer to fiscal year (July - June).

² Excluding the central government debts from the Central Bank of Liberia.

³ In months of next year's imports excluding imports related to UNMIL operations and FDI projects such as iron-ore concessions.

⁴ Net foreign exchange position is evaluated at the program exchange rates, instead of the current market exchange rates, and therefore, valuation adjustments are shown separately.

C. Poverty Incidence, Trends, and Profile

24. Poverty in Liberia is widespread, and while poor households are heavily concentrated in rural areas, urban poverty also poses a significant challenge. The poverty rate measured at the international poverty line of US\$1.90 per day in purchasing-power-parity terms stood at 38.6 percent in 2014, while the poverty rate measured at the national poverty line exceeded 50 percent in 2016, with rates ranging from 71.6 percent in rural areas to 31.5 percent in urban centers. Nationwide, more than 2.2 million Liberians were unable to meet their basic food needs, of which almost 1.5 million (68 percent) resided in rural areas, while the remaining 700,000 (32 percent) lived in urban centers. An estimated 1.6 million Liberians were below the food-poverty line, and 670,000 lived in extreme poverty.

25. Wide regional variations in poverty rates underscore the country's uneven development. Southern counties like Grand Kru, River Gee, and Maryland were the poorest in the country in both 2014 and 2016. By contrast, the poverty rate in Montserrado County—which includes Monrovia and where much of Liberia's economic activity is focused—was the lowest in the country at 20.3 percent in 2016. Although southern counties have very high poverty rates, their populations are relatively small, whereas the northern and central counties tend to have much larger populations and, consequently, larger numbers of poor households. The areas with the largest numbers of people living below the poverty line include the north-central region (897,150), the south-central region (301,154) and Montserrado County (276,888), which together are home to 67 percent of Liberia's poor (Figure 3).

26. Regional and urban-rural disparities in poverty rates widened in the wake of the Ebola crisis and the collapse of global commodity prices. The rural poverty rate rose from 70 percent in the first half of 2014 to 82 percent in the first half of 2016 (Figure 4).¹² The urban poverty rate fell slightly, from 43 percent to 40 percent during the period, though this change was not statistically significant. The poverty rate increased in all regions except Montserrado County, where it declined from 31.6 percent to 27.5 percent.

¹² Poverty trends in 2014 and 2016 can be compared by focusing on the first semester (January-July) of both HIES rounds and using consumption aggregates and poverty lines derived from the same periods. For this reason, the poverty estimates for 2016 calculated using half-year data (82.4 and 40.1 percent in rural and urban areas, respectively), are not comparable to the poverty estimates calculated using full-year data for 2016 (71.6 and 31.5 percent in rural and urban areas, respectively). Source: LISGIS, 2017. "Statistical Abstract, Household Income and Expenditure Survey, 2016."

29. Poor transportation infrastructure contributes to high levels of both monetary and nonmonetary poverty in rural areas. In 2012, an estimated 58 percent of the rural population, or 2.3 million people, lacked adequate transportation access.¹⁵ Inadequate transportation access slows economic activity, reduces social inclusion, inhibits public service provision, and is closely correlated with rural poverty. Southeastern Liberia has an especially low rate of transportation access and a very high poverty rate. Expanding the road network will be essential to reduce poverty in rural areas. Geographic and economic isolation contribute to both extreme poverty rates and low human development indicators.

30. Liberia's youth that account for 85 percent of the unemployed population are especially vulnerable to social and economic exclusion. Surveys indicate that many young Liberians feel that they are excluded from decision-making processes, and they demand higher-quality, more-stable, and better-paid jobs that can provide sufficient income to support their families.¹⁶ Many young Liberians regard jobs as unskilled laborers, petty traders, or agricultural workers as a welcome opportunity to earn money in the short term, but do not consider these activities to be desirable forms of long-term employment. Unemployment rates are especially high among young women, and female unemployment is associated with a range of other factors, including early marriage and childbearing, lower levels of educational attainment and workforce skills, and social norms that emphasize women's reproductive roles over their roles as income earners.

D. Key Development Challenges

31. Liberia's fundamental development challenge is to transition to an economic model in which GDP growth reliably generates broad-based improvements in poverty and social development indicators. As described in the SCD, the transition process will require building human capital, boosting productivity, accelerating job creation, strengthening socio-economic resilience, enhancing governance quality and fighting corruption, diversifying the economy, and expanding institutional capacity. Numerous constraints inhibit Liberia's transition, including a highly concentrated export structure, exceptionally low human capital, a vast infrastructure gap, and an increasing dependence on food imports.

Protecting Liberia's Incipient Recovery and Sustaining Medium-Term Growth

32. To protect Liberia's nascent economic recovery and sustain growth over the medium term, it is critical for the government to maintain prudent macroeconomic and fiscal policies, increase domestic revenue mobilization, strengthen natural-resource management, and enhance expenditure efficiency. Expenditure consolidation will be necessary to manage the emerging fiscal pressures, while domestic resource mobilization, tax-base expansion, and improvements in the efficiency and equity of public spending will be critical to ensure medium-term fiscal sustainability in the context of Liberia's highly dollarized economy. The volatility and high concentration of the public resources pose an additional challenge. Recognizing the challenges and opportunities presented by the resource sector, investors, communities, and the government are testing new arrangements designed to increase equity and promote shared prosperity. Responsible management of natural resources could transform the extractive industries into a source of economic dynamism rather than a driver of conflict¹⁷.

¹⁵ Adequate transportation access is defined as being within two km of an all-season road.

¹⁶ Understanding Youth Violence: Cases from Liberia and Sierra Leone, World Bank Report 2013.

¹⁷ Liberia was suspended from the Extractive Industries Transparency Initiative (EITI) in September 2018 for non-reporting.

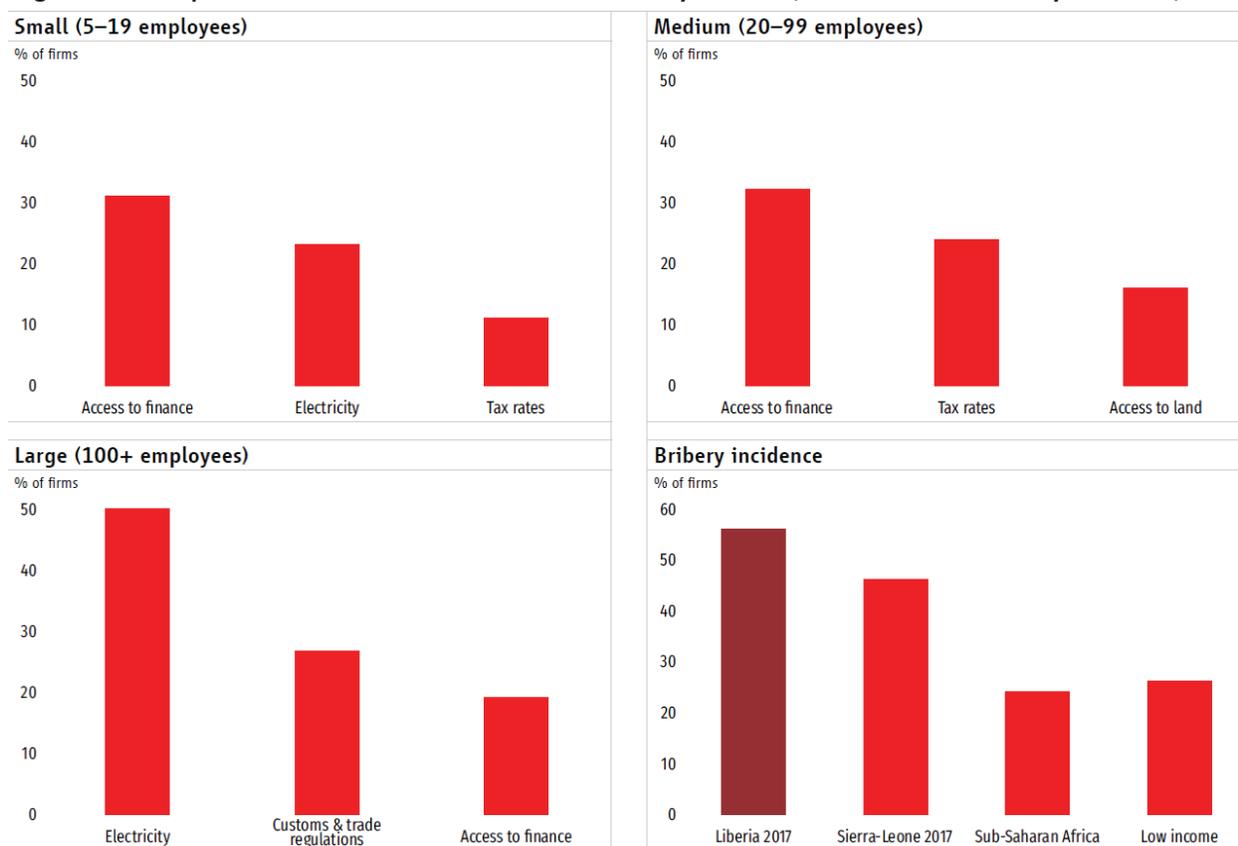
33. Productivity growth and economic diversification will be necessary to reduce Liberia’s vulnerability to external shocks. The challenge for the government is to strengthen the business environment, promote the growth of sectors with high employment and poverty-reduction potential—including agriculture, fishery, and forestry—and encourage firms to invest in domestic value addition. Agricultural concessions are already well integrated into global markets for both inputs and outputs, but they remain mostly disconnected from the smallholder sector. There is a need to link numerous smallholder farms that largely rely on traditional inputs and farming methods to produce subsistence crops for household consumption with large commercial concessions that employ improved inputs and modern farming techniques to produce cash crops for export, including cocoa and coffee. This will require a concerted effort to boost productivity of smallholder farmers, and the development of value chains for smallholder products. Mechanisms for linking commercial and smallholder farmers could boost the productivity of both. In the forest sector opportunities exist for supporting local livelihoods through community-based natural resource management and value addition. This will require formation and strengthening of community cooperatives for production and marketing of wood and wood-based products that can reach a viable scale of operation.

34. Land rights and tenure security are among the most sensitive and important policy issues facing the government. Effectively addressing these issues will be vital to achieve sustainable and inclusive growth and address key drivers of state fragility. Land rights are also important to women’s economic empowerment, as customary practices impede women’s access to land, and weak tenure security undermines their incentives to invest in enhancing the productivity of the land they use. The recently approved Land Rights Act creates a foundation for significant reforms in this area.

35. Fostering a more conducive business environment and overcoming constraints to private-sector development will create new opportunities for inclusive growth. The 2017 Enterprise Survey identified high tax rates and constraints on access to finance, electricity, and land as the most important obstacles facing Liberian firms (Figure 5). Corruption was the sixth most-frequently cited obstacle, and Liberia’s score for bribery incidence was very high at 56.1, well above the incidence for Sierra Leone (46.1) and more than double the SSA average (24).¹⁸ Obstacles to international trade are also a key challenge and improving customs processes and reforming trade regulations could boost exports, especially among large firms. Firms owned by women make up a large share of the informal sector and are particularly vulnerable to weaknesses in the business climate. An estimated 69 percent of Liberian working age women are self-employed, compared to 56 percent of men. About 34 percent of formal small and medium enterprises (SMEs) are owned by women, but most female entrepreneurs work informally and in low-productivity sectors such as retail and trade. Incorporating the informal sectors by linking these activities to broader opportunities, including skilling in business practices, could provide a major boost to gender balance in Liberia.

¹⁸ The incidence of bribery is the percentage of firms that reported at least one request for a bribe during six transactions involving utilities, permits, licenses, and taxes.

Figure 5: The Top Three Business-Environment Constraints by Firm Size, and the Overall Bribery Incidence, 2017



Source: World Bank Liberia Enterprise Survey.

36. Facilitating access to finance could catalyze private-sector development. While technological advancements, including the country’s high rate of mobile-phone penetration (67 percent), will be critical to expand access to formal financial services, technology alone cannot overcome the severe governance deficiencies that inhibit the development of the financial sector. Inadequate credit access among SMEs hinders economic growth and diversification, and measures to improve credit access among SMEs, extend loan maturities, provide risk-mitigating tools, and improve the efficiency and stability of the financial system will be crucial to achieve the country’s development objectives. Addressing financial-sector stability challenges, including the high level of non-performing loans (NPLs) and low bank profitability, will enable the financial sector to contribute to economic diversification. In addition to severe credit constraints, 74.3 percent of Liberians lack access to basic financial services.¹⁹

37. Leveraging the benefits of the digital economy could help Liberia overcome its development challenges. The digital economy can play an important role in encouraging inclusion and alleviating poverty by reducing information asymmetry in markets in which the poor participate and by facilitating the entry of women and younger workers into the labor force. Shifting government payments, remittances, and payments among private firms (especially SMEs and agricultural producers) from cash to digital accounts could expand financial access, reduce opportunities for crime and corruption, promote the growth of private savings, and enable participation in the digital economy. Only 7.3 percent of the

¹⁹ “Demircuc-Kunt et al., 2018. “Global Findex Database 2017: Measuring Financial Inclusion and the Fintech Revolution.” Washington, DC: World Bank. <https://openknowledge.worldbank.org/handle/10986/29510> License: CC BY 3.0 IGO

Liberian population currently uses the internet, but mobile-phone penetration is much higher. Digital connectivity is poised to grow, as Google has launched a project to work with service providers in Liberia to improve access to internet-related services. With the undersea fiber optic cable connection complete, new opportunities will open with construction of the national backbone and liberalizing the sector.

Build Human Capital for Structural Change

38. Building human capital will be vital to support Liberia’s structural transformation. The education sector faces numerous challenges, including many out-of-school children and a large share of students who are above the appropriate age for their grade level. Education quality indicators are very poor, and the system does not adequately equip students with the skills needed for employment. To increase the employability of working-age Liberians, the authorities will need to implement a mix of education and skills-development policies designed to expand economic opportunities among poor, vulnerable, and conflict-affected households. Large gender gaps in educational attainment and adult literacy are a major obstacle to inclusive growth, and special attention should be devoted to reducing gender disparities in educational outcomes. Education reforms should be complemented by strong social safety nets and productive-inclusion programs at the regional and community levels.

39. A successful human-capital development strategy must be underpinned by steady improvements in basic health indicators, especially among women and children. Infant and maternal mortality, child malnutrition, and childhood disease prevention and treatment are especially critical priorities, as poor maternal, neonatal, and child-health outcomes inflict a terrible human toll while also eroding the long-term productive capacity of the population. The Ebola outbreak reversed some of the country’s previous gains in health-service delivery and severely weakened the healthcare system.

40. High rates of malnutrition hinder educational attainment and contribute to poor health outcomes. Despite a recent decline in the stunting rate, Liberia still has the sixth- and eighth-highest stunting rates in West Africa for male and female children, respectively. Adequate nutrition, particularly in the first five years of a child’s life, is vital to physical, social, and cognitive development; and to a child’s readiness to learn and is linked to better educational and economic outcomes. Expanding nutrition interventions through Liberia’s health, agriculture, and social protection services could greatly reduce the high stunting rate among Liberian children and augment the positive impact of education programs. Efforts to improve WASH will be critical to improve the disease environment which influences nutritional status and outcomes such as stunting rates.

Ensuring a Balanced and Sustainable Economic Transformation Across the Country

41. Wide regional gaps in income levels and economic opportunities impede poverty reduction and contribute to social and economic exclusion. Developing core infrastructure, including roads, electricity and water systems, and telecommunications networks, would help link isolated and underserved populations to social and economic opportunities in large urban centers, including Monrovia, and other parts of the country. The greater Monrovia area is home to one-fourth of Liberia’s population, and increased investment in urban infrastructure, basic services, and overall quality of life could help leverage its status as a key growth pole to advance Liberia’s economic and social development objectives. Building strong institutions at the regional and community levels will help consolidate support for development programs.

42. Liberia’s vast infrastructure gaps impose major constraints on economic diversification and inclusive growth. Only about 10 percent of the limited road network is passable year-round, and many of

the country's productive centers are cut off from Monrovia during the six-month rainy season. Limited access to electricity and internet connectivity, and the high cost of both, further inhibit business activity and investment. Liberia's electrification rate remains one of the lowest in SSA, while Liberia's electricity tariffs are among the highest in the world even after the reduction from US\$0.54/kilowatt hour (kWh) to US\$0.35/kWh over the past two years. Consequently, electricity remains either unavailable or unaffordable for most Liberians.

43. Liberia is highly vulnerable to environmental degradation and the effects of climate change²⁰. Coastal flooding, erosion and sea-level rise pose especially serious risks, as Liberia's coastline includes many of its most densely populated and economically vibrant areas, as well as numerous informal settlements composed of extremely poor households with little ability to either minimize their exposure to natural disasters or cope with the effects of environmental shocks. To mitigate the impact of climate change, the government will need to develop and implement policies to strengthen coastal management, construct sea walls and other infrastructure, conserve ecologically vital mangrove ecosystems, facilitate environmental technology transfer, and build institutional capacity for risk monitoring and oversight. The National Climate Change Steering Committee, a high-level policy multisector coordination committee (currently supported by Liberia Forest Sector Project (LFSP) (P154114)) can be revitalized for this purpose. An integrated, gender-responsive approach will help build resilience at the household and community levels.

44. Addressing key data and knowledge gaps would facilitate evidence-based policymaking. The quality and availability of statistics in Liberia are very limited due to weak institutional capacity and the absence of historical data, as most of the statistics collected during previous censuses were destroyed during the civil war. The capacity of the Liberia Institute of Statistics and Geo-Information Services (LISGIS) is low, and LISGIS relies heavily on external technical and financial support. Despite recent progress, Liberia's Statistical Capacity Indicator²¹ in 2017 was 60.0, below the SSA average of 60.5. Liberia needs updated data to, among other areas, monitor poverty levels, trade, increase the accuracy of consumer price index (CPI) calculations, and produce comprehensive national accounts.

III. WORLD BANK GROUP COUNTRY PARTNERSHIP STRATEGY

A. The Government's Medium-term Development Strategy

45. The Government's medium-term development strategy (July 2018-June 2023), the PAPD, is designed around the priorities set forth in President Weah's inaugural speech and State of the Nation address: (i) combatting corruption; (ii) improving efficiency and accountability in the public sector; (iii) promoting honesty and transparency in the private sector; (iv) narrowing infrastructure gaps, especially in the southeast; and (v) creating jobs, especially for young workers.

46. The CPF will support the national development strategy. The pace and boldness of actions of the government in pursuing reforms that will lead to strengthened public institutions, improved transparency, accountability and efficiency of the public sector, enhanced business environment, sustainable

²⁰ Liberia's Intended Nationally Determined Contributions (INDC) lay out national adaptation and mitigation targets, including those related to the energy sector as one of the key sectors to facilitate the Liberia's INDC. Source: <http://www4.unfccc.int/Submissions/INDC/Published%20Documents/Liberia/1/INDC%20Final%20Submission%20ept%2030%202015.002.pdf>.

²¹ The Statistical Capacity Indicator (SCI) is compiled by the WB and has three dimensions: statistical methodology; source data; and periodicity and timeliness: <http://datatopics.worldbank.org/statisticalcapacity/SCIdashboard.aspx>.

management of natural resources, adequate maintenance of infrastructure, and improved human development outcomes, are critical for the success of the CPF implementation.

B. Proposed WBG Country Partnership Framework

3.B.1 Lessons from the CPS Completion and Learning Review

47. The CPS for FY13-FY17 was well-designed and relevant, but the Ebola crisis disrupted its implementation and adversely affected both the delivery of the lending program and portfolio performance. The PLR planned for FY15 was not carried out to reflect the substantial changes in the lending program, resulting from the WBG enhanced response to the Ebola crisis. Thus, the work in support of effectively managing the Ebola epidemic was not reflected in the CPS Results Framework. Despite the changes made to the WBG program to respond to the Ebola epidemic, most of the original outcome indicators targeted by the CPS were achieved. The WBG protected the original agenda by maintaining financial and technical support despite the limitations placed by the circumstances. The Completion and Learning Review (CLR), which rated the CPS outcomes as *satisfactory*, identified several key lessons from the implementation of the CPS, including:

- *Ensure robust government commitment* to the CPF program by closely aligning CPF priorities with the country's national development plans.
- *Apply a sound post-conflict and fragile-country lens* when designing CPF programs for post-conflict countries. The WBG's risky, but ultimately justified, decision to devote about 85 percent of IDA resources to infrastructure development was guided by its assessment of the critical role of physical and virtual connectivity in reducing the socio-economic exclusion and polarization that had led to the civil war, as well as the limited infrastructure support from other external development partners. Going forward, the application of the fragility lens should evolve to reflect improved diagnostics of challenges and needs as well as evolving engagement strategies of other development partners.
- *Remain focused on medium-term goals even in the face of a crisis.* The Bank's emergency program to address the Ebola epidemic demonstrated that a crisis-response initiative can become a platform for a broader engagement, as it enabled the World Bank to consolidate support for the systemic transformation of the health sector. Institution-building is an iterative and gradual process, especially in fragile and conflict-affected countries, and this approach enables the World Bank to adapt to changing conditions on the ground by enabling the program to adapt to new circumstances and introducing new program components.
- *Be selective about cross-cutting themes*, such as capacity-building and gender, and include outcomes associated with these themes in the RF to keep the government and the WBG focused on them throughout the implementation process.

48. The CPF emphasizes the importance of shifting the focus of the WBG program from being infrastructure intensive under the previous CPS toward a more balanced approach with greater attention to education, agriculture, economic empowerment of women and youth, and maternal and child health. The program considers closing gaps in infrastructure to reach out to the needs of the poor and vulnerable and to provide connectivity to markets and public services. Liberia's investment portfolio will increasingly include activities that target human development and intangible capital while keeping the balance with investments in infrastructure to consolidate successes of the previous CPS and reinforce the impact of the WBG interventions aimed at building human capital.

Selectivity Filters

49. Alignment with the government's priorities. Consistent with the priorities of the PAPD, the WBG program supports inclusive development by narrowing the infrastructure gap, expanding access to markets, and improving the provision of public services. The CPF supports measures to accelerate private-sector-led growth and job creation, with a focus on youth and women, while strengthening the foundation for good governance and improved natural-resource management, which are critical to the success of the government's efforts to address the drivers of fragility and the root causes of conflict.

50. Contribution to inclusive growth. The SCD identified four priority areas for supporting inclusive economic growth in Liberia: (i) productivity-driven growth, diversification, and job creation; (ii) human-capital development; (iii) prudent economic management and building resilience to shocks; and (iv) cross-cutting issues involving addressing governance constraints and building institutions. The SCD priority areas are the basis for more narrowly defined CPF objectives set to promote public sector efficiency, benefit the country's most vulnerable groups, enhance human capital accumulation and promote private sector growth.

51. Enhancement of social contract. Liberia's continued transition from conflict and fragility will require strengthening of the social contract between the government and its citizens. This will require among other things, deliberate policies and programs to not only encourage economic inclusiveness but also ensure equity in tax administration, the application of the rule of law (security and justice) and the distribution of social services, including education, health and social protection. Equally important are measures to enforce political commitments, including through the deliberate use of non-governmental organizations (NGOs) in the monitoring and evaluation of government projects or mechanisms to strengthen the access to public information.

52. WBG comparative advantage. Since its reengagement with Liberia after the conflict, the WBG has developed a strong comparative advantage, including in rebuilding institutions, rehabilitating infrastructure, restoring basic services in urban and rural areas, increasing economic competitiveness, and protecting poor and vulnerable households. During the implementation of the FY13-FY17 CPS, the WBG built a record of successful engagement and tangible results, which has been acknowledged by the government and other development partners. Leveraging this comparative advantage enables the World Bank to play a catalytic role in mobilizing financing for development from other partners, including the European Union (EU) and Sweden (PFM reform), agriculture (International Fund for Agricultural Development (IFAD)), the USAID (social safety nets), and the Liberia Reconstruction Trust Fund (LRTF)²² (infrastructure in the southeast corridor). The WBG can also draw on its extensive global knowledge, including experience in other fragile environments, to assist Liberia in addressing its complex challenges.

53. The CPF is informed by broad consultations with a wide range of stakeholders across the country, including youth and women. WBG discussed with government, media, civil society organizations, private sector, academia and development partners proposed areas and directions of engagement in Liberia. All stakeholder groups ranked infrastructure, education and agriculture as the highest priorities. The CPF also considers the private sector's concern over business environment, including on access to finance by entrepreneurs and unfavorable lending atmosphere in the banking sector. It was agreed that human development should be an important part of the CPF with a focus on youth education and workforce skills development. Capacity building and improved communications,

²² LRTF donors are EU, DFID and KfW.

including through raising public awareness of WBG-funded projects, and better monitoring and evaluation of development activities in general were among issues raised during the consultation process. Government and development partners consider proper coordination of programs as vital for ensuring effectiveness and efficiency of invested resources. A full report on the CPF consultations is provided in Annex 8.

3.B.2 Overview of the World Bank Group Strategy

54. The overarching goal of the CPF is to support Liberia as it strives to achieve pro-poor, private-sector-led growth underpinned by human-capital development, institutional capacity-building, infrastructure development, and economic diversification.

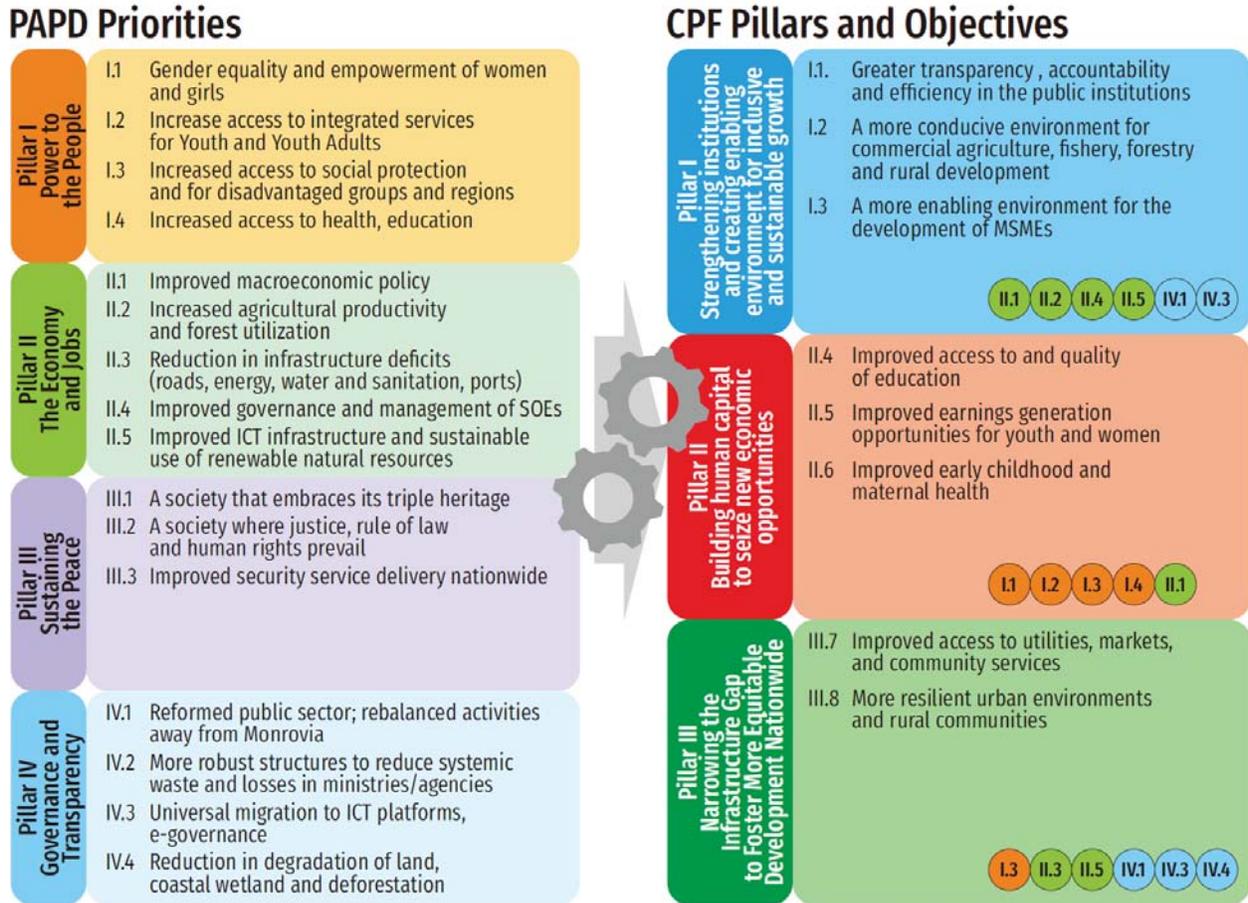
55. The CPF ensures critical interventions to prevent the country from sinking deeper into poverty, based on the emerging knowledge on the drivers of fragility.²³ Informed by the Liberia Risk and Resilience Assessment (RRA) (Annex 7), the CPF targets weak governance, inadequate economic and social inclusion, breakdown of social cohesion, youth unemployment, gender inequality, and regional disparities as key drivers of fragility and conflict. As Liberia moves toward graduation from fragile-state status, the CPF will help the country address these drivers of fragility by building institutional resilience in line with IDA18 priorities and under the special theme of *fragility, conflict, and violence*.

56. The CPF is designed around three pillars and eight objectives designed to reinforce the impact of WBG interventions in support of the government's strategic priorities and in line with the SCD recommendations. The CPF pillars are: (i) strengthening institutions and creating an enabling environment for inclusive and sustainable growth; (ii) building human capital to seize new economic opportunities; and (iii) narrowing the infrastructure gap to foster more equitable nationwide development. The three pillars focus on eight objectives for WBG support backed by measurable outcome indicators.

57. The CPF pillars and objectives are well aligned with and selectively address the government priorities outlined in the PAPD. The WBG program will support the PAPD first pillar through helping empower women, youth and other vulnerable categories of the population; investing in education and health to address the challenges of maternal and child health; and quality and relevance of education. In close partnership with other development partners, such as United States Agency for International Development (USAID), African Development Bank (AfDB), EU, and Sweden, the program will contribute to enhanced transparency, accountability and efficiency of the public-sector in the use of public resources (Pillar II and IV). The CPF will contribute to private sector development with a focus on Micro, Small and Medium Enterprises (MSMEs), and improved business environment and continue to support the government in closing the infrastructure gap to benefit the poor and vulnerable. The CPF addresses the factors of fragility across the program in support of Pillar III.

²³ The 2011 World Development Report on Conflict, Security and Development highlighted the extreme difficulty of overcoming state fragility due to the amount of time required to address the drivers of fragility and conflict.

Figure 6: Links between PAPD and CPF Pillars and Objectives



58. **Applying the selectivity filters, the CPF addresses SCD constraints within the proposed cohesive theory of change whereby impact indicators correlate with the strategic objectives of the PAPD.** These indicators will focus on transparency, efficiency, resilience, inclusion, and sustainability. The application of the selectivity filters will mean greater focus on addressing the critical constraints identified in the SCD. Figure 7 shows the mapping between the SCD constraints and CPF objectives. Areas of strong focus include creating an enabling environment for agriculture and other economic activities. Attention to education will center primarily on pre-primary, primary and secondary education, with other donors engaged in support of tertiary/vocational education. The World Bank’s work in the education sector will serve as a catalyst for harmonized support from other development partners. The focus in health will be primarily on maternal and child health and strengthening resilience of the health system, in partnership with other donors and UN agencies. In infrastructure the CPF builds on the strong legacy of the previous CPS and aims at a more balanced program whereby investments in roads, energy supply and Information and Communication Technology (ICT) will be complemented by efforts to boost human capital accumulation and private sector development that would allow the population to seize opportunities created by improved connectivity. Certain areas of engagement were excluded from the CPF (decentralization, feeder roads, power generation, tertiary education) because of other development partners’ greater presence in these areas. The CPF selectively sets out the priority areas of engagement on regional integration with a focus on the areas with the greatest development impact and complementarity with the country-specific program (e.g., digital solutions in agriculture, power trade, climate change and coastal management).

Figure 7. Links between SCD Priority Areas and CPF Pillars and Objectives



59. The CPF’s design incorporates the MFD approach, as well as gender, youth, employment, skills, and climate-change dimensions across the program. MFD principles will guide the joint IDA, IFC and MIGA agenda for engagement with the private sector, including efforts to attract private investment in agriculture, healthcare, and infrastructure development. The program devotes special attention to alleviating gender disparities in education, health, and economic empowerment. Environmental protection and climate change are imbedded in various objectives for the fishery, forestry, and water and sanitation sectors, as well as measures to protect against coastal erosion.

60. The WBG program will contribute to the government’s effort toward achieving the Sustainable Development Goals (SDGs). Demonstrating its commitment to SDGs, the government has prepared a roadmap for integrating the SDGs into the national development plan and policies as well as adopted a monitoring and evaluation (M&E) methodology that will help monitor progress on indicators and results, and data availability. However, progress toward achieving the SDGs is likely to be affected by the country’s fragility, which necessitates application of a fragility-sensitive and risk-informed approach.

3.B.3 Objectives supported by the WBG Program

Pillar I: Strengthening institutions and creating an enabling environment for inclusive and sustainable growth

61. CPF Pillar 1 encompasses three objectives aimed at promoting sustainable and inclusive growth.

Objective 1 reflects the government’s emphasis on public-sector transparency and probity as a foundation for good governance. Objective 2 emphasizes the development of the rural economy outside land concessions, where most of the poor derive their livelihood from low-productivity farming. Objective 3 addresses the need to enhance the business climate for micro, small and medium enterprises (MSMEs) to expand employment and income-generating opportunities in both the urban and rural economies and in the value chains that link them.

	Instruments	Activities	Outcomes	Impact
<i>Pillar I. Strengthening Institutions and Creating an Enabling Environment for Inclusive and Sustainable Growth</i>				
<i>Objectives</i>				
<p><i>Objective 1. Greater transparency, accountability, and efficiency in public institutions</i></p> <p><i>Objective 2. A more conducive environment for commercial agriculture, fishery, forestry, and rural development</i></p> <p><i>Objective 3. A more enabling environment for the development of MSMEs</i></p>	<ul style="list-style-type: none"> • DPO • IPFMRP II • Public Sector Modernization Project • STAR-P • WAATP • LFSP • WARFP Phase II • Digital/Economic Transformation Project • Regional Statistical Capacity Strengthening Project 	<ul style="list-style-type: none"> • Policy reforms in taxation, expenditure management, and the business climate • Implementation of IFMIS • Inclusive development in commercial agriculture • Development of market infrastructure • Expanded access to credit • Entrepreneurship training and skills 	<ul style="list-style-type: none"> • Sustainable and resilient fiscal management • Improved domestic resource mobilization • Improved statistics quality • Enhanced agriculture, fishery, and forestry value chains • Greater access to, and increased use of advanced technologies • Greater access to financing among MSMEs 	<ul style="list-style-type: none"> • Lower primary deficit • Increased share of domestic revenues • Improved employment and income generation prospects among smallholder farmers • Increased productivity and greater output in the fishery and forestry sectors • Increased contribution of MSMEs to GDP

Objective 1: Greater Transparency, Accountability, and Efficiency in Public Institutions

62. Due to the stalled reform process, the efforts of the authorities to improve the efficiency of the public sector over the past decade have not yielded the expected results. A new legal framework designed to increase public-sector transparency and accountability has been put in place. However, as noted in the SCD, the passage of these reforms has outpaced their implementation. The Public Financial Management Act (2009) and the Regulations require the government to manage its bank accounts via a treasury single account (TSA), but amendments to the Public Financial Management Act to strengthen budget execution, accounting, and reporting practices have been delayed and require immediate action.

63. Objective 1 promotes enhanced transparency, accountability, and efficiency in the public sector as a foundation for a robust macroeconomic and fiscal environment. To achieve this goal, the CPF supports improvements in fiscal management, including through measures to strengthen the revenue base, improve tax administration, increase transparency in revenue collection, and broaden the tax base by eliminating loopholes. On the expenditure side, the CPF will support government in creating a more efficient public financial management (PFM) system. The ongoing public-sector reform program will focus on improving the management of the civil service, eliminating irregularities from the civil-service payroll, and providing a clear framework for assessing the performance of civil servants. Improved statistics quality will underpin an evidence-based decision-making and contribute to an effective M&E system capable of assessing progress on the intended results.

64. This objective is to be achieved through a new development policy operation (DPO) series in combination with advisory services and analytics (ASA) support. The DPO series will help advance policy reforms in taxation, budget management, the business environment, agricultural competitiveness, social sectors and further enhance the transparency of natural-resource management. The WBG will collaborate and coordinate with the International Monetary Fund (IMF), EU, USAID and other donors in these policy reform areas.

65. Systemic improvements in PFM are to be achieved through a Public Finance Review and the Second Integrated Public Finance Management Reform Project (IPFMPR II) implemented in collaboration with the EU, USAID, the AfDB, Swedish Embassy and other development partners. The IPFMPR II contributes to enhanced governance and financial reporting standards of state-owned enterprises (SOEs), expansion of coverage of the Integrated Financial Management Information System (IFMIS), enhanced internal and external audit capacity, improved cash management, and operationalization of the TSA. The WBG program supports capacity-building through an innovative approach to on-the-job training of civil servants, including a new Africa-to-Africa (A2A) initiative under which technical experts and public officials from other African countries will work with their Liberian counterparts for an extended period. A regional statistics project will contribute to enhanced capacity and training of statisticians at regional centers of excellence. A Citizen Engagement diagnostic will help to formulate action plans and recommendations to strengthen citizen engagement in design and implementation of the WBG program.

Objective 2: A More Conducive Environment for Commercial Agriculture, Fishery, Forestry, and Rural Development

66. This objective is defined by the need to develop the rural economy outside land concessions, where most of the poor derive their livelihood from low-productivity farming. The potential of Liberia's agriculture, fishery and forestry sectors that account for over 60 percent of Liberia's GDP and provide livelihoods for about two-thirds of the population remains largely untapped. Rural farming households tend to focus on subsistence crops and produce only a small surplus for either the domestic or export market. The forestry sector contributed 10 percent of GDP in 2016²⁴ and serves as an important source of employment and livelihoods for the one-third of Liberia's population that lives in forested areas. However, Liberia's annual deforestation rate averaged an estimated 0.46 percent over the 2005-2015 period, threatening the future of the country's forests. Sustainable forest management could generate even greater gains in job creation and income generation as well as reduce carbon emissions as envisaged under the Reduced Emissions from Deforestation and Degradation (REDD)+ strategy. Liberia's fisheries

²⁴ Central Bank of Liberia. 2016. *Annual Report 2016*. Office of the Executive Governor. Central Bank of Liberia.

sector is recovering with positive implications for fishing communities, food security, and fiscal revenues. The sector employs an estimated 15,000 fishermen, as well as an additional 25,000 fish processors and traders, and seafood provides at least 60 percent of national protein requirements (Box 1). However, the sector operates far below its potential and faces significant governance and sustainability challenges. Expansion of employment opportunities, especially for the country's large and growing cohort of young workers, can encourage more investment in value addition across the primary sector and boost the output of agriculture, agribusiness, fishing, and forestry and facilitate inclusive growth.

67. Enhancing agricultural productivity will help diversify the economy away from its reliance on extractive industries. Liberia's ratio of value added from agribusiness to value added from primary agriculture is among the lowest in the world at about 0.47, underscoring the immense economic potential of agricultural value addition. The SCD identified increased economy-wide productivity, including the creation of an enabling environment for agriculture, as critical to food security, poverty reduction, and the preservation of peace and stability. Transitioning from largely subsistence-oriented smallholder farming to more modern, commercial production models that involve smallholders through outgrower schemes will unleash the employment and income-generating potential of agriculture and agribusinesses. The CPF will support this process and support youth in agribusiness incubation schemes while devoting special attention to women's farm productivity and participation in commercial agriculture, both of which may be constrained by discriminatory social norms, lower skill levels, and less access to land, labor, and other productive inputs.

68. Since 2006, the government has implemented a comprehensive reform program in the forestry sector, which has the potential to yield substantial social and economic benefits. Key measures include the 2006 National Forest Reform Law, the 2007 National Forest Sector Strategy, which provided a legal framework for transparency and multi-stakeholder participation, and the 2009 Community Rights Law with Respect to Forest Lands, which recognized the rights of local communities to collectively own forest resources. While these reforms introduced an integrated community, commercial, and conservation ("3Cs") approach to forest management, they have not yet benefited forest-dependent communities as was originally anticipated. The World Bank's Liberia Forest Sector Project (LFSP) (P1541114) is supporting implementation of these reforms/strategy, to create opportunities for employment, livelihood support, and income generation, and overall improved management of forests (see Annex 9).

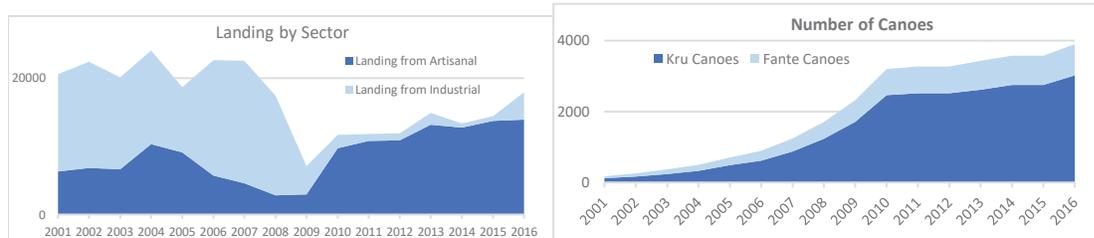
69. With proper governance and careful planning, the fisheries sector could generate significantly greater economic benefits. Successful efforts to control illegal industrial trawlers within Liberian territorial waters gave confidence to the EU to sign a five-year partnership agreement on tuna fisheries. Under this agreement, Liberia can receive an annual license fee and catch bonus from its industrial pelagic fishery subsector, which previously provided little benefit to the country. The agreement boosted the annual revenue of the Bureau of National Fisheries (BNF) to about US\$2.6 million in 2016, or 30 times its 2006-2010 average. The composition of revenue also shifted from primarily fines to primarily license fees, indicating a positive trend toward financial sustainability. The healthy status of Liberia's fish stocks provides a valuable opportunity to develop Liberia's domestic industrial and semi-industrial fisheries. To seize this opportunity, the government needs to provide secure fishing rights, strong legal enforcement, and consistent stock monitoring and surveillance, while fishery operators will need to utilize modern multi-purpose vessels and land selected products for processing.

70. The CPF complements the government's ongoing efforts to revive the rural economy with significant potential for growth, income, and fiscal revenue generation. The WBG program promotes empowering smallholder farmers, artisanal fishermen and forest communities to increase productivity

and commercialize their economic activities. Enhanced value chains, greater access to and increased use of advanced technologies, more effective extension services, and enhanced value addition will improve employment and income generation in agricultural, fishing, and forestry sectors.

Box 1: WARFP Success in Liberia

The West Africa Regional Fisheries Program (WARFP) in Liberia financed by International Development Associate (IDA), Global Environmental Facility (GEF), and Africa Catalytic Growth Fund (ACGF) from 2009 to present have helped Liberia to achieve remarkable success in fish stock recovery with **biological, economic and social benefits to the nation**.



Biologically, the fishery stock is recovering from years of destructive overfishing by foreign industrial vessels. This is unique in the West African region where neighboring countries’ fish resources are being depleted by foreign trawlers. The fishing communities catch per canoe per year has **more than doubled**, and the average size of fish and total landing have been increasing steadily. Certain species such as shrimp are again in coastal catches after the destructive trawlers were reduced to low levels and forced to respect a 6-mile inshore exclusion zone reserved for artisanal fisheries. **Economically**, the fishery sector has brought **30 times** more annual revenue to the government (US\$2.6 million in 2017 compared to US\$83,000 between 2006 to 2009). This is due to the increased capacity of Monitoring, Control, and Surveillance (MCS). It is estimated the total landing value of the artisanal sector is nearly US\$20 million. **Socially**, due to fish stock recovery, the fishery sector has generated an estimated **13,000 new jobs** along the value chain (about half of which are filled by women). More fish folks’ family can afford healthcare and to send their children to school. Their average income has also increased with better catch and better handling. WARFP has also helped raise the women’s profile. Fish processors/mongers generate more income now than before. The pilot improved smoking oven in Robertsport has attracted fish mongers from different places as it saves 50 percent of fuel wood and doubles the price due to improved color, emits less smoke, and takes less time.

Private sector involvement and behavior change: the stock recovery has also attracted private sector investment. An ice plant and chill storage were constructed in Kru town in Robertsport with a US\$1.5-million investment. This triggered a behavior change in the pilot fishing communities. It has demonstrated a better model of fishing, handling, and marketing. About 2 tons of fresh fish are brought daily by the community to store overnight and then transport for sale in the Monrovia market. The fish landing Pier at Mesurado is the vital infrastructure to enable a new form of selective sustainable fishing for high-value species (tuna and marlin) in Liberia’s waters, with semi industrial vessels in Liberia ownership landing all production in Monrovia for value addition and eventually to resume exports to high value markets. Currently, it has attracted artisanal fishing vessels to load fuel and ice at the pier and return to land high-value fish with ready access to Monrovia market. More vessels and fishermen have converted to more selective fishing methods including longline/hook and line.

However, recent attempts by foreign industrial fishing interests to reduce the coastal exclusion zone and get more trawlers licensed threaten the sustainability of the good results achieved so far and show that effective natural resources governance cannot be taken for granted and requires constant attention and effort from the government and its development partners.

71. WBG will support smallholder commercialization and private-sector investment in agribusiness by fostering productive business linkages among smallholder farmers, selected agribusiness firms, and business-development services—with a special focus on constraints faced by women and youth. The Smallholder Agriculture Transformation and Agribusiness Revitalization Project (STAR-P) supports the value chains that are potentially competitive and can create jobs. STAR-P will be underpinned by new analytical work, including an agriculture Public Expenditure Review and value-chain analyses for selected

agricultural products. The regional West Africa Agriculture Transformation Project (WAATP) will focus on accelerating the production and adoption, on a large scale, of new technologies (including digital agriculture) to support agricultural productivity and commercialization, including by leveraging private sector investment. The West Africa Regional Fishery Project (WARFP) Phase II will focus on improved governance in the fishery sector to maintain the rise of the fishing industry as a major vehicle for economic growth. The WARFP will build the capacity of National Fisheries and Aquaculture Authority (NaFAA), support national universities in developing multidisciplinary courses related to fisheries, foster the growth of a new semi-industrial fishing industry targeting high-value species for the export market, create an enabling environment for private investment in fish processing and transportation, and support research and pilot projects in the aquaculture subsector. Special attention will be devoted to empowering women in the fisheries sector by providing training and improved access to advanced technologies. The LFSP, financed by the Norwegian Trust Fund, will support Objective 2 by supporting the Government of Liberia efforts in empowering communities to demonstrate sustainable livelihoods from forests and adjacent areas, maximizing the community benefits of commercial forestry promoting value addition, strengthening the conservation of Liberia's unique forests and biodiversity, supporting the forest sector concessions review process to ensure compliance with tax and regulatory requirements, and strengthen the capacity of the Forestry Development Authority (FDA) and the Environmental Protection Agency (EPA) to more effectively perform their management and regulatory functions. The project is providing support to developing regulatory and implementation capacity of the sectoral agencies to foster achievement of this objective and a Public Expenditure Review of the sector will enable to streamline and sustain the investments in the long term. The IFC will work with market participants to promote private investment in agribusiness, fishing, and forestry, with a focus on strengthening rural value chains such as cocoa and rubber. The WBG will work closely with the EU, AfDB, Food and Agriculture Organization (FAO), USAID, IFAD, World Food Programme (WFP) and other partners active in these sectors.

Objective 3: A More Enabling Environment for the Development of Micro, Small, and Medium Enterprises

72. Objective 3 of the CPF supports the government's strategic priority of promoting broad-based, private-sector led growth. The CPF's goal is to support the emergence of a robust and inclusive private sector underpinned by a more hospitable investment climate, expanded access to finance by MSMEs, improved market information systems, including credit bureaus, and stronger market infrastructure. The SCD highlighted the importance of creating a legal and institutional framework capable of supporting a competitive, diverse, and inclusive private sector. Key elements of this framework include an administratively simple, low-cost system for registering businesses, property, and employment status, as well as efficient mechanisms to ensure compliance with regulations, protect property rights, enforce labor laws, and collect taxes.

73. To improve the business environment for MSMEs the CPF will support the removal of key regulatory constraints, expanding access to finance, enhancing financial inclusion and facilitating trade. The CPF will focus on the regulatory constraints, where Liberia ranks low on doing business indicators. Such support will complement actions already taken to establish a collateral registry and a Financial Intelligence Unit to increase access to finance and prevent blacklisting for illicit financial flows. The CPF will support the implementation of the Financial Sector Development Implementation Plan and the Insolvency and Restructuring Law adopted in 2017. Importantly too, the CPF will support Liberia to meet its outstanding commitments to the World Trade Organization (WTO) since becoming a member in July 2016, including: (i) the enactment of a Customs Code that conforms to WTO valuation agreements; (ii) ratification of the WTO Trade Facilitation Agreement, which would require designing a practical trade-

facilitation reform strategy with detailed reform-sequencing plans that reflect Liberia’s priorities, available resources, and implementation capacity; and (iii) the establishment of a single-window customs system.

74. The CPF will prioritize WBG interventions to boost private sector development. The CPF envisages intensified analytical engagement through a Country Economic Memorandum, a Value Chain Analysis, an Investment Climate Assessment, a Jobs and Skills report and a study of PPPs. The solid analytical foundation will underpin a new series of DPOs that target critical barriers to private-sector development. The CPF program supports enhanced access to finance—the most frequently cited constraint in the Enterprise Surveys—and will build on the ongoing TA and MSME-finance projects. The IFC will continue to partner with the government to improve the investment climate, strengthen the domestic financial sector, and promote private-sector participation in agriculture, mining, electricity, and financial services. It will explore opportunities to expand the range of financial instruments it offers to bank and nonbank financial institutions to improve access to finance among MSMEs. A proposed (jointly with IFC) investment project financing (IPF) operation, the Digital/Economic Transformation Project, will aim to foster economic diversification, skill development and value addition by strengthening competitiveness in high-potential sectors in light manufacturing and in digital entrepreneurship. A new proposed project will leverage an existing microfinance lending facility to promote access to financial services for underserved areas and groups, including women and youth. The project will accelerate expansion of mobile-money services, support the automatic payment of government salaries, social transfers, and compensation for jobs programs, and facilitate other innovations in digital finance, while promoting financial responsibility and boosting financial literacy. The WBG will also leverage resources of other development partners to facilitate private sector-led growth.

Pillar II. Building Human Capital to Seize New Economic Opportunities

75. The government’s political platform emphasizes improved access to quality education and healthcare services to foster economic inclusion. This agenda aims at universal basic education for all Liberians to be achieved through, inter alia, increased number of qualified teachers and more effective deployment of resources across regions and subsectors as well as empowering young people, who are outside the formal education system, with market-relevant skills. Finally, the government intends to improve outcomes on maternal and child health through increased investment in health services and public outreach.

76. The CPF program is aligned to the World Bank Group’s new Human Capital Project (HCP) which aims at bolstering human capital investments for rapid improvement in outcomes. The CPF program includes interventions in education, youth entrepreneurship and employment, and healthcare. In education, the program contributes to closing gaps in pre-primary and primary education, improving the quality of secondary education services, and reaching young people outside the formal education system. Objective 4 targets enhanced capacity of the education sector in the long term, but addresses urgent capacity constraints through adopting innovative solutions that would yield faster results. Objective 5 seeks improved employment prospects for women and youth through skill development and enhanced access to income-generating opportunities. Objective 6 targets improved maternal and child health by advancing comprehensive health-sector reforms and improved WASH. The CPF addresses gender disparities in education, employment, and healthcare. The WBG program also includes social protection activities designed to improve nutrition and educational outcomes and increase labor earnings among the poor. The Human Capital Index will assist in monitoring progress.

	Instruments	Activities	Outcomes	Impact
Pillar II. Building Human Capital to Seize New Economic Opportunities				
Objectives				
<p>Objective 4. <i>Improved access to and quality of education</i></p> <p>Objective 5. <i>Improved earnings generation opportunities for youth and women</i></p> <p>Objective 6. <i>Improved early childhood and maternal health</i></p>	<ul style="list-style-type: none"> • DPO • GPE grant in education • Secondary Education Teaching for Results Project • YOP • Social Safety Net Project • Ebola Emergency Response Project (EERP) • REDISSE • HSSP • Monrovia Water Supply Project 	<ul style="list-style-type: none"> • Policy reforms targeting school fees, health and education financing, certification and accreditation • Investments in education and health infrastructure • Human-resources development in health and education • Skills development in selected sectors 	<ul style="list-style-type: none"> • Expanded enrollment in education, especially among girls and in underserved counties • An increase in the share of qualified teachers • Employment opportunities for youth and women • Improved use of quality, affordable health services 	<ul style="list-style-type: none"> • Increased primary completion rate • Improved test scores at the secondary level • Expanded jobs and increased earnings for youth and women • Improved health outcomes, with focus on reproductive-age women and young children

Objective 4: Improved access to and quality of education

77. The low levels of schooling and limited access to education by the poor adversely affect educational attainment in Liberia. While 48 percent of children between the ages of 6 and 11 from better-off Liberian households and those in urban areas attend primary school, this number stands at 26 percent for children from poorer households and those in rural areas. The median young woman from a poor rural household has just 1.8 years of formal education. A lack of money, distance to the nearest school, and early marriages are often cited by parents as barriers for their children to access education. Only 29 percent of preschool-age children are enrolled in early childhood education (ECE) programs, and as many as eight out of every 10 of those enrolled in ECE are over the appropriate age and should be enrolled in primary school.

78. The government is pursuing the goal of improving the equity, quality, and relevance of education under its nine-point strategy outlined in the “2017-2021 Getting-to-Best Education Sector Plan (G2B-ESP)”²⁵. As part of the plan, government strengthened the teachers’ cohort by hiring professionals that meet qualification standards along with removing 1,900 ghost teachers from the payroll. New textbooks and associated teachers’ guides on mathematics, science, social studies, and language have reached 373,845 students in approximately 2,500 schools. The government has increased frontline resources by restructuring and downsizing the Ministry of Education and introducing decentralized accountability through a pilot school-quality assurance tool. Liberia’s development partners and civil society organizations have contributed to the recent progress in the education sector by

²⁵ The G2B-ESP is based on the Liberia Education Sector Analysis, a comprehensive review and evidence-based assessment of the education sector over the past 15 years. The G2B-ESP includes an implementation plan outlining roles and responsibilities for central, ministerial, and decentralized education administration. The government developed the G2B-ESP through a consultative process that included development partners, NGOs, and civil society.

sponsoring alternative basic education, literacy, and adult learning programs, reform the ECE curriculum and teacher-training programs, as well as supporting the ongoing development of a sustainable education management information system.

79. The WBG will engage in the education sector at the pre-primary, primary and lower-secondary levels, with the goal of increasing the completion rates and expanding enrollment, especially among girls and in underserved counties.²⁶ The WBG program will contribute to enhanced access to education, improved quality of secondary education by, *inter alia*, increasing the supply of qualified teachers, adopting modern technologies for improved teaching and learning, and reducing gender imbalances in the teaching profession. The program will also help reduce the share of overaged primary school students. Gains are expected in primary completion rates, test scores at the secondary level, share of qualified teachers, efficiency of primary-school resources and improved infrastructure, elimination of school fees at the primary level, and enhanced capacity of the Ministry of Education.

80. The CPF program will be implemented through a broad range of instruments. The policy dialogue on expanding access to education will target elimination of school fees. A grant facility from the Global Partnership for Education (GPE) is designed to strengthen pre-primary (ECE) education via teacher training and administrative reforms to promote accountability and transparency. A new IDA Secondary Education Teaching for Results Project (P164932) will help boost the supply of qualified teachers, adopt modern technologies, and provide high-quality learning materials in key fields such as science and mathematics, especially for underserved regions and communities. In the longer term, the CPF considers options for engaging at the tertiary level to address shortages of professional skills in selected areas, including energy, roads, education, healthcare, and ICT. The WBG will work closely with development partners, including USAID, the EU, UNICEF, UN Women, and other education stakeholders to ensure harmonization and leverage complementarities. For instance, the EU's forthcoming program focused on vocational and technical education systems will complement the World Bank's operations.

Objective 5: Improved Earnings Generation Opportunities for Youth and Women

81. In view of the importance of Liberia's large population of young people, government prioritizes youth employment and development of skills necessary to boost it. Liberia's youth need greater access to education, vocational training, healthcare, water and sanitation, and infrastructure, in addition to high-quality employment. The government is planning to engage with the private sector, local governments, and communities to identify skills supplied by the workforce and demanded by employers. As innovative ICT tools play a crucial role in increasing efficiency and impact of skill training, the government intends to mainstream computer and technological skills into all its training programs, encouraging the private sector and civil society to do the same. This coordinated effort will boost the supply of workers with ICT skills while also increasing market demand for those skills, and will help alleviate constraints on access to information, connectivity, and finance.

82. The CPF supports the government's program of workforce-skills development and expanding access to income-generation opportunities for youth and women. The CPF aims to empower youth and women through technical, entrepreneurship, and life skills training to acquire the skills necessary to participate in a more connected labor market by, *inter alia*, leveraging innovative technologies and ICT solutions. The Youth Opportunities Project (YOP) (P146827) leverages sports, arts, and culture to reach out to vulnerable youth. It combines skills development efforts with the establishment of a labor-market

²⁶ Programmatic priorities reflect the findings of the 2018 World Development Report "Learning to Realize Education's Promise."

management information system (LMIS) to guide both prospective workers and employers. In parallel, the WBG program seeks to enhance opportunities for self-employment, for example, through improved access to seed financing and entrepreneurship skills development. To ensure equality in access to training opportunities across all regions, the WBG, in coordination with other development partners such as the EU, will consider options for reviving the dormant system of skills-development centers in high-priority areas such as math and science education. Gender disparities will be addressed by scaling up activities aimed at increasing employment and incomes among girls and young women, supporting a clear, transparent process for recruiting youth for training opportunities, and conducting outreach activities to encourage a shift in social norms in favor of employment equality. The Liberia Social Safety Net Project (P155293) will help empower women through: (i) the provision of cash transfers to women who are heads of household or are responsible for household management; (ii) the identification of gender-specific barriers to female participation in project activities; (iii) measures to address the risk that gender-specific programming could increase GBV through awareness-raising activities for both men and women; and (iv) sensitization activities to increase female participation in all aspects of agricultural production. The WBG will provide strategic guidance to develop a national Jobs and Skills Strategy that will focus on vulnerable groups, that will provide a strong analytical foundation for future lending program in connection with social safety nets and productive inclusion efforts.

Objective 6: Improved Early Childhood and Maternal Health

83. The Ebola epidemic devastated Liberia’s already weak healthcare system and undermined gains in health indicators achieved since 2003. Liberia lost a staggering 10 percent of its doctors and 8 percent of its nurses and midwives to Ebola—just over 8 percent of the nation’s healthcare workforce. Access to healthcare services remains very limited, with wide geographic disparities in coverage. In 2016, only 57.5 percent of pregnant women attended four or more antenatal-care consultations with a skilled healthcare provider, far below both the health sector’s target of 75.8 percent²⁷ and the 2015 rate of 64.7 percent.²⁸ Coverage indicators for child health vary substantially by region: the rate of full immunization among children under the age of one ranged from 94.5 percent in Bong County to just 34 percent in River Gee. Almost 30 percent of Liberians live more than 5 km from a health facility and increasing the supply of trained community health workers is vital to expand access to care in remote areas.

84. The government is attempting to increase access to equitable, affordable, high-quality health services by enhancing the efficiency of the health sector. The government’s healthcare agenda focuses on improving reproductive, maternal, newborn, and adolescent health and nutrition (RMNCAH-N) by enhancing both the technical and allocative efficiency of health spending. Liberia remains vulnerable to disease outbreaks and epidemics and strengthening the surveillance system for early detection and prevention of epidemic disease is among the government’s top priorities.

85. The CPF supports the government’s agenda on improving maternal and child healthcare while rebuilding the health system’s readiness to respond to disease outbreaks. The WBG program will help close the gap in the incidence of child and maternal mortality, in alignment with the SDGs, and improve health outcomes with a focus on reproductive-age women and children. Contributing to effective early childhood education and future schooling outcomes, the program will address malnutrition as an integral part of early years development. Social safety net interventions will positively affect early childhood and maternal health outcomes through measures aimed at increasing consumption by the poor and raising

²⁷ See: Liberia’s Investment Plan for Building a Resilient Health System (2015) and the Ministry of Health and Sanitation Joint Annual Health Sector Review Report (2016).

²⁸ Ministry of Health and Sanitation (2016). Joint Annual Health Sector Review Report.

awareness about better nutrition practices for young children, pregnant women and lactating mothers. The WBG will help build the health sector’s institutional capacity to provide health services, develop its human resources, and strengthen its ability to identify and address epidemic threats. Establishing a national laboratory network is a key part of the government’s emergency preparedness and response strategy.

86. In an environment of tight fiscal constraints, the authorities will need to implement health-sector financing reforms to improve efficiency and pooling of resources. The CPF will support the expansion of a successful performance-based financing (PBF) program recently piloted in several counties in Liberia. The CPF supports the post-Ebola reconstruction of the health sector via provision of essential equipment and medical supplies, training of health staff, and retention of skilled healthcare workers in remote areas. The Health Sector PFM study will inform financial management reforms in the health sector. The WBG will closely cooperate with development partners, including USAID, EU, UN Agencies, Irish Aid, UK Department for International Development (DFID), and GIZ, to strengthen efficiency of the health sector. IFC will continue to explore the possibility of establishing a PPP for delivering healthcare services. The WBG program encompasses several ongoing projects, including the Health Sector Strengthening Program (HSSP) (P128909), WASH (Urban Water Supply (P155947)) and the Ebola Emergency Project (P152359). The Global Financing Facility (GFF) may provide additional grant resources to improve women’s, children’s and adolescents’ health. A new IDA Health Project will be prepared jointly by the health and governance teams to ensure addressing the challenges of maternal and child health in a holistic manner.

Pillar III: Narrowing the Infrastructure Gap to Foster More Equitable Development Nationwide

87. The government is determined to address disparities in access to social services and economic opportunities across regions, and between rural and urban areas. Inadequate transportation and communications connectivity deepens regional and rural-urban inequalities. Isolated communities have little access to markets, employment, and basic health, education, and infrastructure services. Even Greater Monrovia, which has grown rapidly in a weak institutional environment, is a patchwork of loosely connected neighborhoods rather than a consolidated urban center. The CPF will support the government’s efforts to narrow the infrastructure gap and address the key factors behind unequal access to services across the country.

	Instruments	Activities	Outcomes	Impact
Pillar III. Narrowing the Infrastructure Gap to Foster More Equitable Development Nationwide				
Objectives				
<p>Objective 7. <i>Improved access to utilities, markets, and community services</i></p> <p>Objective 8. <i>More resilient urban environments and rural communities</i></p>	<ul style="list-style-type: none"> • DPO • WAPP CLSG • LIBRAMP • LACEEP • Cheesemanburg Landfill and Urban Sanitation Project • Land Administration Project • SECRAMP 	<ul style="list-style-type: none"> • Road construction, rehabilitation, and maintenance • Expansion of reliable electricity services • Expansion of access to internet services and the digital economy 	<ul style="list-style-type: none"> • Better access to markets for farmers and entrepreneurs • Enhanced access to affordable and reliable electricity • Increased ICT penetration • Improved access to water, 	<ul style="list-style-type: none"> • Reduced travel time and transport costs • Lower business costs • Enhanced ICT connectivity and more viable digital solutions • Improved wellbeing indicators,

	<ul style="list-style-type: none"> • Urban Development Project • Social Safety Net Project • Monrovia Urban Water Supply Project • WARCIP II • WACA 	<ul style="list-style-type: none"> • Building and upgrading urban infrastructure • Strengthening the management capacity of local governments and utilities • Well-coordinated social protection systems • Expanding community services • Mitigating the impact of climate change on coastal erosion 	<p>sanitation, and other services</p> <ul style="list-style-type: none"> • More financially sustainable utilities • An action plan for strengthening resilience to climate change 	<p>especially among the poor, youth and women</p> <ul style="list-style-type: none"> • Enhanced resilience to external and domestic shocks • Enhanced social accountability at the community and county levels • Reduction in inequalities across regions through improved access
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Objective 7: Improved Access to Utilities, Markets, and Social Services

88. The government prioritizes improvements in the road network and electricity grid and will pursue policies for leveraging new opportunities in the digital economy and ICT. Liberia has already dedicated considerable resources to the roads sector, but large-scale additional investment will be required to link remote populations to economic opportunities and social services. The government has made progress in mobilizing internal resources for road maintenance through the passage of the National Road Fund Act, but contributions to the fund remain below their potential. Human resources are inadequate for the Road Fund, and the government’s overall institutional capacity for planning, developing, and managing transportation assets is weak. While the government has targeted an electricity access rate of 70 percent in Monrovia and 35 percent nationwide by 2030, key challenges remain in transmission and distribution, and high tariffs discourage large consumers from connecting to the grid and prevent poor households from obtaining metered connections. ICT services and the digital economy have untapped potential to connect people and businesses, create jobs and generate income, and provide innovative solutions to challenges in service provision.

89. Under Objective 7, the CPF will support improved transportation and ICT connectivity through the development of key infrastructure. The CPF will continue to focus on the primary road network and links to neighboring countries, while other development partners support the rehabilitation of feeder roads. The CPF will support the development of the electricity grid, Liberia’s integration into the regional power pool, and developing a national strategy to accelerate expansion of access to electricity through both grid and off-grid options, including harnessing the country’s renewable energy resources – mainly solar.

90. WBG support for infrastructure connectivity will be carried out through national and regional programs that are already underway. The South-Eastern Corridor Road Asset Management Project (SECRAMP) will apply an innovative mechanism for financing the Ganta-Tapeta road as part of a strategic plan to more efficiently connect southeastern Liberia, a lagging region with very high poverty incidence, to the rest of the country. This initiative will combine IDA funding, a potential Liberia Reconstruction Trust Fund grant supported by the EU, DFID and German government-owned development bank (KfW), and a guarantee scheme that would allow access to private financing in the spirit of the MFD initiative. The

SECRAMP and a proposed follow-on Regional IDA operation will rehabilitate 250 km of the Trans-West African Coastal Highway (TAH7) traversing Liberia as its most strategic transport corridor, linking productive rural areas, major cities including Monrovia, the country's main port, and land crossings to Sierra Leone, Guinea, and Côte D'Ivoire. The cross-border WAPP–CLSG Regional Transmission Line will provide a backbone transmission line for the domestic grid. The WAPP–CLSG will offer Liberia access to inexpensive hydropower from Côte D'Ivoire, and over the longer-term Liberia may be able to export surplus power from the Mount Coffee hydropower plant. A combination of an IDA credit and grant resources from other donors will support the national electrification strategy, especially projects to scale up renewable energy and expand off-grid solutions in remote rural areas. IFC will continue to develop options for leveraging private-sector support in localized grids and off-grid solutions based on renewable energy sources and invest in new generation capacity as appropriate. The WBG will explore a potential collaboration with private mobile-telecommunications service providers to expand ICT access across the country.

Objective 8: More Resilient Urban Environments and Rural Communities

91. The Ebola crisis highlighted the need to further strengthen institutional links between Liberia's central and local authorities, and boost resilience to environmental, health, public security, and other external shocks. In Monrovia, the key challenge is to harmonize work on urban consolidation that is underway in areas such as water and sanitation, coastal erosion, internal connectivity, waste management, and labor markets, inter alia. In smaller cities and rural areas, where basic services are even more limited, the role of local communities needs to be enhanced for finding solutions to the challenges they face, maximizing the effectiveness of limited resources, and guiding public action through inclusive, participatory decision-making. The recently passed and signed laws – the Land Rights and Local Government Acts – create foundations for concerted efforts of development partners to support further reforms in these areas.

92. Objective 8 will help improve local governance and infrastructure, and increase local resilience to shocks, conflicts, natural disasters and social exclusion. The CPF aims at improved well-being indicators, especially among poor and vulnerable households. Upgraded and rebuilt urban and rural infrastructure as well as improved access to water, sanitation, and other essential services, will contribute to a better living environment for urban and rural households. Providing adequate urban and rural infrastructure will require financially viable, well-run utilities and stronger management capacity among local governments. CPF-supported reforms will strengthen resilience against external and internal shocks and enhance social accountability at the community and county levels, including engagement with NGOs in the design and monitoring of projects in the context of strengthening the social contract between the state and citizens. Development of the Household Social Registry will help to better target the poor and vulnerable for social safety nets and other social services and thereby combat social exclusion. The CPF will support efforts to build the institutional capacity of the Liberia Land Authority and establish a land administration system to enhance tenure security.

93. The CPF will support institution-building at the municipal level, including efforts to consolidate urban development in Greater Monrovia. In the short term, the CPF will utilize existing projects to focus on priority areas that directly affect quality of life in the capital, including urban road quality, solid waste management, and water and sanitation services, as well as coastal erosion in specific parts of the city. In addition, the Regional Disease Surveillance Systems Enhancement (REDISSE) program will build resilience to communicable diseases and other public health risks. The CPF will also support efforts to build

community-level capacity to sustainably manage natural resources, including forests and fisheries.²⁹ Over the longer term, the WBG will explore options for launching Community-Driven Development (CDD) operations, and the CPF will build on lessons learned from previous initiatives and integrate them into the design of future interventions. The CPF will also explore the possibility of participation in the regional West Africa Coastal Areas management program (WACA), which promotes climate-change adaptation. Engagement with civil society will strengthen citizens' participation in, and monitoring and evaluation of, WBG projects. The WBG will support the implementation of modern integrated management information systems for social protection, as well as efforts to build productive safety nets. The WBG's key development partner in this area will be USAID, but the WBG will also work closely with other development partners such as the EU and the Japan International Cooperation Agency.

C. Implementing the FY19-FY24 CPF

94. The CPF utilizes principles and tools developed under the Agile Bank initiative. The proposed approach will manage emerging risks by adjusting the pace or scale of activities while maintaining consistency with the program objectives. The CPF will use the RF (Annex 1) which is flexible as it comprises both firm and adaptive indicators. The former will be based on the existing program, with baselines and targets to be revisited at the PLR stage. The latter will focus on new strategic directions, such as employment creation, workforce skills, value-adding activities, and urban development, for which the program is being developed.

95. The CPF will cultivate knowledge and practical experience regarding the drivers of fragility in Liberia. The WBG will help strengthen governance and promote a transparent and accountable public sector by drawing on technical knowledge and expertise from other SSA countries that successfully addressed similar constraints. Selected components of the existing portfolio will be brought forward in the context of medium-term A2A programs that support on-the-job training for civil servants and other capacity-building activities. Knowledge gained during the process of building Liberia's capacity, including experience in mobilizing private-sector support, will be assessed and shared with other fragile countries.

96. The CPF proposes an indicative lending pipeline of US\$70-80 million per year (IDA18) in national IDA (FY19-FY20) and will aim both to leverage the Regional Window and to mobilize additional development financing from multiple sources. This financing amount is indicative, as Liberia's CPF timeframe spans until FY24 and its PBA in the outer years cannot be determined at present. The financing program under the CPF would be adjusted to take into account Liberia's actual PBA allocations which are determined annually³⁰. The program will draw on innovative operations and additional financing to reinforce the impact of successful projects and focus FY19-FY20 lending on projects in sectors with strong measurable impacts on human development indicators in the medium term. The DPO series will underpin the entire program by supporting policy actions aimed at improving governance, economic competitiveness, and human-capital formation (Table 2). In the outer years the lending program will focus on economic competitiveness, digital solutions, jobs and skills, and urban and rural development. The pipeline development will be underpinned by analytical work. In the event of a natural disaster, public health emergency, or economic crisis, Liberia may be able to access additional resources through the Crisis

²⁹ The 2009 CRL authorizes the government to transfer rights to forest management to communities and requires the establishment of community governance structures for sustainably managing community forest resources. The LFSP supports the FDA's efforts to deliver on this commitment.

³⁰ Actual PBA allocations are determined annually, and in IDA18 will depend on: (i) total IDA resources available; (ii) the number of IDA-eligible countries; (iii) the country's performance rating, per capita GNI, and population; and (iv) the performance and other allocation parameters for other IDA borrowers.

Response Window (CRW). The LRTF will be used strategically to supplement infrastructure financing and will be replenished through deeper engagement with current donors and the development of new partnerships. A climate co-benefits assessment will be performed for all lending operations in line with the MDB climate-finance tracking methodologies and regional targets.

97. The CPF program will seek to mobilize additional resources through the IDA18 IFC-MIGA Private Sector Window (PSW) to promote private-sector-led growth. Through the PSW, the IFC and MIGA will work with IDA to mobilize private capital to support the sustainable expansion of Liberia's private sector. The PSW will complement existing investment programs and instruments. Long-term lending in local currency will improve access to finance in the agribusiness sector. In addition, IFC and MIGA will work with the WBG to frontload support for reforms that improve the ease of doing business and promote a favorable investment climate, including via a trade-facilitation project, a corporate-governance program with the Chamber of Commerce, establishment of an alternative dispute-resolution mechanism, implementation of the Insolvency Law, creation of special economic zones, and a finance-leasing operation. The IFC will also access the Creating Markets Advisory Window (CMAW) to fund advisory and preparatory work to identify and eliminate constraints to investment in key areas of the economy, including regulatory barriers and obstacles to market access. Finally, IFC's Conflict Affected States of Africa (CASA) program will be a key source of project financing.

98. The CPF builds on the current WBG portfolio, which is already well aligned with the government's strategic objectives. The current active IDA lending portfolio includes 11 projects with a net commitment of US\$338.7 million across multiple sectors. Its largest commitments are in transport and energy. Liberia also participates in four regional projects: the WAPP – CSLG; EERP, REDISSE and the West Africa Regional Fisheries Program, which is funded by the Global Environment Facility (GEF) Trust Fund. Liberia benefits from a significant trust fund (TF) portfolio, largely sourced from the LRTF, which has pooled approximately US\$196 million in the last ten years; and the Norwegian TF in support of the forestry sector of a total of US\$50 million including US\$14 million provided in series of DPO. This figure does not include financing from smaller TFs, which have funded critical analytical work across multiple sectors. The CPF will maintain continuity with the current program while stepping up efforts to mobilize additional resources for engagement in priority areas.

99. The WBG portfolio will combine operations in infrastructure with projects in education, agriculture, urban development, and private-sector development. In line with the country's evolving development priorities, Liberia's investment portfolio increasingly concentrates on human development and intangible capital. However, in view of the acute need for enhanced connectivity to link remote areas to economic opportunities and social services, investments in infrastructure will continue to reinforce the impact of the WBG program. The WBG is positioned to provide both financing and TA to development of infrastructure that will have strong impact on poverty outcomes.

Table 2: Active Portfolio and IDA18 Indicative Lending Pipeline, FY19-FY20

Pillars	Current active program (FY18)	National IDA US\$ million	Co-Financing TFs US\$ million	Regional IDA US\$M	IDA lending program (FY19-FY20)	National IDA US\$ million	Co-Financing TFs US\$ million	Regional IDA US\$ million
Pillar I. Strengthening Institutions and Creating an Enabling Environment for Inclusive and Sustainable Growth	Liberia Smallholder Tree Crop Revitalization Support Project	15.0			Smallholder Agriculture Transformation and Agribusiness Revitalization Project (STAR-P) (FY19)	25.0	23.00	
	Liberia Public Sector Modernization Project	2.0	4.3		Integrated Public Finance Management Project II (IPFMRP II) (FY19)	10.0	8.00	
	Liberia Fourth Poverty Reduction Support Development Policy (PRSDPO-IV) (IDA18)	20.0	4.7		New DPO series (FY20)	30.0		
	Liberia Land Administration Project (IDA18)	7.0						
					West Africa Regional Fisheries Project (WARFP) Phase-2 (FY19, tbc)	5.0		10.0
					Regional Statistical Capacity Strengthening Project (FY20, tbc)	5.0	5.00	10.0
Subtotal		44.0	9.0		Subtotal	75.0	36.0	20.0
Pillar II. Building Human Capital to Seize New Economic Opportunities	Liberia Youth Opportunities Project	10.0						
	Liberia Social Safety Nets Project	10.0	1.20					
	Liberia Health Systems Strengthening	10.0	21.0		New Health Project (FY20)	16.0		
					Secondary Education Teaching for Results Project (FY20)	25.0		
	Ebola Emergency Response Project			167.0				
	Regional Disease Surveillance Systems			15.0				
Subtotal		30.0	22.2	182.0	Subtotal	41.0		
Pillar III. Narrowing the Infrastructure Gap to Foster More-Equitable Development Nationwide	Liberia Road Asset Management Project (LIBRAMP)	157.7	108.9		Southeastern Corridor Road Asset Management Project (SECRAMP) (FY19)	40.0	90.0	
	Liberia Accelerated Electricity Expansion Project (LACEEP)	95.0						
	Liberia Renewable Energy Access Project	2.0	25.0					
	Urban Water Supply Project	10.0			Urban Water Supply Project - AF (FY19)	10.0		
	West Africa Power Pool - CLSG (Phase 1)			189.9	WARCIP II (ICT) (FY20, tbc)	5.0		10.0
Subtotal		264.7	133.9	189.8	Subtotal	55.0	90.0	
Grand Total		338.7	165.1	372.82	Grand Total	171.0	126.0	30.0

100. The CPF is informed by extensive gender analysis and addresses gender issues and inequality through focused interventions across the entire portfolio. In addition to leveraging the gender analysis included in the SCD, and in compliance with OP/BP 4.20, this CPF is informed by country-level gender diagnostics spanning a variety of sectors and policy areas, including poverty, employment, entrepreneurship, agriculture, land rights, GBV, health, and education.³¹ The CPF also benefited from research from the World Bank’s Africa Gender Innovation Lab (AFRIGIL), including an impact evaluation of the Economic Empowerment of Adolescent Girls and Young Women (EPAG) project. The CPF envisages further gender analysis in the areas of financial inclusion, employment, workforce skills, and healthcare. The WBG’s partnership with specialized UN agencies further bolsters the CPF’s knowledge of gender dynamics. The CPF will support programs that provide information on beneficiaries and stakeholders disaggregated by gender and that include a gender dimension in their program design. Special attention will be given to the prevention and response to GBV, which will require coordinated action across multiple sectors and development partners, the implementation of new activities (such as a “walking school bus” initiative in rural areas), engagement with vulnerable communities to raise awareness about GBV prevention and mechanisms for obtaining justice and assisting survivors, and the empowerment of women, including through the piloting of productive CDD operations in the communities along the newly constructed roads (SECRAMP) or other infrastructure projects.

101. The CPF will embrace the MFD approach through specific instruments and close coordination between IDA, IFC, and MIGA. A new DPO series will support improving the legal and regulatory framework for collaboration with the private sector. The limited IDA-financed pipeline will be strategically implemented, and financing from other donors and the private sector will be leveraged to augment WBG resources. For example, WBG guarantee schemes will be used to mobilize private financing in the road sector, and lessons learned will be applied to other segments of the WBG program. The IFC’s strategy in Liberia is to facilitate economic recovery and job creation by supporting measures to improve the investment climate, strengthen the domestic financial sector, encourage private participation in infrastructure, and expand access to finance. MIGA has no predetermined envelope for guarantees over the CPF period but is actively seeking opportunities to support the identified pillars via its political risk insurance product—particularly transfer and convertibility, expropriation, and breach of contract. MIGA will seek to catalyze private sector investment in the country, including as part of the IDA18 IFC-MIGA PSW. The WBG will work closely with the private sector to identify activities and investments with a highly positive development impact and explore ways to enhance their impact.

102. The WBG will produce timely, responsive knowledge products designed to support the government’s reform effort. A series of policy notes will be used by the WBG to promote continuous policy dialogue with the new administration and catalyze engagement in all sectors where the WBG is an established partner. Several topics have already been selected to reflect the new government’s stated priorities, including domestic resource mobilization, employment growth, and workforce-skills development. The WBG is also planning a study on tax policy and tax administration, and a study on jobs and workforce skills for FY19. A proposed series of PFM reviews will inform programs targeting the efficiency of the public sector, while a diversification study, a value-chain analysis, a forestry-sector

³¹ Specific gender diagnostic work that has informed the CPF includes the 2012 Poverty Assessment, a 2015 report on the socio-economic impact of Ebola in Liberia, a 2007 government assessment of gender issues in the agriculture sector, a 2012 UNICEF report on the situation of children and women in Liberia, a 2013 USAID Liberia Women’s Entrepreneurship Diagnostic, a 2015 FCI report addressing customary land rights for women in Liberia, a 2013 ILO report on the labor market transitions of young women and men in Liberia, and a 2013 study on gender-based violence in Liberia by Stark et al.

expenditure review, an investment-climate assessment, and governance studies of water and sanitation and electricity services will support CPF objectives across multiple priority sectors.

103. Engagement with the national education system and enhanced partnership with other stakeholders will enhance knowledge-sharing with the Liberian authorities. In addition to building government's capacity for project management, procurement, PFM, contract management, and M&E, the WBG program aims to enhance the curricula of local universities and colleges by supporting the introduction of new courses, such as a planned procurement program at the University of Liberia. Workshops and seminars organized jointly with local NGOs, think tanks, and civil society groups will complement these efforts.

104. Implementation of the CPF will benefit from the government's use of a donor-coordination framework. The government is planning to reinstate a strong executive hierarchy headed by the President and underpinned by the Ministry of Finance and Development Planning and by sectoral coordination units. The government expects its development partners to adopt a parallel coordination framework based on partnerships in selected sectors and policy areas, and the existing Cooperating Partners Group will serve as a platform for engagement at the highest level of the executive branch. Active participation of the WBG in the coordination effort on both sides will allow the building of stronger partnerships, and the delivery of a program well-coordinated with other donors (see Annex 10 for a mapping of development partners). The joint work of development partners in the context of the PFM reform effort will contribute to improved PFM and public procurement, and the IPFMRP II project will support procurement modernization. Collaboration with the newly elected members of the WB-IMF Parliamentary Network's Liberia Chapter will strengthen communications with the legislature and create new forums for receiving feedback on the relevance and effectiveness of the WBG program.

IV. MANAGING RISKS TO THE CPF PROGRAM

105. The overall risk rating for the CPF program and its objectives is substantial. Liberia demonstrated a substantial degree of political maturity during recent elections, which culminated in a peaceful democratic transition to the new administration. However, Liberia's low institutional capacity, weak fiduciary arrangements, high degree of macroeconomic volatility, and sensitivity to exogenous shocks exacerbate its vulnerability to multiple forms of risk (see the Systematic Operations Risk-Rating Tool (SORT) in Table 3). The CPF proposes various strategies to mitigate these risks.

106. Political and governance risks are substantial. Following the UNMIL drawdown, the security situation remains fragile but stable. However, tight fiscal constraints leave little room for investment in the security services. The political situation is also stable, but Liberia is still in the process of reconstituting its public sector and consolidating a new democratic state will require both redefining the relationship between different organs of government and renegotiating the role of the citizenry in the public administration. Moreover, the new government's electoral coalition included a large share of younger voters who have high expectations; failing to deliver on its promised priorities could erode the administration's base of support. The new government has declared that fighting corruption and promoting private-sector development based on transparency and integrity will be its top priorities. However, limited institutional capacity could reduce the administration's scope to combat corruption and rent-seeking in the short term, and deep structural reforms will face resistance from vested interests. To mitigate risks in this area, the CPF will rely on the implementation of the Peacebuilding Plan to provide a framework for harmonizing the support of UN agencies and international partners. Engaging in an active dialogue with civil society, youth organizations, think tanks, and the private sector will help strengthen

demand for good governance, raise awareness of the challenges involved in the reform process, and manage expectations regarding the pace of reforms. Going forward, Liberia's central political challenge will be to eliminate entrenched patterns of elite capture and develop more inclusive, participatory public institutions.

107. Macroeconomic risks are high. Macroeconomic risks involve debt sustainability issues from increased borrowing, balance-of-payments pressures, and limited fiscal space to implement an ambitious development program that includes a large-scale investment agenda. The CPF seeks to address macroeconomic risks through an active dialogue with government counterparts on macro-fiscal management issues and by supporting increased domestic resource mobilization, more efficient PFM, and enhanced competitiveness and productivity via programmatic DPO, IPF, and ASA, including on debt management. The WBG will monitor macroeconomic developments and risks in close collaboration with the IMF and other development partners, including the EU, AfDB, and USAID. The Agile Bank approach will contribute to risk mitigation, and the flexibility of the program will allow for the potential recalibration of the CPF program to reflect emerging macroeconomic risks.

108. Institutional capacity for implementation and sustainability risks are high. While the CPF's strategy is focused and selective, it encompasses engagement in a range of new areas, and many Liberian officials, especially those appointed in the new administration, have limited experience working with international financial institutions. In the short run, an expanded engagement strategy could encounter delays in program implementation, which would intensify sustainability risks. Consistent government engagement in institutional capacity-building, specifically regarding the management of the WBG portfolio, combined with harmonized donor support, could mitigate these risks.

109. Fiduciary risks are high. Sustained support for PFM reform has enhanced Liberia's fiduciary environment and bolstered the government's technical and managerial capacity. Moreover, continuous efforts to institutionalize capacity-building by integrating training courses into the curriculum of the University of Liberia are expected to yield positive results. However, despite important progress in improving the fiduciary system, unaddressed weaknesses continue to present opportunities for the misappropriation of funds. Continuous efforts by development partners to intensify engagement in PFM reform will help mitigate fiduciary risks.

110. Other risks, including epidemics and natural disasters, are substantial. Liberia was declared Ebola-free by the World Health Organization (WHO) in January 2016, but sporadic outbreaks have continued. The high incidence of other communicable diseases, including Lassa fever and meningitis, underscores the severe deficiencies of the Liberian healthcare system. Liberia is also highly vulnerable to natural disasters, coastal erosion, and the negative impacts of climate change. In the context of Liberia's multidimensional fragility, the impact of a major natural disaster or pandemic could be devastating. The government and its development partners are striving to combat the spread of communicable diseases, including through community engagement and improvements in public health and social protection. The REDISSE program will build disease-surveillance and response capacity at the regional level, while the Liberia Social Safety Net project will create a system for reinforcing the resilience of vulnerable households. These efforts will help mitigate the risks posed by epidemics and natural disasters.

Table 3: Systematic Operations Risk-Rating Tool (SORT)

Risk Category	Rating
1. Political and governance	S
2. Macroeconomic	H
3. Sector strategies and policies	M
4. Technical design of project or program	M
5. Institutional capacity for implementation and sustainability	H
6. Fiduciary	H
7. Environmental and social	M
8. Stakeholder	M
9. Other (i.e., disaster risks)	S
Overall	Substantial

ANNEX 1. Liberia CPF FY19-FY24 Results Matrix

Pillar I. Strengthening Institutions and Creating an Enabling Environment for Inclusive and Sustainable Growth		
<p>CPF Pillar 1 is aligned with government’s ongoing efforts to improve transparency, accountability, and efficiency in the public sector, as well as its planned program to encourage private-sector development by creating a more enabling business environment. Reforms designed to accelerate the growth of the agriculture, forestry, and fishing sectors are expected to have a positive impact on employment and income. In the agricultural sector, the government’s priority will be to move beyond the concessions model, which has proven to have little capacity to create jobs, increase income levels, or bolster public revenue. CPF Pillar 1 supports the government’s effort to strengthen and stabilize public-sector institutions and promote the transparent, accountable, and efficient management of public finance and natural resources. Under the CPF, the WBG will aid the government in improving domestic revenue mobilization and improving expenditure efficiency by consolidating and redirecting spending toward key priorities for inclusive and sustainable growth. Given the importance of agriculture and rural development to growth, poverty and inclusion, CPF Pillar 1 will assist the authorities in creating a more conducive environment for commercial agriculture, fishing, and forestry and promoting rural development outside of land concessions. To support the growth of the urban economy, CPF Pillar 1 will help foster an improved business environment and facilitate access to finance to accelerate MSME development. This work will be underpinned by an improved M&E system with a focus on strengthening national statistics.</p>		
<p>Objective 1: <i>Greater transparency, accountability, and efficiency in public institutions</i></p>		
<p>Objective 1 supports the government’s commitment to improving public finance management. Through the new DPO series, the WBG will support transparency in public resource management and domestic resource mobilization (DRM) by broadening the tax base and eliminating exemptions and loopholes. The program will also support specific measures to enhance DRM in selected sectors, such as fishing via a regional fisheries project. The IPFMRP II will advance the public financial management agenda by focusing on strengthening public investment management systems, enhancing SOE governance and financial reporting, expanding IFMIS coverage, improving budget comprehensiveness, and strengthening internal and external audit capacity. The ongoing public-sector reform program supports deeper reforms in the civil service, measures to clean up the public-sector payroll, and the creation of a clear and fair basis for ensuring accountability for results among civil servants. The WBG program also contributes to capacity-building by promoting an innovative A2A initiative to provide on-the-job training for civil servants. The regional statistics project will facilitate evidence-based decision-making and enhance M&E system. Following completion of the forestry sector concessions review, the LFSP can support Government’s efforts at establishing a transparent system for granting forest concessions.</p>		
CPF Objective Indicators	Supplementary Progress Indicators	WBG Program
<p>Indicator 1: Increased budget comprehensiveness as measured by a reduction in unreported extra-budgetary operations (PI-7 PEFA)</p>	<p>A framework paper on the public investment management cycle has been prepared and its findings are informing program implementation</p>	<p>Ongoing: IDA Operations</p> <ul style="list-style-type: none"> • PRSDPO-IV (P162111)

<p>Baseline: D+ (PEFA 2016) Target: B (PEFA 2024)</p> <p>Indicator 2: Tax expenditures, including those granted to concessions, as share of tax revenues reduced (percentage) Baseline: 6 percent (to be assessed through ASA) (2018) Target: reduced by 50 percent (2024)</p>	<p>Baseline: No (2018) Target: Yes (2021)</p> <p>A domestic resource mobilization strategy, which includes both tax policy and tax administration measures, has been approved and is being implemented Baseline: No (2018) Target: Yes (2019)</p> <p>New industrial logging concessions are being awarded only after (a) independent review of all forest concessions for fiduciary and legal compliance and (b) satisfactory procedures for future award of forest concessions established and endorsed by national multi-stakeholder body Baseline: No (2018) Target: Yes (2020)</p>	<p>Trust-Funded Activities</p> <ul style="list-style-type: none"> Liberia Forest Sector Project (Norway TF) (P154114) <p>WB ASA</p> <ul style="list-style-type: none"> Governance of Service Delivery in Water and Energy Sectors Study Tax Policy and Tax Administration Study <p>IFC Investment</p> <ul style="list-style-type: none"> Advisory service on tax administration measures <p>Planned:</p> <p>IDA Operations</p> <ul style="list-style-type: none"> New DPO series IPFMRP II WARFP II Regional Statistical Capacity Strengthening Project <p>WB ASA</p> <ul style="list-style-type: none"> Tax Policy and Tax Administration Study
<p>Objective 2: <i>A more conducive environment for commercial agriculture, fishing and forestry, and rural development</i></p>		
<p>Objective 2 of the CPF is aligned with government’s ongoing efforts to restore the role of agriculture, forestry and fishery as major drivers of inclusive growth, job creation, and income generation. WBG interventions under this pillar, through the WAATP and the STAR-P, will support the large-scale adoption of new technologies and innovations and smallholder commercialization and private sector investment in agribusiness by fostering productive business linkages among smallholder farmers, selected agribusiness firms, and business-development services. STAR-P will also support development of institutions to facilitate public-private dialogue (PPD) and industry association strengthening. In the fisheries sector, Phase II of the WARFP will focus on improving fishery governance and supporting the growth of the domestic fishing industry. The WBG program in the forestry sector will assist government efforts to demonstrate sustainable livelihoods for communities from forests and forest-adjacent areas, maximize the potential of community and commercial forestry and forest-based industries, and strengthen the capacity of the FDA to better manage and regulate the sector. The IFC will work with firms to promote private investment in agribusiness, fisheries, and forestry, with a focus on strengthening rural</p>		

value chains such as rice, cocoa, rubber, and wood. The STAR-P will focus on the commercial development of priority agriculture value chains with the inclusion of stallholders via out-grower schemes.

CPF Objective Indicators	Supplementary Progress Indicators	WBG Program
<p>Indicator 1: Increased number of quality jobs for both men and women <i>directly</i> in capture fisheries and fish-processing (<i>indirect impact on jobs and income will be assessed through project M&E and described in the PLR RF</i>) (number) Baseline: 15,000 men and 21,000 women (2017) Target: 20,000 men and 26,000 women (2024)</p> <p>Indicator 2: The number of people <i>directly</i> employed in the production and processing of forest products increases (<i>indirect impact on jobs and income will be assessed through project M&E and described in the PLR RF</i>) (number) Baseline: 0.0 (2018) Target: 4,000 (2024)</p> <p>Indicator 3: The volume of annual sales of specific agricultural commodities produced by farmers outside of concessions increased, with outcomes disaggregated by gender (<i>adaptive indicator</i>) (percentage) Baseline: <i>To be defined during the PLR</i> Target: <i>To be defined during the PLR</i></p>	<p>Skills-development programs are being implemented in the agriculture, fishery, and forestry sectors:</p> <ul style="list-style-type: none"> Men and women are being trained in fish handling, hygiene and sanitation (number) New university courses have been developed, and students are being trained in (number): (i) Fish-Stock Assessment – 10; (ii) Data Analysis – 25; (iii) EIA – 10; (iv) Fisheries Biology – 50. Farmers are adopting new technologies Business-service providers are being trained to support smallholder farmers Forest users are being trained in sustainable forestry and non-destructive profitable use of forest resources (measured by FDA in 2020) <p>Baseline: to be assessed under STAR-P and WARFP Phase II project (2019) Target: to be measured under STAR-P and WARFP Phase II project (2021)</p> <p>The number of farmers with access to improved inputs, technologies, new markets, and extension services increases, with results disaggregated by gender (number)</p>	<p>Ongoing: IDA Operations</p> <ul style="list-style-type: none"> Smallholder Tree Crop Project (P113273) <p>Trust Funded Operations</p> <ul style="list-style-type: none"> Liberia Forest Sector Project (Norway TF) (P154114) GEF Grant for WARFP AF (P156759) <p>IFC Investment</p> <ul style="list-style-type: none"> Potential investment in agribusiness and fishery <p>Planned: IDA Operations</p> <ul style="list-style-type: none"> STAR-P WAATP WARFP Phase II New DPO series <p>WB ASA</p> <ul style="list-style-type: none"> Value Chain Analysis Diversification Study Country Economic Memorandum Public Expenditure Review (PER) for Agriculture Agribusiness/SME diagnostics

Objective 3: A more enabling environment for the development of MSMEs

The WBG will help Liberia address key constraints to private-sector development with a focus on MSMEs. Under Objective 3, the WBG program will support measures to improve the business environment and increase access to finance, alleviating the two major constraints cited in the firm surveys reported in the SCD. A focused ASA program will expand the knowledge base, and DPOs will target the most critical barriers to private-sector development. Ongoing TA and MSME-finance projects will further deepen the WBG’s engagement. The IFC will continue to partner with the government to improve the investment climate, strengthen the domestic financial sector, and promote private-sector engagement in agriculture, mining, power, and financial services. The IFC will explore opportunities to deepen the financial instruments it offers to bank and nonbank financial institutions to improve access to finance among MSMEs. The IFC will also leverage the resources of other development partners to facilitate private-sector-led growth. The Jobs and Skills Study will provide as evidence base on potential direct and indirect impacts of WBG interventions, and provide methodological guidance on relevant measurement indicators, which could be included in projects’ M&E frameworks.

CPF Objective Indicators	Supplementary Progress Indicators	WBG Program
<p>Indicator 1: Improved business environment as measured by the <i>Doing Business</i> indicators for trading across borders and construction permits (<i>adaptive indicator</i>) Baseline: <i>Doing Business</i> scores for trading across borders – 177; construction permits – 184 out of 190 countries (2018) Target: <i>To be estimated during the PLR</i></p> <p>Indicator 2: The share of adult Liberians who are financially excluded reduced (percentage) Baseline: 81.2 percent for men (baseline for women to be estimated) (2011*) Target: 66.2 percent for men (target for women to be estimated) (2024)</p>	<p>The new Customs Code is approved ASYCUDA covers all ports of entry Baseline: No (2018) Target: Yes (2020)</p> <p>Increased of clients in the microfinance sector (number) Baseline: 26,352 (2017) Target: 35,000 (2022)</p> <p>A database of women “ready and willing to serve on boards” has been established, and training is being provided Baseline: No (2018) Target: Yes (2020)</p>	<p>Ongoing: IDA Operations</p> <ul style="list-style-type: none"> • PRSDPO IV (P162111) <p>Trust-Funded</p> <ul style="list-style-type: none"> • Liberia MSME & Rural Finance post Ebola Reconstruction (P157797) • Liberia #P19 Financial Inclusion <p>WB ASA</p> <ul style="list-style-type: none"> • Diversification Study <p>IFC Advisory</p> <ul style="list-style-type: none"> • Training of women to serve on boards <p>Planned: IDA Operations</p> <ul style="list-style-type: none"> • New DPO series • Digital/Economic Transformation Project <p>ASA</p> <ul style="list-style-type: none"> • Liberia investment climate TA • Jobs and Skills Study

Pillar 2. Building Human Capital to Seize New Economic Opportunities

The government's pro-poor growth strategy prioritizes investments in human capital. It emphasizes access to quality education and market-relevant skills for youth, improved maternal and child health, and the role social protection programs can play to support accumulation of human capital and other productive assets by the poor. The CPF will support investments in human capital designed to boost productivity growth and improve household welfare, including interventions in education, skills training, youth employment, social safety nets and healthcare. The WBG will prioritize support for closing gaps in pre-primary and primary education, improving the quality of secondary education, and expanding education access. The CPF regards fostering a more inclusive tertiary education sector as a long-term priority. The WBG program will strive to improve the employability of youth and women by building job-relevant skills and improving access to income generating opportunities. The CPF will promote improvements in maternal and child health by supporting the comprehensive reform of the health sector. All components of Pillar 2 have a strong gender focus, as they explicitly strive to address gaps in education, employment, and health outcomes for girls and women in Liberia.

Objective 4: Improved access to and quality of education

The CPF will support the government's efforts to increase education access and improve education quality through a GPE-financed grant to address deficiencies in early childhood education and primary education in targeted counties, with a focus on improving access through school grants, principal and teacher training, and workforce reforms, as well as measures to improve system accountability and transparency, including via a national primary-student learning assessment and school-monitoring program. Through an innovative project in education, the CPF will also support efforts to improve secondary education, especially for adolescent girls, by targeting key fields like mathematics and sciences. The CPF will help build inclusive learning environments supported by qualified teachers and high-quality learning materials, and it will encourage the deployment of resources to disadvantaged areas. The WBG will also explore possibilities for engagement at the tertiary education level to address the scarcity of professional skills in key areas such as energy, roads, science education, technology training, healthcare, and information technology.

CPF Objective Indicators	Supplementary Progress Indicators	WBG Program
<p>Indicator 1: Net enrollment rate (NER) in Early Childhood Education (ECE) in targeted counties increased (percentage) Baseline: 23 percent (2017) Target: 27 percent (2024)</p> <p>Indicator 2: Secondary students that achieve the minimum proficiency levels in reading and mathematics by the end of lower secondary education increases (<i>adaptive indicator</i>) (percentage) Baseline: To be determined during the PLR</p>	<p>Primary-school fees are eliminated Baseline: Yes (2018) Target: No (2022)</p> <p>Increased the share of qualified ECE and primary education teachers in the targeted counties (percentage) Baseline: 45.8 percent (FY17) Target: 60 percent (FY22)</p> <p>Increased number of certified school principals (number)</p>	<p>Ongoing: Trust Funded Operations</p> <ul style="list-style-type: none"> • Getting to Best in Education Project (GPE Grant) (P162089) <p>WB ASA</p> <ul style="list-style-type: none"> • Education Sector Plan • Secondary Education analysis note • Early Learning Partnerships Systems Report • Household Survey <p>Planned: IDA Operations</p>

<p>Target: <i>To be determined during the PLR</i></p>	<p>Baseline: 0.0 (FY17) Target: 50 (FY22) Gender-parity index at the primary and secondary levels increases. Indicators to be determined during the PLR</p>	<ul style="list-style-type: none"> • New DPO series • Secondary Education Teaching for Results Project (P164932) <p>WB ASA</p> <ul style="list-style-type: none"> • Liberia Overage and Technical Education Study • Higher Education Policy Note
<p>Objective 5: Improved earnings opportunities for youth and women</p>		
<p>The CPF supports the government’s efforts to improve access to income-generating opportunities for women and youth. In the short term, the WBG will consider scaling up or bringing forward selected activities under projects in the existing portfolio (YOP, Forestry project, EPAG, etc.). In addition to enhancing prospects for wage employment, the CPF will support better self-employment outcomes by improving entrepreneurs’ access to capital, markets, and economic opportunities. In the long term, the WBG will support the creation of demand-driven skills-training platforms that can be scaled up and integrated into new projects. The process of expanding effective interventions will mainstream gender-sensitive approaches, and the design of new programs will incorporate a strong gender component. Activities supported under Objective 5 will include outreach efforts designed to alter public attitudes toward female employment, including in traditionally male-dominated occupations, and enhance public perception of women’s role in society.</p>		
<p>CPF Objective Indicators</p>	<p>Supplementary Progress Indicators</p>	<p>WBG Program</p>
<p>Indicator 1: The number of youth accessing income-generating opportunities with support from targeted interventions increases, with results disaggregated by gender (number) Baseline: 3,500 (2018) Target: 20,000 (2024)</p> <p>Indicator 2: The share of youth accessing professional-development opportunities through sports, art, and cultural outreach programs increased, with results disaggregated by gender (<i>adaptive indicator</i>) Baseline: To be determined during the PLR, with separate indicators for men and women Target: To be determined during the PLR, with separate indicators for men and women</p>	<p>The share of youth completing apprenticeships or vocational skills training as part of targeted interventions increased (percentage) <i>To be determined during the PLR</i></p> <p>Average annual earnings among youth accessing jobs or other income-generating opportunities as part of targeted interventions increased <i>To be determined during the PLR</i></p> <p>Skills-development systems established at the county level (No/Yes) Baseline: No (2018) Target: Yes (2024)</p>	<p>Ongoing: IDA Operations</p> <ul style="list-style-type: none"> • YOP (P146827) <p>Trust Funded Operations</p> <ul style="list-style-type: none"> • EPAG <p>WB ASA</p> <ul style="list-style-type: none"> • Diversification Study • Value Chain Analysis <p>Planned: IDA Operations</p> <ul style="list-style-type: none"> • New DPO series • Secondary Education Teaching for Results Project (P164932) • Jobs and Skills Project <p>WB ASA</p>

	<p>A system is in place to provide youth with information on income-generating activities and market opportunities</p> <p>Baseline: No (2018)</p> <p>Target: Yes (2022)</p>	<ul style="list-style-type: none"> • Liberia Overage and Technical Education study • Training Provider Assessment • Jobs and Skills Study • Youth Employability and Empowerment Platform
<p>Objective 6: Improved early childhood and maternal health</p>		
<p>Actions supported under Objective 6 will focus on improving maternal, child, and adolescent healthcare to promote more equitable and affordable access to quality health services. The CPF will assist Liberia in establishing effective health-sector financing mechanisms by scaling up the PBF currently being piloted in several counties. Complementary efforts to reduce the incidence of malnutrition will be an integral part of the CPF's focus on mothers and children. The CPF will support the completion of ongoing investments identified as critical following the Ebola outbreak: the completion of the maternal and child wing of New Redemption Hospital, the training of the health workforce, and the retention of skilled healthcare workers in remote areas. The WBG will support the creation of a national network of laboratories as a key component of the country's emergency preparedness and response strategy. The WBG will support the creation of a national network of laboratories as a key component of the country's emergency preparedness and response strategy. A new IDA Health Project will be prepared jointly by the health and governance teams to ensure addressing the challenges of maternal and child health in a holistic manner. In addition, social safety net interventions will help improve early childhood and maternal health outcomes by increasing consumption among poor households and raising public awareness about improved nutrition practices, particularly for young children, pregnant women, and lactating mothers.</p>		
<p>CPF Objective Indicators</p>	<p>Supplementary Progress Indicators</p>	<p>WBG Program</p>
<p>Indicator 1: The share of mothers who have had at least one postpartum contact with a healthcare provider within two days of delivery in 11 targeted counties increased (percentage)</p> <p>Baseline: 53 percent (2017)</p> <p>Target: 80 percent (2024)</p> <p>Indicator 2: The number of fully immunized children in 11 targeted counties increased</p> <p>Baseline: 66,784 (2017)</p> <p>Target: 111,812 (2024)</p>	<p>Community Health Assistants are mobilized and deployed in seven counties</p> <p>Surveillance systems are in place to monitor priority zoonotic diseases, and national surveillance capacity is measured by the Joint External Evaluation</p> <p>Baseline: No (2018)</p> <p>Target: Yes (2022)</p>	<p>Ongoing:</p> <p>IDA Operations</p> <ul style="list-style-type: none"> • HSSP (P128909) • Ebola Emergency Response Project (EERP) (P152359) • REDISSE II (P159040) • Liberia Social Safety Nets Project (P155293) <p>Trust-Funded Operations</p> <ul style="list-style-type: none"> • HSSP AF, GFF Grant • Ebola Recovery and Reconstruction Trust Fund (ERRTF) • Supporting Psychosocial Health and Resilience

	<p>The share of households receiving cash transfers that also report improved nutrition increased (percentage)</p> <p>Baseline: to be determined (2019)</p> <p>Target: To be determined (2024)</p>	<p>WB ASA</p> <ul style="list-style-type: none"> Improving Health Financing Efficiency in Liberia: mini-PER for the health sector; Lessons from PBF implementation models <p>Planned:</p> <p>IDA Operations</p> <ul style="list-style-type: none"> New DPO series New Health Project
Pillar 3. Narrowing the Infrastructure Gap to Foster More Equitable Development Nationwide		
<p>Under Pillar 3, the CPF will support the government’s strategy to address regional and rural-urban social and economic disparities by enhancing transport, electric, and digital connectivity and by improving access to services. Actions supported by the CPF will target isolated communities, which lack access to markets, economic opportunities, and basic infrastructure, as well as the capital city of Monrovia, which has expanded in a weak institutional environment and failed to coalesce into a consolidated urban center. The CPF will support the government’s efforts to narrow the infrastructure gap and address the key factors behind the country’s internal connectivity through a variety of instruments, including through the potential utilization of the IDA18 IFC-MIGA PSW. Social safety nets will continue to promote resilience to shocks and productive inclusion of the poor and vulnerable in rural and urban areas.</p>		
<p>Objective 7: Improved access to utilities, markets, and social services</p>		
<p>Objective 7 focuses on linking communities to public utilities, markets, and services through investments in electricity, roads, and ICT. The CPF will support the construction and rehabilitation of Liberia’s backbone road network, while relying on other development partners’ support in rehabilitating the feeder roads. The CPF will also expand the scope of the electricity grid, facilitate Liberia’s integration into the regional power pool, and support the development of a national electrification strategy to accelerate electricity access through both grid and off-grid options and harness the country’s renewable energy resources through leveraging private sector participation. In addition, the WBG will support the development and application of innovative ICT solutions in mobile banking, mobile healthcare access, e-training, and job creation.</p>		
<p>CPF Objective Indicators</p>	<p>Supplementary Progress Indicators</p>	<p>WBG Program</p>
<p>Indicator 1: The rural accessibility index improves, as measured by the number of people with access to an all-season road within 5 km along the Ganta-Tappeta-Zwedru corridor (number)</p> <p>Baseline: 0.0 (2018)</p> <p>Target: 179,000 (2024)</p>	<p>Roads rehabilitated in the South-Eastern Part (Kilometers)</p> <p>Baseline: 0 km (2018)</p> <p>Target: 120 km (2021)</p> <p>Private financing for road construction, rehabilitation, and maintenance is mobilized (US\$)</p>	<p>Ongoing:</p> <p>IDA operations</p> <ul style="list-style-type: none"> LIBRAMP (P125574) LACEEP and LACEEP AF (P133445) LIRENAP (P149683) WAPP-CLSG (P163033) <p>Trust-Funded Operations</p> <ul style="list-style-type: none"> LIBRAMP (partially financed under LRTF)

<p>Indicator 2: Access to the national electricity grid, the regional grid, and off-grid renewable energy increased, with results disaggregated by gender</p> <p>Baseline: <i>To be determined during the PLR, with separate indicators for men and women</i></p> <p>Target: <i>To be determined during the PLR, with separate indicators for men and women</i></p>	<p>Baseline: US\$0 million Target: US\$60 million</p> <p>The share of qualified local staff employed in key competency areas in the road sector increased (percentage) Baseline: 50 percent (2016) Target: 75 percent (2024)</p> <p>National Road Safety Action Plan adopted and under implementation Baseline: No (2018) Target: Yes (2020)</p> <p>The number of people with access to modern energy services through standalone photovoltaic solar systems increases (number) Baseline: 0.0 (2015) Target: 100,000 (2024)</p> <p>The regulatory environment for the ICT sector improves (to be measured under the WARCIP)</p>	<p>WB ASA</p> <ul style="list-style-type: none"> • Development of National Electrification Strategy <p>Planned: IDA Operations</p> <ul style="list-style-type: none"> • New DPO series • SECAMP • SECAMP/WB Guarantee • WARCIP
<p>Objective 8: More-resilient urban environments and rural communities</p>		
<p>The CPF will support institution-building at the municipal level to improve local financial sustainability and strengthen management and accountability. Support for urban development in Greater Monrovia will improve agglomeration benefits by enhancing access to basic services and catalyzing the development of MSMEs. The CPF will support efforts to build communities’ capacity to sustainably manage natural resources and invest in social programs and public works projects in the healthcare and social-protection sectors. The CPF will help establish the key elements of a national social safety-net system and provide income support to households that are both extremely poor and food insecure. The CPF will also support targeted activities designed to mitigate the risk of SGBV through productive CDD pilots in areas affected by infrastructure projects and enhanced grievance-redress mechanisms. Finally, the CPF will support efforts to build the institutional capacity of the Liberia Land Authority and establish a land administration system to enhance tenure security.</p>		

CPF Objective Indicators	Supplementary Progress Indicators	WBG Program
<p>Indicator 1: Land area under sustainable landscape management practices increased (hectare) Baseline: 0.0 ha (2016) Target: 600,000 ha (2024)</p> <p>Indicator 2: The number of poor Liberians in Greater Monrovia that benefit from improved living conditions increased, as measured by improved access to at least two basic services (number) (e.g., electricity, water, sanitation) Baseline: 0.0 (2018) Target: 75,000 (2024)</p> <p>Indicator 3: The number of counties with a complete tribal land certificate inventory increases (number) Baseline: 4 (2018) Target: 9 (2024)</p>	<p>Protected Areas and Proposed Protected Areas under effective management expanded (to be measured under the LFSP by PLR)</p> <p>Policies and processes for identification and recording customary land rights are developed and adopted Baseline: No (2018) Target: Yes (2023)</p> <p>A tribal land certificate inventory database has been established and is being used by the Liberia Land Authority Baseline: No (2018) Target: Yes (2023)</p> <p>The Cheesemanburg landfill has been constructed and is operational Baseline: No (2018) Target: Yes (2023)</p> <p>New piped household water connections in Monrovia (number) Baseline: 0.0 (2017) Target: 6,500 (2023)</p> <p>The number of social-protection programs utilizing the Social Registry increased (number) Baseline: 0 (2018) Target: 3 (2024)</p>	<p>Ongoing: WB Operations</p> <ul style="list-style-type: none"> • Liberia Social Safety Nets Project (P155293) • Cheesemanburg Landfill and Urban Sanitation Project (CLUS) (P159961) • Land Administration Project (P162893) <p>Trust Funded Operations</p> <ul style="list-style-type: none"> • Liberia Forest Sector Project (Norway TF) (P154114) • Getting to Best in Education (GPE Grant) (P162089) <p>Planned: IDA Operations</p> <ul style="list-style-type: none"> • New DPO series • Urban Development Project

ANNEX 2. Completion and Learning Review

COUNTRY: The Republic of Liberia

COVERAGE: Country Partnership Strategy, FY13-17

I. The CPS Program

Country Context of the FY13-17 CPS

1. *The FY13-17 CPS for Liberia was prepared at a time when the country -- though still extremely fragile following the end of its violent, protracted civil war -- was experiencing some positive political and economic developments.* The brutal civil conflict of 1989-2003 had caused the tragic loss of about 250,000 lives, displaced about 850,000 people, and inflicted enormous material and social devastation, which the country was slowly beginning to overcome. Following the installation of democratically elected Governments in 2005 and 2011, Liberia managed to maintain peace and stability, revive public administration, improve governance, rebuild some basic infrastructure and improve some human development indicators. Though investment conditions remained fragile overall, private sector investments in the resource sector increased after 2010, leading to a substantial increase in the economy's rate of growth (albeit from an extremely low base). Real GDP growth was estimated at well over 8 percent for the two years (2011 and 2012) leading up to the CPS preparation. This growth was, however, largely jobless in nature, since much of the increase was attributable to the resumption of iron ore mining. Creation of well-paid private sector employment thus remained a priority to counterbalance public sector jobs, many of which were secured through nepotism rather than merit.

2. *Income poverty had begun to fall -- and social indicators to improve -- in the years immediately preceding CPS preparation, but a majority of the population continued to be vulnerable to poverty and faced food insecurity.* In 2010 about 57 percent of Liberia's population of 4.5 million was living in poverty, somewhat lower than the peak of about 64 percent in the immediate aftermath of the civil war. Nonetheless, with a gross per capita income of US\$330, Liberia remained one of the poorest countries in the world. Moreover, poverty reduction had not been uniform throughout the country and vulnerability was high. Poverty rates and inequality had declined in the rural areas but there was little or no improvement in the urban areas, to which the rural poor and illiterate were migrating in search of education and employment opportunities. Vulnerability to poverty was strongly correlated with food insecurity; 34.3 percent of the population was food insecure. Furthermore, the limited availability of basic infrastructure and social services meant that poor Liberian households frequently experienced economic exclusion, insecurity and had few societal resources to address potential risks. when they arose.

3. *Both the Government and the Bank expected that Liberia's political, economic and social trajectories would continue to strengthen over the four-year CPS period -- but the country was dealt an enormous blow in 2014-16 when the Ebola pandemic spread from Guinea to Liberia, triggering a major health crisis with serious repercussions for economic activity and social progress.* Rather than the gradual progress envisaged at the time of CPS preparation, Liberia suffered a sharp setback in early 2014 with the rapid spread of the Ebola virus with a mortality rate of 55 percent. The Ebola crisis, coupled with a drop in the price of iron ore and rubber, had a dramatically negative impact on economic activity and foreign and domestic investment. Economic growth slowed precipitously to just 0.7 percent in 2014 versus 8.7 percent in 2013 and remained very low (or negative) for the remainder of the CPS period due to the lingering effects of the crises. Government revenues declined across the board while expenditures associated with containing the epidemic increased, leading to a large fiscal deficit of around 8.5 percent

of GDP. The social impact was also enormous. In addition to the toll of illness and death, social progress was hindered by the imposition of curfews and closure of public services to contain the spread of the virus. For example, schools were closed for a period of about 6 months with consequences for children and youth, many of whom never returned to pursue their education.

II. CPS Objectives and Strategic Alignment with Government Priorities

4. *The CPS was closely aligned with Liberia’s national priorities as laid out in the country’s “National Vision, Liberia Rising 2030”, and the associated, five-year plan, entitled Agenda for Transformation (AfT) – and as such, had the strong commitment of the Sirleaf Government.* The Vision, which was completed in early 2013 following a broad participatory process, envisaged attainment of middle-income status by 2030 via a strategy of high and sustained private sector-led growth. In turn, the companion AfT was structured around the following four main pillars: (i) Peace, Justice, Security and Rule of Law; (ii) Economic Transformation; (iii) Human Development; and (iv) Governance and Public Institutions. The AfT also emphasized a number of cross-cutting issues (grouped together under a fifth pillar), focused on environment and on protecting the rights of vulnerable groups such as children, youth, the disabled and those affected by HIV/AIDS. The AfT continued the unfinished agenda of the previous Poverty Reduction Strategy (PRS), with respect to peace, security and the rule of law and addressing the stress factors that drove the country repeatedly to conflict.

5. *Conscious of the challenging conditions still prevailing in Liberia, the CPS FY13-17 was selective in its support for the AfT, with due regard to implementation conditions, the role(s) of other external partners and potential for reducing fragility.* Indeed, the CPS emphasized the importance of “filtering” all WBG activities in Liberia through a fragility lens, so that only activities with a strong likelihood of addressing deep-rooted causes of conflict and societal stress would be considered for financing. Design of the CPS program also took into account the large inflows of foreign assistance (ODA amounted to over \$185 per capita) and sought to work in close cooperation with other development partners by forging common strategies and sectoral programs. In terms of distribution of financial resources, the CPS emphasized support for infrastructure which, though critical to rebuilding societal connectivity, was often ineligible for support from other development partners. CPS priorities were fully supportive of corporate and AFR regional priorities – in particular, the twin goals – and remained relevant for Liberia’s medium- to longer-term development, despite the socio-economic impact of the Ebola crisis.

6. *The CPS program included three main emphases:*

- Relieving key infrastructure constraints as a means of: (i) connecting and unifying the nation by reducing the prevailing disconnects between the center and the periphery; (ii) directly improving the daily lives of Liberian households; (iii) accelerating growth and making it more inclusive; and (iv) facilitating the delivery of vital social services
- Investing in human development and creating opportunities for youth as key vehicles for overcoming the legacy of the civil war, strengthening basic rights and creating greater societal stability, and building a productive work force
- Demonstrably strengthening governance and public administration, *inter alia* to demonstrate the capability of a peace-time administration to deliver results in both urban and rural areas and help set the institutional basis for continued and accelerated socio-economic development

The CPS also selected two cross-cutting themes from the AfT's longer list -- namely, capacity building and gender equality -- to ensure consistent attention and impact through CPS implementation. The emphasis on capacity building reflected the limited institutional capacity across Government to implement and monitor reforms and priority programs outlined in the ambitious Agenda. Gender was selected as a priority theme given the findings that women continued to experience limited opportunities for employment and income generation despite significant improvements in education parity.

7. *Although the CPS program was altered as a result of the Ebola crisis, no changes were formally made to the CPS objectives/directions.* While the WBG as well as many other development partners increased their support to Liberia to help the country combat and contain the crisis, it was nonetheless clear that the Ebola situation did not substantially alter the thrust of the country's broader medium-term development priorities. Indeed, the Government's Ebola Recovery Plan explicitly stated that the AfT remained the country's extant strategy. The crisis did, however, lead to significant delays in moving these priorities forward as attention necessarily shifted to containing the epidemic and helping those affected.

III. Results Matrix and CPS Development Outcomes

8. *Assessment of the CPS development outcomes is based on the results matrix included in the CPS which was discussed at the Board in July 2013 but takes into account the inevitable disruption and delays that resulted from the Ebola crisis.* The epidemic not only prevented Bank missions from visiting Liberia for an extended period (late 2014 to early 2016), but also led to the withdrawal from Liberia of many foreign consultants and contractors working under ongoing projects e.g., in infrastructure and governance. Contractors staying in the country were under a "stay in place" order from Government, leading to delays and higher costs. This inevitably led to significant slowdowns in implementation, given the need for support to Liberian project managers and technical staff in many critical areas. It also affected planned M&E activities intended to measure the achievement of results. Given that these delays were beyond the control of either the Government or the World Bank -- and to the extent that the absence of missions/contractors are likely to have contributed to delays -- this review makes some allowance in the assignment of ratings. Overall, however, the standards used are similar to those for other CLR's.

9. *The CPS development outcome is rated Satisfactory (S) overall, reflecting the strong alignment between the CPS and Government priorities which ensured continued country commitment to the CPS program despite the disruptions of the EVD crisis.* The CPS program was structured around three areas of engagement and seven outcomes, each to be measured via specific results indicators, laid out in the results matrix. Of the ten outcomes specified in the matrix, 7 were Achieved (A) or Mostly Achieved (MA), 1 was Partly Achieved (PA), 1 was Not Achieved (NA) and 1 (health) was Not Rated (NR) as planned activities were entirely superseded by the exigencies of the Ebola Virus Disease (EVD) outbreak (Table 1) These results are remarkably strong given the extremely difficult conditions prevailing in the country -- i.e., the post-conflict fragility, weak institutional environment and, especially, the Ebola crisis of 2014-2016. Besides the disruptions to the program and Government's focus wrought by the EVD crisis, the rating of Satisfactory takes into account: (i) that the CPS anticipated results were substantially surpassed in a number of areas, notably transport, telecommunications and human development; and (ii) that the country benefited tremendously from World Bank support (technical and financial) in combatting EVD, which was over and above the planned CPS program.

10. *It is important to note that the Bank took on substantial, unplanned additional work during this CPS period – direct lending, ASA and donor coordination -- to help Liberia respond to the Ebola epidemic.* Since no PLR or revised matrix was prepared reflecting these activities, this section of the CLR remains focused on the matrix as approved with the CPS. The principal achievements with regard to Ebola are discussed in the section on Bank performance, as a measure of responsiveness to changing conditions.

CLR Table 1. Summary of CPS Areas of Engagement and Outcomes Ratings

Engagement Area I – Economic Transformation	
Outcome 1. Increased access to reliable and affordable energy	MA
Outcome 2. Increased access to reliable transportation services	A
Outcome 3. Increased access to telecommunications services	A
Outcome 4. Improved management and productivity in agriculture, forestry and fisheries	MA
Outcome 5. Improved enabling environment and increased access to finance for SMEs	PA
Engagement Area II – Human Development	
Outcome 6. Improved conditions for learning and management capacity in basic education	MA
Outcome 7. Improved capacity of health service delivery in selected secondary-level health facilities	NR
Outcome 8. Improved protection of poor and vulnerable households	A
Engagement Area III– Governance and Public Institutions	
Outcome 9. Improved public financial management	NA
Outcome 10. Improve land administration	A

Objective Ratings: A – Achieved; MA – Mostly Achieved; PA – Partially Achieved; NA – Not Achieved.

Engagement Area I: Economic Transformation

11. *The first CPS engagement area was grounded in the second pillar of the Government's AFT.* It aimed to lay the foundations for economic transformation through a mix of advisory, knowledge, and lending activities intended to support the achievement of two key country development outcomes: (i) addressing the enormous paucity of infrastructure that affected all economic activity as well as the population's welfare; and (ii) improved access to finance and other actions to directly promote labor-intensive economic activity. The engagement area encompassed five outcome areas, each with associated results indicators. Specific activities and achievements pertaining to these results indicators are described below as they underlie the ratings accorded to each outcome in this CLR.

Outcome 1: Increased access to reliable and affordable energy – Rating: Mostly Achieved (MA)

12. CPS efforts to improve physical access to and affordability of energy were supported by several complementary interventions including, *inter alia*, ongoing activities such as the Liberia-specific Electricity System Enhancement Project (LESEP), a regional West Africa Power Pool (WAPP) operation, key ASA (studies and TA) aimed at supporting energy policy development, and trust funded operations focusing on renewable energy development. During the CPS period, new operations and other interventions were delivered in partnership with bilateral (Norway, KfW, Japan) and multi-lateral (AfDB, EU, EIB and Arab Development Bank) agencies. These included budget support through a Poverty Reduction Support Credit, a follow-on investment lending operation and an additional financing (AF) operation to accelerate expansion of the electricity system, and support for a renewable energy program. The budget support and investment operations were designed to complement each other in the achievement of key results. For example, policy changes that were instrumental in lowering the cost of energy were supported through the budget support operations while investment operations supported the shift from high-cost diesel plants to cleaner and cheaper hydro or HFO. The IFC focused on providing improved energy in the mining sector – an important earner of foreign exchange – through both advisory and investment services.

13. This outcome was mostly achieved during the CPS period. At the time the CPS was prepared, most infrastructure for energy generation and distribution had been destroyed and only 1.6 percent of Liberia’s population was connected to the grid. The CPS set a target of achieving 50,000 electricity connections by 2017 which was almost achieved, despite the disruptions caused by the Ebola crisis. By the end-CPS period 42,000 new connections had been created in Monrovia. Access to electricity for rural Liberians was also substantially improved through the procurement and re-sale of nearly 77,000 solar lanterns and other products under the GEF-funded Lightning Africa project. The second result indicator sought to increase access to energy by lowering costs -- from a baseline of US\$0.55/KWH to US\$0.41/KWH. The actual result significantly surpassed this target, with the price of electricity having dropped to US\$0.35/KWH by mid-2017. One area in which the electricity sector’s (negative) trends were not reversed as planned concerned the reliability of electricity provision. Due in large part to the difficulty of providing necessary technical assistance and investments in transmission lines during the EVD epidemic, planned activities to buttress reliability were postponed --and interruptions in service continued as before the CPS period with 20 to 25 interruptions per month. However, the Liberia Accelerated Electricity expansion Project (approved in FY16) is now addressing the issue of reliability and is expected to achieve significant improvements over the next 2.5 years.

Outcome Area 2: Increased access to reliable transportation services– Rating: Achieved (A)

14. Transport was a critical element of the FY13-17 CPS program, both to narrow the infrastructure gap constraining growth and service delivery as well as to develop transport links with Liberia’s neighbors. Overall, activities were well coordinated with other development partners, especially those supporting the LRTF – notably, the European Union (EU), Germany, Ireland, Norway, United Kingdom (UK) and Sweden. Two projects aimed at rebuilding war-torn transportation infrastructure were ongoing at the start of the CPS period and completed by its end. A third transport project, the Liberia Roads Asset Management Project (LIBRAMP), was launched in FY12 to rehabilitate and strengthen long-term maintenance of the Liberia-Guinea Border corridor. The LIBRAMP continued to be implemented throughout the CPS period and an AF was approved in FY13. A similar project for the South-Eastern Corridor was prepared but will be delivered when new funds become available under IDA18. A second AF to LIBRAMP was approved in its place to help cover higher costs emanating from the “stay in place” policy for contractors during the Ebola crisis. The CPS period also supported Liberia to develop a comprehensive

transport strategy and guiding framework for policy and investment through a study on transport needs from a spatial perspective and a multi-modal transport analysis. Finally, a Rural Roads Emergency Maintenance Project was prepared and delivered in 2015 to improve access to Ebola Virus Disease (EVD) facilities. The project contributed to the aim of increasing road access in rural areas.

15. *The specific results indicators included for this outcome area were achieved overall, and, in some cases, significantly surpassed.* This was especially impressive given that the sector was contending with unanticipated impacts from the Ebola crisis such as severe funding constraints as public funds were directed increasingly to combatting the epidemic, increased costs of contractors (who were required by Government to stay in place), and a slowdown in capacity-building efforts due in part to the absence of returning diaspora. In brief, the results achieved were the following:

- Nearly 42 percent of the rural population had access to an all-season road by the end of the CPS period, over 4 times the results matrix target (10%). This outcome resulted from direct support of Bank lending operations as well as work with the MOPW to strengthen road maintenance systems. It was further bolstered by activities undertaken through the Rural Roads Emergency Maintenance Project, which focused on improving access to EVD facilities in rural areas.
- The Spatial Analysis of Transport Needs (FY17) found that 45 percent of roads were in good or fair condition, surpassing the CPS target that roads in good or fair condition would increase to 35 percent (versus just 15 percent in 2013). This was due largely to the successful introduction of Output and Performance Based Contracting in Liberia – a major innovation in Liberia.
- Results targets were also substantially surpassed with respect to travel times between Monrovia and Guinea and Monrovia and Buchanan. The former was reduced to 5 hours from a baseline of 12 hours and a target of 6 hours while the latter was reduced to two hours *versus* a baseline of 5 hours and a target of 3 hours. These achievements are attributable to the LIBRAMP operation.
- Substantial progress was also made with respect to capacity building, although this area was most severely affected by the EVD epidemic in terms both of the decline in returning diaspora and the inability to contract foreign technical expertise or undertake Bank missions for over a year. At end-CPS about half of all in-country staff in key areas were qualified, as against a baseline of 10 percent in 2013 and a CPS target of 75 percent.

Outcome Area 3: Increased access to telecommunications services– Rating: Achieved (A)

16. *Efforts to facilitate Liberians’ access to, and use of, broad band internet services were highly successful over the CPS period.* Bank investment lending was undertaken within the umbrella of the West Africa Regional Communications Infrastructure Project, supported in turn by a Liberia-specific Backbone feasibility study undertaken by the Bank. The CPS sought to increase broadband users from 1.7/100 persons to 3/100 by mid-2017. Liberia Telecommunications Authority data show that this target was surpassed more than 10-fold, with internet usage reaching about 30.8/100 in 2017. The internet backbone feasibility study was instrumental in supporting development of fiber-optic backbone infrastructure in Liberia, thus enabling Internet Service Providers (ISPs) to avail of the submarine fiber-optic cable newly available in West Africa. As a result, the increase in the volume of available capacity for international communications (internet, telecommunications and data communications) surpassed the results anticipated in the CPS matrix, which sought to raise bandwidth (Gbit/s) from 0.07 to 1.12 per person. Actual results far exceeded this goal, reaching 35 Gbits/s/person by mid-1917.

Outcome Area 4: Improved management and productivity in agriculture, forestry and fisheries– Rating: Mostly Achieved (MA)

17. Given the importance of raising rural incomes and well-being to reduce food insecurity and ensure the participation of the poorest population quintiles in growth, the CPS placed high priority on modernizing agriculture and developing the local fisheries sector, including linkages between large and small farmers. The CPS supported implementation of four ongoing IDA investment operations, two Liberia-specific projects (Agriculture and Infrastructure Development Project and Smallholder Tree-crop Revitalization) and two regional projects with large components for Liberia – namely, the West Africa Agricultural Productivity APL (WAPP) and the West Africa Fisheries Program. The program also included smaller trust-funded activities targeted to forestry enterprises for youth and the food price crisis.

18. The CPS included six main results under this outcome area, of which, four were achieved or mostly achieved, one was not verified, and one partially achieved. Strong results were achieved with regard to modernizing agriculture and raising productivity. For instance, dissemination of new technologies through the WAPP reached nearly 102,750 ha (from a baseline of 0), far surpassing the target of 72,000 ha. With respect to farm rehabilitation and tree planting/replanting the results were good overall albeit lagging in one of three results areas. The number of farms rehabilitated exceeded targets (3,811 ha rehabilitated vs 3,700 planned) as did the area of new tree planting (350 ha vs 300 planned). The rubber replanting program, however, progressed slowly, with just over 590 ha replanted vs a CPS target of 1,250 ha. This slower progress was attributable both to EVD disruptions and the sharp decline in the price of rubber, which dampened farmers’ enthusiasm for replanting. CPS outcomes with respect to net annual benefits from fisheries were not verified, as a decision was made during project implementation to use alternative measures of performance to measure the ecological, economic and social development of the sector. As a result, use of the model developed to estimate values based on fish landing, effort and price data was discontinued. For purposes of this CLR, the result is therefore assessed as not achieved. It should be noted, however, that capacity building results with respect to reduction of serious infractions by industrial fishing vessels were met – with observed infractions falling from 45 to 30 percent (vs a target of 33%). Of the remaining two capacity building results included under this outcome area: one related to development and validation of a strategy for reduction of emissions from deforestation and forest degradation (REDD) was achieved; on the other hand, efforts to strengthen cocoa farmers’ organizations (FOs) progressed slowly – only about 1/3 of the anticipated number of FOs were strengthened over the CPS period (16 vs 45).

Outcome Area 5: Improved enabling environment and increased access to finance for SMEs -- Rating: Partially Achieved (PA)

19. Before the CPS period, Liberia experienced an upward trend in the Doing Business Ranking however the Ebola crisis brought serious economic damage, limiting trade, forcing businesses to close, and shrinking the economic output. IFC advisory services helped Liberia climb the Doing Business Ranking from 170 out of 178 countries in 2008 to 149 out of 183 countries in 2013. However, the Ebola crisis significantly delayed progress towards achieving this CPS Outcome during the CPS period. Small businesses in the service sector were hard hit, with wholesale and retail traders reporting a 50-70 percent decline in turnover. Commercial, residential, and government construction also significantly declined. While the country is gradually returning to normal, investors remain cautious. In 2017, Liberia’s Doing Business Ranking fell to 172 out of 190. Within this broad context, the IFC and Bank have focused on advisory work to understand the business environment and to advise the country on timely and relevant policy reforms. Some progress has been made towards the two key indicators under Outcome area 5 of

the CPS: (1) the incorporation of for-profit businesses into a national registry, and (2) the volume of commercial bank loans issued. Through the Liberia Business Registry, business registration was automated, and the process was cut from 100 days to 48 hours. In terms of access to finance, efforts have focused on emergency response and advisory services. With IFC's support, in 2014, the country established a collateral registry system enabling SMEs to access finance more easily. During the Ebola crisis, the IFC's Immediate Response Program supported Ecobank Liberia and Guaranty Trust Bank to support the stressed financial market. In 2016, IFC organized a finance leasing forum to further help Liberian SMEs to access finance. Lastly, in 2013, the Bank helped prepare a draft law and regulations for development of the insurance market; and in 2017, it undertook an in-depth study on development of a capital market.

Engagement Area II: Human Development

20. *The second CPS engagement area continued IDA support for improved outcomes in education, health and social protection, in full alignment with the Government strategy laid out in AfT Pillar 3.* The CPS sought to deliver the improved outcomes through increased access and quality of basic social services, and by strengthening service delivery systems. Investments in infrastructure for greater connectivity under Engagement Area 1 complemented CPS human development inputs, by easing service delivery logistical constraints, enabling coverage of a greater share of the population and creating jobs and income-generation opportunities. The engagement area was comprised of three main outcomes aimed respectively at: (i) strengthening management, facilities and pedagogy in basic education; (ii) improving the accessibility, quality and utilization of health services; and (iii) improving the design and operationalization of systems to assist the most vulnerable groups. The outcome areas included both service outcomes and capacity development outcomes as discussed below.

Outcome Area 6: Improved conditions for learning and management capacity in basic education – Rating: Mostly Achieved (MA)

21. *In close coordination with the Global Partnership for Education (GPE), the CPS' ongoing efforts to strengthen basic education quality, increase demand for education and strengthen school management were mostly achieved.* The Ebola crisis severely disrupted the CPS education program due to school closures for over a full school year. Nevertheless, notable progress was made with respect to the results included in the CPS matrix vis a vis pedagogical improvements, facilities development and capacity building. Of the three results included under this outcome area, one was surpassed and the other two were mostly achieved. The target for children attending improved primary schools – i.e., schools with water and sanitation facilities, adequate furniture and operations in the rainy season – was mostly achieved. By 2017, 8,596 children were attending 30 “improved” schools, only slightly short of the target of 8,910. In addition, about 484,000 students in grades 1-9 benefited from the GPE's Grant for Basic Education which provided schools with supplementary learning materials to improve learning outcomes. Of this total, 47 percent were girls, above the 44 percent targeted in the CPS. While the total of GPE beneficiaries was short of the original CPS goal of 591,000 students, it exceeded the revised project goal of 430,000 adopted following the Ebola crisis. The third results indicator included for education aimed to improve school management by creating greater school autonomy -- *inter alia*, through the creation of own bank accounts to be operated at the school level following the production of satisfactory utilization plans. Some 2,579 schools achieved this goal during the CPS period, more than the targeted result of 2,500.

Outcome Area 7: Improved capacity of health service delivery in selected secondary-level health facilities – Rating: Not Rated (NR)

22. *Planned CPS activities in the health outcome area were entirely superseded by the exigencies of the unprecedented EVD outbreak, making it infeasible to rate this aspect on the original results indicator(s).* The World Bank significantly contributed to the control of the EVD outbreak which lasted from 2014 through mid-2016. The World Bank contributed enormously to the control of the outbreak by providing the largest amount of funds to Liberia in the fastest time as compared with other international partners. An emergency operation, the Ebola Emergency Response Project (EERP) provided critical support by (i) ensuring 100% availability of Personal Protective Equipment (PPE) in all Ebola treatment centers; (ii) paying hazard incentives to 10,300 Ebola response workers and other health workers; and (iii) provision of food and other basic supplies to 120,000 quarantined people and 100 percent of new EVD cases from registered contacts. After the successful control of the EVD outbreak in mid-2016, the World Bank shifted its focus to the provision of support to recover essential health services and strengthen preparedness for future epidemics. In furtherance of these goals, the EERP created 20 new triage units and strengthened infection control in hospitals and health centers. The World Bank operation also disseminated safe school protocols for hygiene management, materials on handwashing to 190,000 school children as well as vaccination materials, essential medicines, and nutritional commodities. The 2016 calendar year also saw a resumption of efforts to upgrade medical staff (foreseen in the CPS) through the provision of medical faculty, a new medical residency program and in-service training sessions for key medical specialties.

Outcome Area 8: Improved protection of poor and vulnerable households – Rating: Achieved (A)

23. *To protect vulnerable groups and contribute directly to reducing fragility, the CPS program focused on creating improved life skills among, and job opportunities for, youth -- a group that had been deeply and disproportionately affected by Liberia's prolonged civil conflict.* The CPS program built on two ongoing operations – a community empowerment project and a youth skills and employment project (YES) – and included new ASA and two trust-funded operations focused on deepening programs for young men and, especially, young women (with the support from Japan, Korea and Norway). The indicator included in the results matrix was derived principally from the YES and follow-on activities and was substantially surpassed. Work days created through Bank-supported programs totaled 2,337,500 over the CPS period -- nearly double the target. Of this total, nearly 80 percent were directed to young people, significantly exceeding the target of 65 percent. While the proportion of work days taken up by women fell slightly short of the anticipated percentage (44 vs 50 percent) the larger number of work days created means that significantly more female employment was generated in absolute terms than had been anticipated. The Bank also continued to explore means of increasing opportunities for young women, in part through a targeted study on “Economic Empowerment of Adolescent Girls and Young Women”.

Engagement Area III: Governance and Public Institutions

24. *The third CPS engagement area responded to AfT Pillar 4 and sought to strengthen governance, prioritizing areas that could both support economic growth and weaken the drivers of conflict and fragility.* Of four governance areas included in the CPS, the results matrix focused on two priority areas to measure the Bank’s impact – namely, public financial management (PFM) and land administration. In the first of these areas, the CPS goal was to operationalize the robust legal and regulatory PFM and procurement framework that had previously been adopted with Bank support. The focus on land

administration aimed to begin addressing thorny land rights issues that had been central drivers of societal conflict. Results in each of these outcome areas are reported below.

Outcome Area 9: Improved public financial management– Rating: Not Achieved (NA)

25. *The CPS period saw a number of important advances in modernizing PFM and the public sector, but the specific indicators included in the results matrix to measure progress were not achieved.* Civil service reform was an area of notable progress under the Public Services project: (i) employee records were systematized and rationalized for virtually all central ministries and agencies as well as for 87 percent of counties; (ii) job grading/classification was completed; (iii) job descriptions were developed for 3,000 positions; (iv) a pay reform strategy was developed; (v) performance management was strengthened; and (vi) all civil servants were biometrically verified and enrolled. Advances in budget management and controls were also made through the Integrated PFM Reform Project. These included improved coordination between the executive and legislative branches in budget formulation, timely budget approvals and reporting and roll out of an integrated financial management information system. With regard to PEFA indicators, improvements were recorded in several areas, including multi-year budgeting, legislative scrutiny of external audits, payroll controls and financial reporting. However, the PEFA indicators related to unreported government operations and follow-up of external audits that were included in the results matrix remained at D+. Thus, despite the many advances noted above, this outcome area is rated Not Achieved (NA), following CLR guidelines.

Outcome Area 10: Improve land administration – Rating: Achieved (A)

26. *This outcome area supported the Government’s policy of developing a comprehensive national land tenure and land use system to rationalize the inherited system of contradictory natural resource policies and uncertain land tenure which had contributed to fragility and conflict.* Given the centrality of land rights issues to stability, growth and poverty reduction, the World Bank supported this aim through the Rehabilitation and Reform of Land Rights Registration and Related Land Matters Project and policy dialogue and technical support through preparation of a follow-on Land operation for IDA financing. In part through these activities, Liberia made important strides in regularizing and modernizing land management over the CPS period, including development of a comprehensive Land Rights Policy, drafting of a Land Rights Law and passage of a new Land Administration Policy. Specific results anticipated in the CPS matrix were achieved or exceeded. Nearly 75,000 land deeds from all 15 counties were digitized and recorded in the land registry, about 1.5 times the target of 50,000. In addition, a temporary land agency, the Land Commission (LC), was established in 2014 and replaced by a permanent agency, the Liberia Land Authority, when the term of the LC expired in early 2016. The Liberia Land Authority has the legal mandate for land administration in Liberia and is fully operational with five Commissioners now in place.

IV. WORLD BANK PERFORMANCE

27. *The IDA program laid out in the CPS was selective and strategic and included an appropriate mix of development policy lending (PRSCs), investment operations and ASA.* IDA support for each of the CPS’ three areas of engagement was to be provided through the existing portfolio (about \$560 million committed for Liberia-specific and regional projects at end 2012), by new lending amounting to about \$308 million (supplemented by substantial trust fund financing), and by intensified analytical and advisory activities to develop practical ways to address identified challenges. Among the three pillars, resources were largely focused on Engagement Area I, in response to Government’s request for concerted attention

to re-building the country's infrastructure. The emphasis on infrastructure also complemented other donors' programs which tended to emphasize areas such as human development and governance. Given close alignment of the CPS with the AfT and strong stakeholder support for its aims, medium- to longer-term priorities remained relatively stable, even as the Government and development partners re-focused attention towards addressing the EVD crisis from 2014-2016. IDA lending was carefully coordinated with grant funds available on a co- or parallel-financing basis from other development partners.

28. Actual new IDA lending over the CPS period was considerably higher than had been envisaged - totaling slightly over \$530 million -- largely to assist in the containment of the Ebola outbreak. A large new project -- \$167 million -- was directed to addressing the Ebola epidemic was approved in FY15 and largely targeted to emergency response needs. Two additional health projects were approved in FY17 for \$15 and \$10 million respectively: one aimed at strengthening Liberia's disease surveillance systems to guard against future disease outbreaks; and a new AF operation to continue to strengthen overall health system operations, in some instances consolidating improvements made in the EVD crisis period. In addition, a Rural Roads Emergency Maintenance Project was prepared and delivered in 2015 to improve access to Ebola Virus Disease (EVD) facilities. Finally, an urban water supply project for \$10 million was also added to assist vulnerable households as part of the effort to improve social protection for the poorest groups. Annex Table 1 provides further details of planned and actual lending over the CPS period.

29. Lending was complemented with substantial ASA as shown in Table 5. Virtually all AAA foreseen in the CPS was delivered during the CPS period, including major analytical pieces such as a Political Economy Notes series, a comprehensive Private Sector Development Strategy, a study on higher education needs and extensive analyses of poverty questions including household survey work. A number of additional ASA products were also delivered. These included an important analysis of ways to increase the economic empowerment of women, a capital market development strategy, a study of regulations in services trade and TA for different aspects of the energy sector. ASA activities were closely aligned with the Bank's lending program and helped buttress project design and implementation.

30. The number of IDA projects in the portfolio remained relatively stable throughout the CPS period and portfolio performance was satisfactory overall. As Annex Table 2 shows, on average, the size of the portfolio was \$384,000 across an average of twelve projects. Budget support to the country, increased over time -- beginning at \$10 million in FY14 with the first series and increasing to \$40 million in FY16 plus additional financing in FY17 of \$12 million for the fourth series.

31. IFC undertook both investments and ASA activities aimed mainly at strengthening ICT and the banking sector as well as increasing access to finance for SMEs. IFC investments benefitting Liberia -- both regional and country-specific -- included 13 transactions, amounting to approximately US\$24.5 million. Advisory services were also undertaken on both a country and regional basis and provided support in a broader range of sub-sectors including, *inter alia*, trade logistics, access to finance, investment policy reform, agro-finance, ICT and SME development.

32. Given Liberia's heavy dependence on financial aid from development partners (ODA per capita of \$185 at the time of CPS preparation) high priority was given to appropriate partnerships with other donors throughout CPS implementation. The World Bank worked closely with Government and other external development agencies to promote collaboration through donor groups in priority sectors such as energy, transport, agriculture, forestry, land, justice and peace, health and education. Most of the World Bank's investment operations and the PRSC III AF involved development partners' contributions leveraged by IDA resources. The number of multi-donor trust funds increased over the CPS period as a result of

development partners increasingly joining efforts with the World Bank in addressing priorities of the government, especially in infrastructure and governance. Moreover, bearing in mind the heavy concentration of partner resources in human development and governance the World Bank's focus in infrastructure was appropriate. At the same time, the World Bank continued to be involved in human development and governance and, successfully leveraged limited IDA funds with development partners' resources in the development of new lending operations to support other AfT priorities.

33. Results Matrix. The CPS results matrix was well designed in that there was a clear causal chain between national development challenges, Government objectives/programs, the Bank's contribution to these objectives and the specified outcomes. Outcomes were also appropriately linked to CPS activities, both ongoing interventions inherited from the previous CAS as well as new operations and ASA. Moreover, in all instances the outcome indicators were measurable and, except for some results (e.g., fisheries) included in Outcome Area 1, they were actually measured. The CPS was selective in choosing outcome indicators and, to the extent possible, the CPS used outcomes, outputs and indicators from the AfT – this in turn helped ensure that progress could be monitored and assessed as a joint UN-WB trust fund was available to support the development of a monitoring and evaluation system for the AfT. A particular strength of the matrix was the inclusion of indicators related to the cross-cutting themes (gender and capacity building) which are often overlooked. Their inclusion in the CPS and its matrix appears to have helped maintain the focus on these important cross-cutting themes throughout program implementation.

34. Program Risks. The CPS document appropriately identified key risks to CPS implementation and laid out strategies for mitigating them. The most prominent risks highlighted were continued political fragility and potential election-related conflict, moderate macroeconomic risks, serious weaknesses in institutional capacity, weak public institutions and corruption, and donor fatigue. However, the biggest risk that materialized – the EVD crisis – was not and realistically, could not have been, foreseen. A second risk that came to pass – namely the sharp decline in commodity prices which also contributed significantly to a slowdown in growth and increasing fiscal difficulties -- had been anticipated in the CPS but proved more difficult to mitigate than had been foreseen because the economy was already considerably weakened by the Ebola crisis.

35. The World Bank's Performance is rated Good overall. This assessment is based, inter alia, on the following:

35. The *high relevance of CPS objectives and design* to the AfT and its strong *alignment* with the corporate twin goals and with the Africa Strategy. The CPS program was strategic and selective and remained highly relevant to Liberia's medium-term development trajectory notwithstanding the impact of the Ebola epidemic.

36. The World Bank's *flexibility and responsiveness* to changing circumstances *especially the devastating Ebola crisis*. As noted earlier, the World Bank was one of the first external development agencies to support Government's Ebola response, using the Crisis Response Window to provide exceptional additional support through interventions ranging from direct support to Ebola workers to improved transport infrastructure to enable improved access to Ebola emergency facilities. Particularly notable was the World Bank's effort to guide implementation of the large Ebola Emergency Response project while still maintaining other aspects of the CPS program under very difficult circumstances. The World Bank also intensified monitoring of the economic impacts of the Ebola crisis.

- Close ***coordination with, and leveraging of, partners' resources*** – as noted throughout the preceding discussion of the CPS program and outcomes, the WBG coordinated closely with other development partners in all areas of the CPS. Cooperation between the WBG and development partner agencies enabled the Bank to stretch limited IDA resources as well as reduce the burden on Government's fragile planning and implementation capacity by providing coordinated support. The Bank also worked closely with the Government to help improve broader donor coordination in the country and link it more directly to identified national priorities.
- Effective ***delivery of the CPS program (both lending and ASA) despite a very difficult country environment***. As highlighted above, the Bank was successful in supporting Government in nearly all of the CPS' priority areas, despite the major health and commodity price shocks that affected the country. That the results obtained are sufficient to rate the CPS development outcome (measured against the original matrix) as satisfactory despite the upheavals wrought by the EVD crisis is itself a testament to the strength of the Bank's performance in supporting Liberia.

V. MAIN LESSONS

This review of the FY13-17 CPS in Liberia yields some useful lessons with respect to future work in Liberia as well as for World Bank work in other countries. The lessons and associated recommendations will inform the new Country Partnership Framework alongside the findings of the Systematic Country Diagnostic (SCD). The most important lessons include the need to:

- Ensure Government's strong commitment to the CPF program through close alignment with the country's own national plans – especially when national plans are developed through a participatory process and are widely supported within the country. The Sirleaf administration had invested heavily in developing a broadly-supported national Vision and accompanying development plan to which the CPF was closely aligned. The Government's commitment to its plan and, by extension, the CPF program, was demonstrated through its extraordinary efforts to keep working on the medium-term development goals included in the CPF, despite the exigencies of the devastating Ebola crisis.
- Adapt and apply a sound post-conflict and fragile country lens in the design of CPF programs for post-conflict countries – the WBG's risky (but ultimately justified) decision to devote about 85 percent of IDA resources to infrastructure development was guided by its assessment of the critical role of physical and virtual connectivity in reducing the ongoing socio-economic exclusion and polarization that had led to the civil war and the absence of meaningful support in the sector from other external development partners.
- Keep an eye on medium-term goals even in the face of a crisis such as EVD – indeed, the Bank's EVD emergency program showed that it may be possible to “kill two birds with one stone” in some instances by ensuring compatibility of emergency response actions with ongoing development efforts. Two examples of this over the CPS period include the boost given to longer-term rural transport connectivity via the emergency effort to improve access to EVD facilities and the strengthening of health standards and personnel training within the EVD emergency program that have contributed to longer-term strengthening of health care delivery.
- Being selective about cross-cutting themes and including outcomes associated with these themes in the results framework helps maintain the Government's and CT's focus on them throughout

implementation. The inclusion of specific indicators related to gender and capacity building in the results matrix proved useful in Liberia and should be adopted more systematically in other countries as well.

CLR Table 2. Summary of CPS Program Self-Evaluation

CPS Outcomes	Achievement	Operations that contributed to these achievements
Pillar I - Economic Transformation (aligned with the AfT Pillar II)		
Outcome 1. Increased access to reliable and affordable energy MOSTLY ACHIEVED		
<p>1. People in urban and rural areas provided with access to electricity (by number of connections) Baseline: 14,270 Target: 50,000 <i>Data source: LEC data system</i></p> <p>2. Cost of electricity Baseline: 0.55 USD/KWH Target: 0.41 USD KWH <i>Data source: LEC bills to customers</i></p> <p>3. System Average Interruption Frequency Index (SAIFI) for customers in Monrovia (Number/month)³² Baseline: 20 Target: 15 <i>Data source: LEC data system</i></p>	<p>1. 42,000 electricity connections created for the urban population in Monrovia; Progress towards rural connectivity was made via the trust-funded project P118460 that built the foundation for an agency dedicated to respond to rural electrification, launched marketing of solar products, and procured (100,000) and sold (76,700) these products in rural areas. <i>Source: ISR P120660 (Jun 2017); ICR P118460 (Jun 2014)</i></p> <p>2. Exceeded the target of reducing the cost of electricity and reduced price to 0.35 USD/kWh. <i>Source: ISR P120660 (Jun 2017); Press release by Government (Sep 2017)</i></p> <p>3. System Average Interruption Frequency Index (SAIFI) for customers in Monrovia lowered to 25 compared to target of 15 (Number/month) due to technical difficulties with transmission lines, WB has initiated plans to reduce this indicator further through the Liberia Accelerated Electricity Expansion project that closes in 2020. <i>Source: ISR P120660 (Jun 2017)</i></p>	<p>IDA: Electricity System Enhancement Project (LESEP) (P120660)</p> <p>Trust Funds: AFREA - Catalyzing New and Renewable Energy in Rural Liberia (P118460)</p> <p>Development partners: Norway, KfW, ADB, EU, Japan, EIB, Arab Development Bank</p>

³² The System Average Interruption Frequency Index (SAIFI) is commonly used as a reliable indicator by electric power utilities. SAIFI is the average number of interruptions that a customer would experience, and it measure services quality.

Outcome 2. Increased access to reliable transportation services	ACHIEVED	
<p>1. Share of rural population with access to an all-season road (%)³³ Baseline: 5 Target: 10 <i>Data source: IIU (based on all seasons roads against map of human settlements)</i></p> <p>2. Roads in good and fair condition as a share of total classified roads (%)³⁴ Baseline: 15 Target: 35 <i>Data source: annual survey by IIU/MPW</i></p> <p>3. Travel time along major corridors: Baseline: Monrovia to Guinea border – 12, Monrovia to Buchanan – 5 hours Target: Monrovia to Guinea -6 hours, Monrovia to Buchanan - 3 hours <i>Data source: travel survey</i></p> <p>Capacity-development/gender</p> <p>4. Share of qualified national staff in key competency areas at central level in the transport sector (%) Baseline: 10 Target: 75 <i>Data source: IIU self- assessment assisted by the Bank</i></p>	<p>1. 41.9% of rural population with access to an all-season road far exceeding target. <i>Source: Liberia Spatial Analysis of Transport Connectivity and Growth Potential study report (Apr 2017)</i></p> <p>2. 45% of roads in good and fair condition as a share of total classified roads exceeding target; total network of roads that has been classified is 746km. <i>Source: Liberia Spatial Analysis of Transport Connectivity and Growth Potential study report (April 2017)</i></p> <p>3. Travel time was reduced within the Monrovia to Guinea corridor time traveled was reduced to 5hrs and within the Monrovia to Buchanan corridor travel time was reduced to 2 hr. from 5 hr. in 2009 and 2.5 hr. in 2015 exceeding targets for both corridors. <i>Source: Project Team P125574</i></p> <ul style="list-style-type: none"> A spatial analysis of transport infrastructure was completed, and the results are helping to shape the strategic direction of the sector. <i>Source: Presentation by Transport and ICT GP (Nov 2016)</i> <p>Capacity-development/gender</p> <p>4. 50% qualified national staff in key competency areas at central level in the transport sector progress was made towards target of 75%. <i>Source: ISR P125574 (Apr 2017)</i></p>	<p>IDA: Road Asset Management Project (LIBRAMP) (P125574),</p> <p>Trust Funds: Liberia Reconstruction Trust Fund (LRTF) (P110272)</p> <p>AAA: Multi-modal transport study Updated DTIS</p> <p>Development Partners: EU, Sweden, ADB, KfW, Irish Aid, Norway, GIZ, Japan, Kuwait Fund</p>

³³ This indicator is measured as the proportion of rural people who live within 2 kilometers (typically equivalent to a 20-minute walk) of an all-season road. This indicator is also known as Rural Access Index (RAI).

³⁴ This indicator measures the percentage of the total classified road network that is in good and fair condition depending on the road surface and the level of roughness.

Outcome 3. Increased access to telecommunications services		ACHIEVED
<p>1. Access to Internet Services (number of broadband subscribers per 100 people) Baseline: 1.7 Target: 3 <i>Data source: Liberia Telecommunications Authority list of customers against estimate of total population</i></p> <p>2. Volume of available international capacity: International Communications (Internet, Telecoms, and Data) bandwidth (Gbit/s) Baseline: 0.07 Target: 1.12 <i>Data source: Liberia Telecommunications Authority records</i></p>	<p>1. 30.78 subscribers with access to internet services (number of subscribers per 100 people) far exceeding target. <i>Source: ISR P116273 (Jun 2017)</i></p> <p>2. Volume of available international capacity in International Communications (Internet, Telecoms, and Data) far exceeding target at a 35 Gbit/s/person in bandwidth. <i>Source: ISR P116273 (Jun 2017)</i></p>	<p>IDA: West Africa Regional Communications Infrastructure Project (WARCIP-P116273)</p> <p>Development Partners: USAID</p>
Outcome 4. Improved management and productivity in agriculture, forestry and fisheries		MOSTLY ACHIEVED
<p>1. Area under new technologies by WAAPP (ha)³⁵ Baseline: 0 Target: 72,000 <i>Data source: Annual survey by WAAPP Secretariat</i></p> <p>2. Area of smallholder tree crop³⁶ farms rehabilitated, replanted or planted under STCRSP (ha): Baseline: 0 Target: Rehabilitation 3,700, Replanting 1,250 New Planting 300</p>	<p>1. Agriculture productivity: Exceeded target with an area of 102,749 ha under modern technologies disseminated by WAAPP. <i>Source: ISR P122065 (Jun 2017)</i></p> <p>2. Smallholder tree crops: First target surpassed with an area of 3,811.31 ha rehabilitated; progress towards replanting and new planting area targets are at 593.46 ha and 350 ha respectively under STCRSP³⁸ <i>Source: ISR P113273 (Jun 2017)</i></p>	<p>IDA: Smallholder Tree Crop Revitalization Support Project (STCRSP) (P113273), West Africa Agricultural Productivity Program APL (WAAPP-1C) (P122065), West Africa</p>

³⁵ New technologies could, among others, be improved genetic material, new methods in use of fertilizer use and new techniques in irrigation.

³⁶ Tree crops include: palm oil, rubber, coffee and cocoa.

<p><i>Data source: STCRSP Contracted concessionaires and service providers reports</i></p> <p>3. Total annual net economic benefits from targeted fisheries (USD) Baseline: 3.9 M USD Target: 8 M USD</p> <p><i>Data source: Economic model based on fish landings, effort and price data from the Bureau of National Fisheries</i></p> <p>Capacity-development/gender</p> <p>4. Cocoa Farmers Organizations (FOs) strengthened (number³⁷) Baseline: 0 Target: 43 <i>Data source: Report of service providers/CAO supervision reports</i></p> <p>5. Fishing vessels observed by aerial/surface patrol or by radar and satellite monitoring that are committing a serious infraction in targeted fisheries (%) Baseline: 45 Target: 33 <i>Data source: monthly reports form Bureau for National Fisheries</i></p> <p>6. National REDD+ strategy is prepared and validated by national stakeholders (yes/no) Baseline: No Target: Yes <i>Data source: Report from validation workshop</i></p>	<p>3. Fisheries: Indicator for this sector was dropped. The Team has carried out different evaluations using Fishery Performance Indicators to show the economic, ecological and social improvement of the sector. <i>Source: Input from Fisheries Team P106063 (Nov 2017)</i></p> <p>Capacity-development/gender</p> <p>4. Cocoa: To date, 16 cocoa farmer organizations (FOs) have been strengthened consisting of 10 cooperatives, 1 farmer’s association, and 5 new FOs, and reached 1,759 cocoa farmers. <i>Source: ISR P113273 (Jun 2017)</i></p> <p>5. Fisheries: reached a target of 30% in the number of industrial fishing vessels committing serious infractions compared to 83% before the start of project; successful introduction of Vessel Monitoring System (VMS) resulting in fines of US\$6.4mn collected by the government from illegal, unreported and unregulated (IUU) fishing. In 2015, the Government endorsed new “Fisheries and Aquaculture Policy and Strategy” setting out priorities for developing the sector by 2030. Construction of Mesurado Pier and Robertsport landing site were completed. <i>Source: ISR P106063 (Jun 2017)</i></p> <p>6. National REDD+ strategy was prepared and validated by national stakeholders. <i>Source: ICR P124073 (Oct 2017)</i></p>	<p>Regional Fisheries Program (P106063)</p> <p>Development Partners: FAO, WFP, USAID, IFAD, SIDA, ADB, GIZ</p>
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³⁷ Main areas of strengthening are: cocoa & coffee rehabilitation technologies, post-harvest handling, bulking, storage, collateral management, marketing, negotiation skills, accounting and financial management

Outcome 5. Improved enabling environment and increased access to finance for Liberian SMEs		PARTIALLY ACHIEVED
<p>1. Domestic for-profit businesses registered on the Ministry of Commerce's Liberian Business Registry (excluding NGOs, branches/ subsidiaries, foreign corporations and foundations) (% of which are owned by women) Baseline: 6,171 (32%) Target: 8,000 (32%) <i>Data Source: MoCI, Liberian Business Registry, analysis conducted by Building Markets' Sustainable Marketplace Initiative.</i></p> <p>2. Total commercial bank loans given to firms (USD) (% of which are given to women) Baseline: 216 million^{39 40} Target: 500 million (25%) <i>Data source: Central Bank of Liberia quarterly and annual reports</i></p> <p>3. Amount invested within 3 years of completion of IFC investment climate reform project by local and international firms Baseline: 71 million Target: 91 million <i>Data Source: NIC records</i></p>	<ul style="list-style-type: none"> NBFI project succeeded in drafting a law and insurance regulations tailored to the country's development of the insurance market. <i>Source: WBG ICR P126368 (Oct 2013)</i> In collaboration with the Central Bank, an in-depth study was produced on the development of capital markets in Liberia. <i>Source: Final study: P125294 (Jun 2017)</i> 	<p>AAA:</p> <p>Capital Market Strategy and Regulation (P125294), Non-bank financial institutions regulation and supervision Framework (P126368)</p> <p>IFC: AS</p> <p>Insolvency courts and debt recovery, Finance leasing, SME development and linkages, Business Regulations (Support for Business Registry, Doing Business Advisory, Inspections, Legal Framework for Special Economic Zones)</p> <p>Development Partners:</p> <p>ADB, Sweden, USAID, EU, Germany, WFP, FAO, UNDP</p>
Pillar II: Human Development (aligned with the AFT Pillar III)		
Outcome 6. Improved conditions for learning and management capacity in basic education		MOSTLY ACHIEVED
<p>1. Children attending primary school in 'improved' facilities as defined by technical assessment⁴¹ (number) Baseline: 4,590</p>	<p>1. 8,596 children attending primary school (meeting 92% of the target) in 30 improved facilities with year-round functionality with WASH &</p>	<p>IDA:</p>

³⁹ November 2011 figure, based on exchange rate of LR\$71/1US\$)

⁴⁰ Baseline will be established by SME Banking Diagnostic Study. Target is a minimum requirement

⁴¹ 'Improved' is intended as schools that (i) function during the rainy season, (ii) have access to water and sanitation facilities, and (iii) are furnished.

<p>Target: 8,910 Data source: <i>technical assessment 3 months after completion of construction work</i></p> <p>Capacity-development/gender</p> <p>2. Grade 1-9 students benefitting from school grant, learning materials, supplementary readers under GPE_BEP X number, of which are female (%) Baseline: 0 (0%) Target: 591,000 (44%) Data source: <i>Project supervision report on deliveries of learning environment improvements</i></p> <p>3. Schools single signatories to own bank account (number) Baseline: 0 Target: 2,500 Data source: <i>NGOs school surveillance reports</i></p>	<p>furniture based on the standard school sub-project package. Source: <i>ICR P105683 (Jan 2014)</i></p> <p>Capacity-development/gender</p> <p>2. 483,565 grades 1-9 students (47% female) benefitting from school grant, learning materials, supplementary reads under GPE_BEP exceeding the target and surpassing the female student proportion. Project PDO indicator was reduced during restructuring to 430,000 grades 1-9 students (44% female). Source: <i>ICR P117662 (May 2017)</i></p> <p>3. 2,579 schools as single signatories to own bank account to receive school grants based on approved school utilization plans exceeding target of 2,500. Source: <i>ICR P117662 (May 2017)</i></p>	<p>Community Empowerment Project II (CEPSII)(P105683)</p> <p>Trust Funds: Global Partnership for Education Grant for Basic Education (GPE_BEP) (P117662)</p> <p>Development Partners: USAID, UNICEF, Open Society Foundations, European Union</p>
<p>Outcome 7. Improved capacity of health service delivery in selected secondary-level health facilities NOT RATED</p>		
<p>Capacity-development/gender</p> <p>1. Knowledge score of medical residency students according to key curriculum benchmarks by HSSP Baseline: 60 Target: 75 Data source: <i>Knowledge test/ tracer vignettes</i></p>	<p>Capacity-development/gender</p> <p>1. This Indicator was dropped during restructuring “knowledge score of medical residency students as per the curriculum benchmarks by HSSP” Source: <i>ISR P128909 (Sep 2017)</i>.</p> <p>Additional results are:</p> <ul style="list-style-type: none"> The first batch of 16 students graduated from the Graduate Medical Residency Program. Source: <i>ISR P128909 (Sep 2017)</i> 10 in service training sessions in obstetrics, pediatrics, surgery, internal medicine (reaching 380 mid-level health workers) carried out on a semi-annual basis in project target facilities as of June 2017 (project closes May 2018). Source: <i>ISR P128909 (Sep 2017)</i> 	<p>IDA: Health Systems Strengthening Project (HSSP)(P128909)</p> <p>Development Partners: USAID, UNICEF, DfID, WHO, EU</p>

Outcome 8. Improved protection of poor and vulnerable households		ACHIEVED
<p>Capacity-development/gender</p> <p>1. <i>Number of work days created under YES (number) (disaggregated by gender, youth)</i>⁴² Baseline: 1.12 million (50% women, 65% youth) Target: 1.8 million (50% women, 75% youth) Data source: project reports on public works number of working days</p>	<p>Capacity-development/gender</p> <p>1. 2,337,500 number of work days created under YES far exceeding the target, making progress towards the gender target at 42% women and exceeding the youth target at 79% of total beneficiaries. Source: ICR P121686 (Jun 2017)</p>	<p>IDA:</p> <p>Youth, Employment, Skills Project YES) (P121686)</p> <p>Development Partners:</p> <p>UNICEF, WFP, EU, SIDA, USAID</p>
Pillar III - Governance and Public Institutions (aligned with the AFT Pillar IV)		
Outcome 9. Improved public financial management		NOT ACHIEVED
<p>Capacity-development/gender</p> <p>1. Extent of unreported government operations (PEFA PI-7 Score) Baseline: D+ Target: B Data source: PEFA assessment report</p> <p>2. Scope, nature and follow-up of external audits – PEFA PI-26 (PEFA Score) Baseline: D+ Target: C+ Data source: PEFA assessment report</p>	<p>Capacity-development/gender</p> <p>1. D+ score on PEFA PI-7 that reflects the extent of unreported government operations reflecting no progress towards the planned target of B. Source: ISR P127319 (Nov 2016)</p> <p>2. D+ score on PEFA PI-26 that reflects the scope, nature and follow-up of external audits – (PEFA Score) reflecting no progress towards the planned target of C+. Source: ISR P127319 (Nov 2016)</p> <p>• Unintended results: Progress was made in 5 PFM scores including: PEFA PI-12 from D+ to C+ multi-year perspective on financial planning, expenditure policy and budgeting; PEFA PI-28 from D to D+ on legislative scrutiny of external audit reports; PEFA PI-18 from D+ to C+ on effectiveness of payroll controls; PEFA PI-25 from D to C+</p>	<p>IDA:</p> <p>Integrated Public Financial Management Reform Project (P127319)</p> <p>Development Partners:</p> <p>IMF, EU, ADB, USAID, SIDA, UNDP</p>

⁴² In CPS period, the transport sector projects will generate 987,000 person-days of employment.

	on the quality of timeliness of annual financial statements. <i>Source: ISR P127319 (Nov 2016)</i>	
Outcome 10. Improve land administration		
ACHIEVED		
<p>Capacity-development</p> <p>1. Deed registry completion (%) Baseline: 0 Target: 80 <i>Data source: National Archives records against estimate of total deeds provided by field surveys</i></p>	<p>Capacity-development</p> <p>1. Significant progress has been made in establishing the pre-conditions for a land administration system for Liberia and for the development of an IDA-financed land project SPF TF project built the foundation for current land administration IDA program; the Land Governance Assessment Framework was completed</p> <p>Results:</p> <ul style="list-style-type: none"> o 74,580 deeds have been digitized as of Aug 2017 from all 15 countries o The National Land Policy was prepared and passed by the cabinet o The Land agency, now called the Liberia Land Authority, was established and is fully operational <p><i>Source: Multiple reports P117010</i></p>	<p>Trust Funds: Rehabilitation and Reform of Land Rights and Related Land Matters SPF (P117010),</p> <p>Development Partners: USAID, UN Habitat, SIDA</p>

CLR Table 3. Liberia Planned and Delivered Operations FY13-FY17 CPS (\$ millions)

CPS PLANS			DELIVERY STATUS	
FY	Project	US\$ (m)		US\$ (m)
2013	AF -- Liberia Road Asset Management Project (LIBRAMP)	50	Approved	50
	Liberia -- Accelerated Electricity Expansion Project (LACEEP)	35	Approved	35
	Liberia Health Systems Strengthening Project	10	Approved	10
	Poverty Reduction Support Credit	10	PRSC I, approved	10
	<i>Subtotal:</i>	<i>105</i>		<i>105</i>
2014	AF -- Liberia Urban and Rural Infrastructure Rehabilitation Project (URIRP)	12	Approved	19.6
	Poverty Reduction Support Credit	10		
	Civil Service Reform Project	2	Public Sector Modernization Project, approved	2
	<i>Subtotal:</i>	<i>24</i>		<i>21.6</i>
2015	Transport Project (Ganta to Harper Road)	80	Under preparation, expected to be delivered in FY19	
	Youth Employment/SSN	10	LACEEP AF, approved	60
	Poverty Reduction Support Credit	5	Two projects (Youth Opportunities Project and Social Safety Net Project) delivered in FY16	
	Land Administration	9	PRSC II, approved	30
	<i>Subtotal:</i>	<i>104</i>	Delivered in FY18	<i>90</i>
2016/ 2017	Liberia- Accelerated Electricity Expansion Project (LACEEP)	60	LIBRAMP AF approved in FY17	40
			Approved in FY15	
			Youth Opportunities Project, approved in FY16	10
			Social Safety Net Project approved in FY16	10
	Poverty Reduction Support Credit	5	PRSC III (\$40 mln, incl. \$20 mln CRW), approved in FY17	40
	5	PRSC III Supplemental (\$12 mln IDA, \$4.3 mln Norwegian TF), approved in FY17	16.3	
Natural Resource Management Governance Project	5	Not delivered		
<i>Subtotal:</i>	<i>75</i>		<i>116.3</i>	

CPS PLANS			DELIVERY STATUS	
FY	Project	US\$ (m)		US\$ (m)
Additional IDA Lending				
2015			Ebola Emergency Response Project, approved as part of the regional project in response to Ebola outbreak	115 52
2016			Renewable Energy Access Project, approved Urban Water Supply, approved	2 10
2017			REDISSE II (incl.\$10 mln regional IDA), approved HSSP AF (GFF grant), approved	15 10
			<i>Subtotal:</i>	204
			Total FY13-17:	536.9

CLR Table 4. Liberia ASA Activities CPS FY13-17 Planned vs. Actual (\$ millions)

FY	CPS Plans	Actual Deliveries
2013	<p><u>ESW:</u></p> <ul style="list-style-type: none"> • Youth Vulnerability Study • DTIS Update • Higher Education Strategy • Health Financing Note • Agriculture PER • Urban Policy Note • Policy Note on Extractive Industries Governance <p><u>TA:</u></p> <ul style="list-style-type: none"> • TA on PSD Strategy (joint with IFC) • TA on Oil Sector Governance 	<p><u>ESW:</u></p> <ul style="list-style-type: none"> • Youth Economic/Social Resilience • DTIS Update • Higher Education Diagnostics/Strategy • Health Financing • PER • Political Economy Governance in Liberia • Capital Market Strategy <p><u>TA:</u></p> <ul style="list-style-type: none"> • Electricity Sector Dialogue
2014	<p><u>ESW:</u></p> <ul style="list-style-type: none"> • Political Economy Notes • Transport Sector PER • Multi-Modal Transport Study • IFC AS to Identify Investors in Water Transportation • Decentralization Diagnostics <p><u>TA:</u></p> <ul style="list-style-type: none"> • ICT Backbone Feasibility Study and TA • Programmatic AAA in Natural Resource Management • HD Programmatic AAA and TA – National Youth Employment Framework • Efficiency and Value for Money in Budget Execution • Land Sector TA • Public Investment Program TA • IFC AS Education for Employment • PSD Programmatic AAA - SOE Diagnostics (joint with IFC) 	<p><u>ESW:</u></p> <ul style="list-style-type: none"> • Policy Notes • Urban Planning • Support to Women Economic Empowerment • Liberia Reform Plan • Liberia MTDS <p><u>TA:</u></p> <ul style="list-style-type: none"> • Broadband and ICT applications
2015	<p><u>ESW:</u></p> <ul style="list-style-type: none"> • Agriculture Sector “Landscape” Diagnostic • PREM Policy Notes • IFC AS Strengthening Capacity of Small-holders • IFC AS Education for Employment <p><u>TA:</u></p> <ul style="list-style-type: none"> • Poverty Assessment • Programmatic AAA in Natural Resource Management 	<p><u>ESW:</u></p> <ul style="list-style-type: none"> • Decentralization Diagnostics • Forest Sector Roadmap • Enhancing Regulations on Services Trade <p><u>TA:</u></p> <ul style="list-style-type: none"> • Public Investment Management TA • Household Expenditure Survey • AFREA – Liberia Rural Energy TA

	<ul style="list-style-type: none"> • HD Programmatic AAA and TA - Skills for Jobs • PSD Programmatic AAA and TA (joint with IFC) 	<ul style="list-style-type: none"> • Sustainable and Inclusive Natural Resource Governance through Biodiversity Offsets in Liberia (AAA)
2016	<u>ESW:</u> <ul style="list-style-type: none"> • PREM Policy Notes • Other AAA and TA TBD 	<u>ESW:</u> <ul style="list-style-type: none"> • Efficiency in Budget Execution • Strengthening DRM in Liberia <u>TA:</u> <ul style="list-style-type: none"> • PSD Strategy and Dialogue • Skills Development Constraints for Youth

CLR Table 5. IFC Investments FY13-17 in Support of Outcome Area 5, Actual

Project Short Name	Industry	Country ⁴³	Commitment Date	Disbursement Date	IFC Gross Investment (\$M)
UBA LIBERIA	FIG	Liberia	6/28/2017	1/24/2018	2,000,000
EBL Tier II	FIG	Liberia	6/29/2010	11/14/2011	3,000,000
ABL RI 2009	FIG	Liberia	8/28/2009	9/1/2009	450,000
WCSS Ecobank Lib	FIG	Liberia	12/2/2014	2/20/2015	7,500,000
WCSS GTB Liberia	FIG	Liberia	11/11/2014	3/26/2015	7,500,000
WCSS Afriland LR	FIG	Liberia	6/6/2015	4/18/2016	3,000,000
Synergy II	CTT	Western Africa Region	2/14/2018		20,000,000
Activa Insurance	FIG	Western Africa Region	7/25/2013	1/10/2014	5,700,000
Ventures WAVF	CTT	Western Africa Region	6/24/2010	12/14/2010	13,500,000
Synergy	CTT	Western Africa Region	6/13/2014	10/6/2014	10,000,000
Activa RI	FIG	Western Africa Region	12/21/2016	8/29/2017	1,810,075
WCSS EELF	FIG	Western Africa Region			24,500,000

⁴³ These projects labeled under the “Western Africa Region” are included because Liberia is one of the countries where the project is operating.

CLR Table 6. IFC ASA Activities FY13-FY17 in Support of Outcome Area 5, Actual

Project Name	Primary Business Line Name	FY of AS Implementation Plan Approval	Total Funds Managed by IFC (US\$)
Liberia Secured Transactions and Collateral Registries	Equitable Growth, Finance and Institutions	2013	872,000
West Africa Trade Logistics	Equitable Growth, Finance and Institutions	2014	4,219,846
Liberia Commercial Court and Debt Resolution Project	Equitable Growth, Finance and Institutions	2014	1,690,000
SSA Leasing II (Africa Leasing Facility II)	Equitable Growth, Finance and Institutions	2014	5,736,505
Investment Policy Reform for West Africa Regional Organizations	Equitable Growth, Finance and Institutions	2014	10,350,000
SME Ventures WAVF II	Telecoms, Media, Technology, Venture Capital & Funds	2017	831,553
FIG Agrifinance Advisory in Sub-Saharan Africa	Financial Institutions Group	2016	3,101,645
ABL SME lending	Financial Institutions Group	2014	798,714
AfSME Solutions West and Central Africa	Cross-Cutting Advisory solutions	2015	2,091,052
DFS Risk Management Training for LFS Affiliates	Financial Institutions Group	2017	67,000

ANNEX 3: Selected Indicators of World Bank Portfolio Performance and Management as of September 30, 2018

Data as of	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19 @ Aug 31
PORTFOLIO AND DISBURSEMENTS								
Active Projects #	12	12	12	12	13	10	11	11
Net Commitments Amt \$m	294.57	370.15	382.69	405.75	397.75	363.70	338.70	338.70
Total Disbursements \$m	129.21	142.63	167.81	170.34	192.91	161.69	178.37	181.17
Total Undisbursed Balance \$m	163.80	222.68	214.19	219.85	191.25	173.04	148.87	145.04
Disbursements in FY \$m	47.85	34.65	24.09	66.77	57.46	84.91	55.74	2.80
Disbursement Ratio for IPF only %	28.9	22.8	11.1	19.2	26.6	25.6	19.8	1.9
IBRD/IDA Disb Ratio	28.9	23.0	11.1	19.1	26.6	25.6	19.8	1.9
Slow Disbursements %	25.0	16.7	0.0	0.0	7.7	10.0	0.0	0.0
PORTFOLIO RISKINESS								
Actual Problem Project #	1	0	2	1	0	1	1	1
Problem Project %	8.3	0.0	16.7	8.3	0.0	10.0	9.1	9.1
Potential Problem Project #	3	1	1	1	1	1	4	4
Projects At Risk #	4	1	3	2	1	2	5	5
Projects At Risk %	33.3	8.3	25.0	16.7	7.7	20.0	45.5	45.5
Commitments At Risk \$m	154.00	53.00	142.70	12.00	117.70	167.70	282.70	282.70
Commitments at Risk %	52.3	14.3	37.3	3.0	29.6	46.1	83.5	83.5
Proactivity %		100.0		50.0	100.0		100.0	100
IEG RATINGS (FY11 - FY17)								
# of Exits	1		1		2	3		
No. of Projects Evaluated by IEG	1		1		2	3		
IEG MS+ Outcome Sat %	100.0		100.0		50.0	66.7		
ICR Quality Sat %	100.0		100.0		0.0	0.0		
Net Disconnect %	0.0	0.0	0.0	0.0	0.0	0.0		
Bank Perf. MS+ @ Entry (%)	0.0		100.0		50.0	66.7		
Bank Perf. MS+ @ SPN (%)	100.0		100.0		50.0	66.7		
M&E Quality %	0.0		0.0		0.0	66.7		
Borrower Overall Performance % Sat	100.0		100.0		100.0	100.0		

ANNEX 4: Operations Portfolio (IDA and Grants)

Project ID	Project Name	Board Approval Date	Revised Closing Date	Proj Age (in Years)	Net Comm. Amt. (\$M)	Total Disb. (\$M)	Total Undisb. Bal. (\$M)	% Disb
Agriculture								
P113273	LR Smallholder Tree Crop Revitalization Support Project	05-Jun-2012	30-Nov-2018	6.3	15.00	13.10	0.71	87.3%
Energy & Extractives								
P133445	Liberia Accelerated Electricity Expansion Project (LACEEP)	30-May-2013	30-Apr-2020	5.3	95.00	47.52	44.68	50.0%
P149683	Liberia Renewable Energy Access Project	11-Jan-2016	30-Jun-2021	2.7	2.00	-	2.11	0.0%
Governance								
P143064	Liberia: Public Sector Modernization Project	10-Feb-2014	30-Sep-2019	4.6	2.00	1.92	0.03	96.1%
Health, Nutrition & Population								
P128909	Liberia Health Systems Strengthening	30-May-2013	30-May-2020	5.3	10.00	8.03	1.69	80.3%
Macroeconomics, Trade and Investment								
P162111	Liberia Fourth Poverty Reduction Support Development Policy	24-Jan-2018	31-Dec-2018	0.6	20.00	20.70	-	103.5%
Social Protection & Labor								
P146827	Liberia Youth Opportunities Project	06-Nov-2015	31-Dec-2020	2.8	10.00	5.23	4.98	52.3%
P155293	Liberia Social Safety Nets Project	28-Apr-2016	31-Dec-2021	2.4	10.00	1.00	9.14	10.0%
Social, Urban, Rural and Resilience Global Practice								
P162893	Liberia Land Administration Project	28-Sep-2017	31-Oct-2022	0.9	7.00	0.93	6.11	13.3%
Transport & Digital Development								
P125574	Liberia Road Asset Management Project - LIBRAMP	07-Jun-2011	30-Jun-2024	7.3	157.70	80.36	67.64	51.0%
Water								
P155947	Liberia Urban Water Supply Project	24-Mar-2016	30-Jun-2021	2.5	10.00	2.79	7.48	27.9%
Liberia Total	11				338.70	181.58	144.58	53.6%

Data as of Sep 8, 2018

IDA Regional Operations Portfolio

Project ID	Project Name	Global Practice	Board Approval Date	Revised Closing Date	Net Comm. Amt. (\$M)	Total Disb. (\$M)	Total Undisb. Bal. (\$M)	% Disb
P113266	West Africa Power Pool (Phase 1)	Energy & Extractives	5/31/2012	12/15/2020	189.82	58.20	118.04	30.7%
P156759	West Africa Region Fisheries Program	Environment & Natural Resources	9/21/2016	3/1/2019	1.00	0.75	0.25	75.0%
P152359	Ebola Emergency Response Project	Health, Nutrition & Population	9/16/2014	3/31/2021	167.00	145.27	17.12	87.0%
P159040	Regional Disease Surveillance Systems	Health, Nutrition & Population	3/2/2017	8/31/2024	15.00	0.80	14.95	5.3%
Regional Total	4				372.82	205.02	150.37	55.0%

Data as of Sep 8, 2018

ANNEX 5: Trust Fund Portfolio

1. The Liberia portfolio is heavily financed by TFs with at least half of the IDA active portfolio co-financed by TFs. Across the World Bank, there are many active recipient-executed trust funds (RETFs) and bank-executed trust funds (BETFs) supporting Liberia for close to US\$230 million in commitments (RETFs) and US\$35 million in commitments for BETFs (*as of September 2018*). These TFs finance activities in health, forestry, rural and urban development, waste management, agriculture extension, renewable energy development, and social protection, to name a few.

2. In the tables below, there are two large RETFs and four small RETFs that are core activities of the Liberia portfolio. The large RETF Urban Sanitation Project (P159961) is financed by the LRTF. The four small RETFs have supported the development of MSMEs, psychosocial health and health systems strengthening, and capacity building for national statistics.

Table 5.1: Large RETFs

Project ID	Project Name	Board Approval Date	Revised Closing Date	Net Comm. Amt. (\$M)	Total Disb. (\$M)	Total Undisb. Bal. (\$M)	% Disb
Education							
P162089	Getting to Best in Education		30-Jun-2022	11.07	0.00	11.07	0.0%
Environment & Natural Resources							
P154114	Liberia Forest Sector Project	19-Apr-2016	30-Jun-2020	36.70	7.56	29.14	20.6%
Social, Urban, Rural and Resilience Global Practice							
P159961	Cheesemanburg Landfill and Urban Sanitation Project	28-Jun-2017	30-Jun-2020	10.50	1.60	8.90	15.3%
Liberia Total	3			58.27	9.16	49.11	15.7%

Data as of Sep 8, 2018

Table 5.2: Small RETFs (snapshot)

Project ID	Project Name	Board Approval Date	Revised Closing Date	Net Comm. Amt. (\$M)	Total Disb. (\$M)	Total Undisb. Bal. (\$M)	% Disb
Health, Nutrition & Population							
P146591	Supporting Psychosocial Health and Resilience in Liberia	1/25/2015	12/31/2018	2.75	2.75	-	100%
P158005	Strengthening Liberia Health System	6/10/2016	9/30/2018	4.90	4.90	-	100%
Finance, Competitiveness and Innovation							
P157797	Liberia MSME & Rural Finance post Ebola Reconstruction	4/4/2016	3/30/2019	4.80	4.10	0.70	85.4%
Poverty and Equity							
P145709	Liberia - Strengthening the National Statistics System	7/10/2013	9/30/2018	4.56	4.24	0.32	92.9%
Liberia Total	4			17.01	15.99	1.03	94.0%

Data as of Sep 8, 2018

ANNEX 6: IFC Annual Program and Outstanding Portfolio

Annual Program (US\$ millions)						
	FY13	FY14	FY15	FY16	FY17	FY18 YTD
Total LTF Commitments	0.0	5.0	0.0	39.1	5.5	2.5
Of which: Own Account	0.0	5.0	0.0	39.1	5.5	2.5
Of which: Mobilization	0.0	0.0	0.0	0.0	0.0	0.0
Total STF	11.5	20.9	12.5	18.0	9.6	15.4
O/A Commitments since 1978	70.5					

Outstanding Portfolio (US\$ millions, as of 1.31.2018)				
	MAS	INR	FIG	CTT
Debt, equity and quasi-equity	3.0	0.0	4.7	0.0
STF	0.0	0.0	8.5	0.0
Total	3.0	0.0	13.1	0.0
Top 3 exposures	GTBL (Trade Finance) 5.5; Afriland Liberia (Financial Markets) 3.0; Firestone farmers AFB (Agribusiness & Forestry) 2.5; Wienco Liberia (Agribusiness & Forestry) 2.5; UBA LIBERIA (Financial Markets) 2.0.			
New business pipeline overview	WCS GTBL (Financial Markets) 5.0			

¹ 2016, World Development Indicators 2016; ² 2015 data, from Medina and Schneider (2018).

ANNEX 7: Fragility and Resilience in Liberia: Applying the Fragility and Resilience Lens to the WBG Program⁴⁴

INTRODUCTION

1. This is a synopsis of the 2017 Liberia RRA, which informed both the SCD and this CPF. The RRA applies a fragility and resilience lens to WBG programming in Liberia at a critical point in the country's development. The RRA's analysis identifies an incomplete process of state formation as the most fundamental driver of fragility and conflict. In addition, deeply ingrained elitism and tribalism—artifacts of Liberia's unique history—have long divided the nation. Weak public institutions and the limited capacity of the civil service long prevented Liberia from achieving its development goals, and its two devastating civil wars (1989-1996 and 1999-2003) further weakened governance to the point of state failure. Since 2003, Liberia has made significant progress in rebuilding its public sector and consolidating a peaceful democratic process, though it has yet to return to its pre-war level of economic development.

2. The RRA highlights the drivers of fragility that Liberia must address to achieve the development goals of the FY19-FY24 CPF. It then identifies sources of resilience, which have helped the country reduce its fragility. Finally, it describes how the WBG program in Liberia can apply a fragility and resilience lens to all aspects of its projects, analyses, and TA.

DRIVERS OF FRAGILITY

Corruption

3. One of the foundational challenges for the government is to reduce corruption and rebuild public trust in governmental institutions. The Liberian public so mistrusts the government that the Ebola epidemic was initially believed to be a ruse designed by the authorities to syphon funds from the international community. Tragically, this led many Liberians to disregard the initial public health warnings regarding Ebola safety. Despite the efforts of the previous administration, corruption perceptions are on the rise, and the new government has made combatting corruption a central element of its agenda.

High Rates of Inequality

4. Urban-rural disparities are widening. The twin shocks of the Ebola crisis and the collapse of global commodity prices, coupled with the drawdown of the UNMIL, increased the poverty rate from 51.4 percent in the first half of 2014 to an estimated 61.2 percent in the first half of 2016⁴⁵. The recent depreciation of the Liberian dollar has further reduced the purchasing power of the poor, and rising food prices are a serious cause for concern. The economic downturn severely impacted rural areas, where the poverty rate increased from 67.6 percent in 2007 to 70 percent in 2014.⁴⁶ The SCD found that urban areas, which have historically benefitted most from public investment and economic development, will experience a decrease in poverty over time, while rural poverty rates are likely to rise.

A Weakened Health Sector

5. Liberia has just 298 doctors to serve a population of 4.6 million, and its healthcare system is severely strained. Unsuitable infrastructure, inadequate supplies, outdated equipment, and poor

⁴⁴ This document summarizes the findings of the 2017 Liberia Risk and Resilience Assessment.

⁴⁵ Liberia SCD, 2018, page 14.

⁴⁶ Ibid.

training are among the main challenges facing the health sector. An estimated 8 percent of all Liberian doctors, nurses, and midwives were killed by the Ebola virus, and training new medical professionals will take many years. Meanwhile, improvements in the provision of basic health services are vitally important, particularly in rural areas. The upcoming closure of the Health Sector Pooled Fund, scheduled for July 2018, is likely to have a significant impact on the health sector, as the Pooled Fund has financed the salaries of 2,800 health sector workers, and appropriate replacement funding has yet to be sourced.

Vulnerable Youth

6. Liberia's large population of young people is its most valuable asset, but Liberian youth are highly vulnerable to a range of negative outcomes. An estimated 72 percent of the Liberian population is below the age of 35. Youth account for 85 percent of unemployed workers, and most have little formal education. Drug use and teenage pregnancy are growing problems, and the most vulnerable are homeless youth in urban centers. Known as *zogos*, these young people are often addicted to drugs, and many rely on petty crime as a means of survival. Hopelessness is the most serious challenge facing the *zogos*, as few have reason to believe in the promise of a job and a better life. Recognizing the importance of engaging youth in productive activities, the government has prioritized education and youth employment.

Gender Disparities

7. Although Liberia elected Africa's first female head of state, Liberian women continue to face profound social and economic disparities. Patriarchal norms and attitudes are deeply embedded in Liberian society. Families are more likely to invest in the health and education of boys than of girls, as boys are often regarded as the future primary income earners and heads of household. According to the Ministry of Gender, Children Social Protection—the lead agency working to combat sexual and GBV and promote gender equality—the greatest obstacle to gender equality is the widespread belief in the social superiority of men.

RESILIENCE FACTORS

1. Freedom of speech is viewed as a right and widely practiced.
2. The successful transfer of power in 2018 indicated that democratic institutions are strengthening and public demand for a functioning state is gaining traction.
3. Liberian society is religiously tolerant, and Liberia has little history of sectarian violence.
4. Civil society groups are active and effectively serve as a check on the government.
5. The government's PAPD is designed to improve public-sector transparency and accountability, combat corruption, accelerate human development, and create a more favorable business environment.

8. THE FRAGILITY AND RESILIENCE LENS

Country-Level Guidance

The Country Team and project teams are expected to answer three basic questions to assess whether any project, ASA, or other intervention contributes to reducing fragility and building resilience:

1. Do the World Bank's activities deliver equitable benefits to vulnerable groups? Do the World Bank's activities adequately address the drivers of vulnerability among target groups?
2. Are the World Bank's projects, analytical work, and other activities helping to further

strengthen the government's capacity to deliver essential public goods and services?

3. Do World Bank partnerships and projects contribute to increased security? Does the design of activities in the portfolio reflect an understanding of current security risks in Liberia? And do World Bank projects specifically promote measures to reduce various form of violence?

In addition to these three core questions, the Liberia Country Team's fragility and resilience lens should incorporate the following objectives:

9. Addressing social fragmentation

1. Are World Bank activities based on multi-stakeholder consultation, and do they include a range of opinions? Are stakeholder consultations updated to reflect changing priorities?
2. Are participation and grievance-redress mechanisms inclusive of all different social, political and economic groups? Are these mechanisms properly embedded in program design?
3. Is information about World Bank activities, including priorities are resource allocation, being effectively communicated in appropriate forms and languages throughout Liberia?
4. Do projects deliver equitable benefits across regions and socio-economic groups?

10. Strengthening institutions and building trust

1. Do World Bank activities build the government's long-term institutional capacity? Is the size and complexity of the portfolio consistent with the government's current capacity?
2. Are World Bank activities perceived to be transparent? Do projects explicitly promote transparency and do transparency-focused project components effectively increase public awareness and understanding of World Bank initiatives. Do World Bank activities promote mutual understanding between the state and its citizens? Are mechanisms for citizens to provide feedback to the government incorporated into World Bank projects? Should the World Bank assist the government in designing a communications strategy to inform citizens of government activities and priorities and enable citizens to provide input and feedback?

11. Creating a more inclusive economy

1. Do jobs created through World Bank interventions benefit socially excluded individuals or members of vulnerable groups, including both jobs created by World Bank projects and jobs created to implement World Bank projects (e.g., local consultants and contractors)? What is the geographic, demographic, ethnic, and gender distribution of beneficiaries?
2. Does the World Bank portfolio support sectors traditionally linked to agricultural, forestry, and mining concessions? If so, is this support balanced by efforts to promote economic activities independent from concessions? What are the tradeoffs between supporting sectors that provide public revenue vs. those that can promote a more equitable distribution of resources?

12. Strengthening overall security and stability

1. Are beneficiaries of World Bank projects protected from security risks while participating in project activities? Are projects that benefit vulnerable individuals, such as women and children, increasing their chance of being victims of violence? What are the security

implications of bank programs in the social sectors, interventions designed to reduce corruption, and projects focusing on land issues?

13. Operationalizing the Fragility and Resilience Lens

Per Fragility, Conflict and Violence Cross-cutting Solutions Area (FCV CCSA) guidance, the WBG program will incorporate a fragility and resilience lens, which will be operationalized by:

- **Familiarizing Global Practice (GP) staff with the drivers of fragility.** Task team Leaders (TTLs) must have a sufficient knowledge of the unique features of the Liberian context. Annual combined Country Portfolio Performance Review (CPPRs)/Country Team meetings held jointly with staff from the FCV CCSA will provide a forum for discussion and training on fragility and resilience, which will help ensure that World Bank staff and government counterparts share a common understanding of these complex issues.
- **Preparing sector-specific questionnaires.** An analysis at the project concept stage will inform project design, and implementation will be monitored throughout the project lifecycle. Every project will need to individually assess issues of fragility and resilience, as not all drivers of fragility (or sources of resilience) pertain to all projects. Through a consultative process, project teams should attempt to determine how their projects could mitigate fragility and strengthen resilience. During mid-term reviews, project teams could review their assessments and adjust them as necessary.

14. Going forward, the operationalization of the fragility and resilience lens will be coordinated by dedicated staff who will work with multi-sector teams to analyze the country context, adapt project design to reflect the drivers of fragility, and ensure that World Bank processes effectively address fragility. Project concept notes and project appraisal documents may be required to have a dedicated section on fragility and how their project mitigates fragility or, at a minimum, does not worsen it. The initial stages of the implementation process will be closely coordinated with FCV CCSA.

ANNEX 8: Summary Findings of the Country Partnership Framework Consultations, June 4-7, 2018

Introduction

1. The Country Partnership Framework (CPF) consultations were intended to solicit views and feedback from a diverse group of stakeholders to better align the CPF's pillars and objectives with the Liberian government's PAPD and the WBG twin goals of eliminating extreme poverty and promoting shared prosperity. The CPF will guide the WBG's engagement with Liberia over the next five-six years and support the priorities of the PAPD. The CPF consultations were conducted in strategic locations around Liberia (Monrovia, Ganta and Buchanan). The over 300 participants included representatives from civil society organizations (CSO), the media, the private sector, development partners, academia, and the Liberian government, many of whom also participated in the SCD consultations, including youth and women. The WBG CPF Team, led by the TTL, opened every consultation session by explaining how the CPF would be based on the 2017 SCD's findings and informed by the binding constraints it identified. The team stressed that the intent of the consultations was to incorporate feedback and determine the appropriateness of the CPF's three pillars and eight objectives. The TTL's presentation addressed the following areas:

- ❖ Country Context: Challenges
- ❖ Poverty Profile
- ❖ Country Context: Opportunities
- ❖ CPF Objectives and Focus
- ❖ CPF Pillars and Objectives
- ❖ SCD Priority Areas; CPF Pillars and Objectives Matrix
- ❖ Expected Results
- ❖ CPF Resources and Implementation
- ❖ Questions to Solicit Feedback

2. Themes Emerging from the Consultations

- The WBG must establish a framework for engaging with CSOs at the community level to ensure proper monitoring and evaluation, transparency, and accountability of WBG-funded projects and other activities taking place at project sites.
- The design of WBG projects must be informed by local communities, and adequate local outreach is necessary to establish community ownership. The WBG must draw on existing community structures to create an effective communications platform to inform communities about local projects.
- The WBG portfolio must emphasize maternal health and early childhood development.
- The decentralization of development efforts is critical to enhance rural incomes and discourage migration to urban centers.
- Agricultural development is crucial, and a private-sector-driven approach to mechanization and commercialization, backed by stronger land rights and land-use laws enacted to protect rural families, could improve the incomes of rural households.
- The CPF should incorporate private-sector-led opportunities for farmers to lease agricultural equipment.
- Infrastructural development—including roads, electricity, and running water—is crucial to agricultural development, as poor road conditions trap produce in disconnected villages.
- Coordinated efforts to improve data collection and linking the CPF to the SDGs would increase the effectiveness of WBG engagement. Resources should be pooled to avoid institutional fragmentation.

- Gender requires more attention, despite being included as a cross-cutting CPF theme. In addition, infrastructure projects, especially road construction and agriculture, should incorporate issues related to climate change.
- Higher-education institutions need ICT capacity, and primary and secondary institutions need teacher training. ICT will help institutions overcome capacity constraints and participate in teacher-exchange programs.
- The WBG should work with commercial banks to structure long-term business loans with low interest rates. Corruption negatively affects commercial banks, which pressure borrowers to provide kickbacks, demand repayment within a month of issuing a loan, and impose very high interest. Businesses also face crippling exchange-rate losses on goods purchases, and a lack of consumer purchasing power limits turnover and undermines profitability.
- Better market linkages and free trade within the region could boost revenues for Liberian businesses. The CPF should consider investing in export-oriented production.
- The CPF should address tax education, tax relief, and tax reform, as well as strengthening the bureaucratic Monrovia-based centralized tax administration.
- Building training capacity and reforming umbrella training organizations could enhance human development, while exchange visits and mentorship programs could disseminate best practices and promote sustainability.
- Development partners unanimously called for greater efforts to promote transparency, accountability, and good governance, highlighted the need to discuss these issues with the new government, and expressed concern that the discourse on these issues had progressed very little over time.
- Development partners resolved to seek government's full cooperation to ensure the successful implementation of the appropriate pillars and objectives envisaged under the CPF.

3. Conclusion

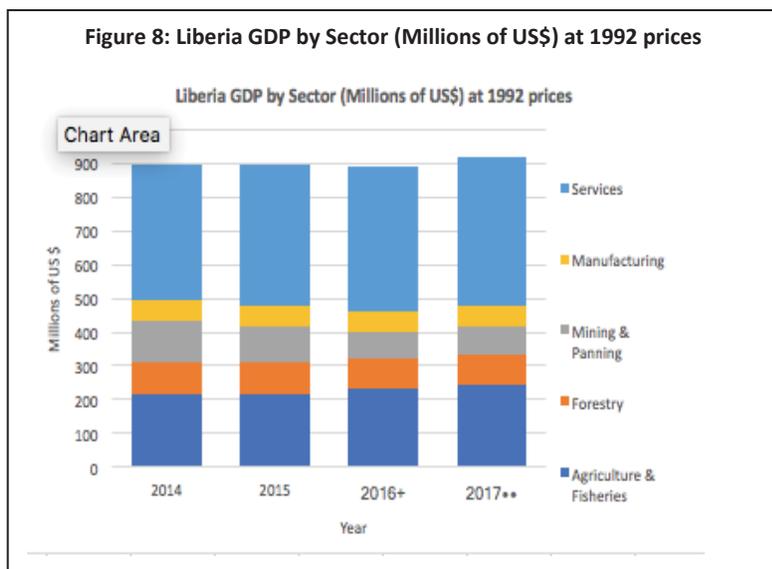
The CPF consultations were well aligned with the CPPR conducted on June 5-6, 2018. The CPPR enabled government officials and technical specialists to gain a better understanding of WBG-financed projects and programs. To achieve the CPF's objectives, the World Bank has begun presenting its Environmental and Social Framework (ESF) to officials of the new administration, and institutional capacity-building is a core component of the ESF. The ESF will assist Liberia in developing and implementing robust environmental and social policies.

Civil society groups at all three consultations expressed unanimous support for creating a local engagement platform to promote the transparency and accountability of WBG-funded projects. Representatives of the private sector were similarly undivided in their concerns about access to finance and the country's unfavorable lending environment. Members of academia expressed a clear consensus regarding the importance of social development, especially for youth. The media showed an interest in capacity-building. Government representatives underscored the importance of coordinating development initiatives, especially data collection. Participants at all three consultations ranked infrastructure, education and agriculture as the most important sectors and agreed with the appropriateness of the CPF's three pillars and eight objectives.

ANNEX 9: World Bank Supports Sustainable Forestry in Liberia

1. The World Bank has been engaged in the forestry sector in Liberia since 2004, initially as a member of the Liberia Forest Initiative (LFI) and was instrumental in helping lift the UN Council sanctions on the sector in the post conflict period. The World Bank has been actively engaged from 2006 onwards in reforms and support linked to sustainable management of forests via two GEF projects (EXPAN and COPAN), the Forest Carbon Partnership Facility support to Liberia’s REDD+ Readiness, and now through the ongoing LFSP and the ongoing analytical work under the Programmatic ASA. World Bank, support in collaboration with donors has led to reforming the policy and regulatory environment for the sector has led to incremental improvements in economic, social, institutional and sustainable management aspects of the sector. The reengagement in forestry sector in the post conflict period required setting the stage for engaging stakeholders in the national dialogue on forest management. Several participatory platforms have since been established (such as REDD Technical Working Group, National Climate Change Steering Committee, the Community Forest Working Group, Grievance Redress Mechanism) and are performing a vital role in providing feedback on critical issues relevant to sectoral reforms

2. **Economic:** The World Bank, through the LFI, supported, together with other donors, the establishment of the Chain of Custody, which was a key requirement for lifting moratorium on commercial forestry operations. Commercial operations resumed, and forestry became a large sector in formal



economy. Liberia’s forestry sector contributed 10 percent to GDP in 2016⁴⁷. Liberia’s forestry sector is a key source of employment and income. Over one-third of Liberia’s population lives in forested areas, where forests provide a large share of formal employment and support informal income-generating activities, such as chainsaw milling and charcoal production. The annual revenue generated by chainsaw milling alone is estimated at US\$31-41 million, or about 3-4 percent of GDP⁴⁸; chainsaw milling employs between 19,000 and 24,000 workers.⁴⁹ Accounting informal contribution of

the sector is therefore important for assessing the forestry sector role in national economy.

3. **Social:** Forests serve as an important source of livelihoods to one third of Liberia’s population who live in the forested areas. A Community Rights Law with Respect to Forest Lands (2009) enabled the transfer of forest rights to communities, providing the legal basis for demarcation, formal recognition, and the sustainable management and utilization of community forests. A strategic shift towards effective forest local governance systems that enable communities to make informed decisions and negotiate partnerships for equitable sharing of forest-related benefits from resource management has started with the approval of first 13 Community Forest Management Agreements (CFMAs). The LFSP supports an

47 Central Bank of Liberia. 2016. Annual Report 2016. Office of the Executive Governor. Central Bank of Liberia.

48 USAID. 2015. Liberia: Gap Analysis of Targeted Domestic Natural Resource Markets.

49 USAID, 2015. Liberia: Gap Analysis of Targeted Domestic Natural Resource Markets.

integrated approach to addressing deforestation and forest degradation, by building capacity of the government agencies and forest communities to adequately manage forest resources and by providing support to communities on pursuing income generating activities that are not detrimental to forests (including conservation agriculture and establishment of improved tree crops).

4. Institutions and Governance: FDA is the key authority responsible for the country's forest estate and plays a critical role in sustainably managing Liberia's forests., The LFSP Is providing institutional and capacity building support to the FDA and its staff, to improve internal management structures and interdepartmental coordination as well as enhance capacity of the FDA staff on various issues, such as conservation, community forestry, etc. With project support, the FDA Strategic Vision 2030 was developed. The LFSP is also supporting establishment of forest monitoring systems and capacities at FDA and LISGIS, through better quality data and maps of forest cover to help target management interventions. A national forest inventory (underway) will help take stock of existing forests and support the planning of future timber harvesting and award of new concession areas as well as in assessing changes in forest cover and biomass. In addition, a forest-focused household survey (also underway) will provide reliable information on forest dependence and usage by rural households. Construction of Park HQ and regional offices of FDA has been initiated to provide a conducive working environment for Park staff and field-based staff, in addition to other logistical support.

5. Sustainable management of forests: In alignment with the 3 Cs approach (Conservation, Commercial and Community) under the NFRL, 2006 and its commitment to put 30 percent of the country's land area under protection, Liberia established five national Protected areas covering the area of about 480,000 ha. The LFSP is supporting strengthening of the management of these Protected Areas as well as preparation of feasibility and pre-gazettement studies for additional five Proposed Protected Areas. With LFSP support, the FDA is also supporting 23 communities in the process of identification of their community forests and establishing governance structures for the same. In parallel, FDA has initiated a review of all forest logging commercial concessions including some CFMAs established so far, to offer opinion on legality of the process so far and make suggestions for resolving outstanding issues related to legality.

6. Private sector engagement: Private sector engagement is crucial for sustainable development of the forestry sector, considering heavy reliance on logging revenue and expansion of agricultural cash crop concessions. Improving conditions for the private sector could contribute to community-based enterprise development and increased investment in the sector as well as improved incomes at the community level. However, conditions for private sector engagement need to be enhanced through measures such as access to finance, streamlined reporting and tax collection, and compliance with the allocation of share of revenue from concessions with communities as beneficiaries etc. This should open the possibility of engaging responsible private sector, including in a long-term relationship with communities. More needs to be done on sustainable value chains; value addition in wood processing; and collection and marketing of Non-Timber Forest Products.

ANNEX 10: Liberia Donor Mapping

Sectors	Sub-sectors	USAID ⁵⁰	EU	Germany	Japan/JICA	Norway	DFID	France	African Development Bank	Millennium Challenge Corp	Ireland	FAO	IFAD	Sweden	WFP	UNDP	UNICEF	ILO	WBG	
Public Institutions and Governance	PFM	Blue	Yellow	Yellow			Green		Green					Yellow		Yellow			Yellow	
	Public Resource management/Tax reform	Blue	Red						Green							Green				Green
Infrastructure	Decentralization	Blue	Red						Green	Green			Green	Green					Yellow	Red
	Roads	Blue	Yellow	Yellow	Yellow	Red	Yellow		Green	Green			Green	Green						Red
	Energy	Blue	Green	Red	Yellow	Green	Yellow		Green	Green			Green	Green						Red
	Urban development	Blue	Green						Green	Green			Green	Green						Green
Human Development	Water and sanitation	Blue		Red					Red	Green	Green							Yellow	Yellow	Green
	Health and nutrition	Blue	Red	Yellow			Red	Yellow			Yellow				Yellow		Green			Green
	Education and training	Blue	Green	Green	*Via UNIDO			Green	Green	Green					Yellow		Green			Green
	Women's empowerment	Blue		Red					Yellow		Green	Yellow		Yellow		Green		Green		Green
	Social protection	Blue													Green	Yellow	Yellow	Yellow		Yellow
Agriculture	Jobs and skills	Blue	Green	Green				Green	Green	Green		Green		Green	Yellow	Green	Green	Green	Green	Green
	Crop production, markets and productivity	Blue	Green	Yellow	*Via IFAD				Green			Green		Yellow	Green					Green
Business, Competitiveness and Innovation	Fishery		Green							Green		Green		Green						Yellow
	Finance and Banking	Blue					Green		Yellow				Green	Green						Yellow
	Trade and Business Development	Blue		Yellow			Green		Green				Green	Green		Green				Green
Natural Resource Management	ICT and new technologies	Blue																Green		Green
	Environment and climate change	Blue	Green	Yellow					Green			Green	Green	Green	Yellow	Green				Yellow
	Forestry	Blue	Yellow			Yellow	Yellow		Yellow			Green	Green	Green		Green				Yellow

Comment: green – scale up; yellow – stay the same; red- scale down; blue- current program

⁵⁰ USAID is preparing a new multi-year Country Development Cooperation Strategy (CDCS), which will be approved by June 2019 and will define programmatic areas of emphasis. This column reflects the current composition of the USAID program.

ANNEX 11: Map of Liberia

IBRD 33435R3



JANUARY 2016