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Report No: PAD5222

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT PAPER

ON A PROPOSED ADDITIONAL CREDIT
FROM THE CRISIS RESPONSE WINDOW
(EARLY RESPONSE FINANCING)

IN THE AMOUNT OF US\$20 MILLION

TO THE
REPUBLIC OF LIBERIA

FOR THE
RECOVERY OF ECONOMIC ACTIVITY FOR LIBERIAN INFORMAL SECTOR EMPLOYMENT PROJECT

December 12, 2022

Social Protection and Jobs Global Practice
Western and Central Africa Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective November 30, 2022)

Currency Unit = Liberian Dollar (LRD)

LRD153.2505 = US\$1

FISCAL YEAR

January 1 – December 31

Regional Vice President: Ousmane Diagana

Country Director: Pierre Frank Laporte

Regional Director: Dena Ringold

Practice Manager: Camilla Holmemo

Task Team Leaders: Mack Capehart Mulbah, Steisianasari Mileiva

ABBREVIATIONS AND ACRONYMS

AF	Additional Financing
AFD	<i>Agence Française de Développement</i> (French Development Agency)
AM	Accountability Mechanism
AWP&B	Annual Work Plan and Budget
BFG	Beneficiary Farming Group
CDS	Community Development Support
CERC	Contingent Emergency Response Component
CLAS	Community Livelihood and Agriculture Support
COVID-19	Coronavirus Disease
CRW	Crisis Response Window
DA	Designated Account
E&S	Environmental and Social
ERR	Economic Rate of Return
ESCP	Environmental and Social Commitment Plan
ESMF	Environmental and Social Management Framework
ESRS	Environmental and Social Review Summary
ESS	Environmental and Social Standards
FA	Financing Agreement
FAO	Food and Agriculture Organization
FM	Financial Management
FMO	Financial Management Officer
GAC	General Auditing Commission
GBV	Gender-Based Violence
GCRF	Global Crisis Response Framework
GoL	Government of Liberia
GRC	Grievance Redress Committee
GRM	Grievance Redress Mechanism
GRS	Grievance Redress Service
GT	Guaranty Trust
HIES	Household Income and Expenditure Survey
IFMIS	Integrated Financial Management Information System
IFR	Interim Financial Report
IPF	Investment Project Financing
LACE	Liberia Agency for Community Empowerment
LHSR	Liberia Household Social Registry
LIPW	Labor-Intensive Public Works
LRD	Liberian Dollar
LSSNP	Liberia Social Safety Nets Project
M&E	Monitoring and Evaluation

MDTF	Multi-Donor Trust Fund
MGCSP	Ministry of Gender, Children, and Social Protection
MIS	Management Information System
MLS	Market Link Support
MMO	Mobile Money Operator
MYS	Ministry of Youth and Sports
NAP	National Action Plan
NGO	Nongovernmental Organization
NPV	Net Present Value
PAPD	Pro-poor Agenda for Prosperity and Development
PBA	Performance-Based Allocation
PDO	Project Development Objective
PFMU	Project Financial Management Unit
PMT	Project Management Team
POM	Project Operational Manual
PPSD	Project Procurement Strategy for Development
PWD	Person with Disabilities
REALISE	Recovery of Economic Activity for Liberian Informal Sector Employment Project
RPF	Resettlement Policy Framework
SCT	Social Cash Transfer
SEA	Sexual Exploitation and Abuse
SEP	Stakeholder Engagement Plan
SGBV	Sexual and Gender-Based Violence
SH	Sexual Harassment
Sida	Swedish International Development Cooperation Agency
SRIS	Social Registry Information System
SSB	Support to Small Businesses
STEP	Systematic Tracking of Exchanges in Procurement
TA	Technical Assistance
YOP	Youth Opportunities Project

Liberia

**Additional Financing for the Recovery of Economic Activity for
Liberian Informal Sector Employment Project**

TABLE OF CONTENTS

DATASHEET	1
I. BACKGROUND AND RATIONALE FOR ADDITIONAL FINANCING	8
II. DESCRIPTION OF ADDITIONAL FINANCING	13
III. KEY RISKS	25
IV. APPRAISAL SUMMARY	27
V. WORLD BANK GRIEVANCE REDRESS	39
VI SUMMARY TABLE OF CHANGES.....	40
VII DETAILED CHANGE(S).....	40
VIII. RESULTS FRAMEWORK AND MONITORING	45
ANNEX 1. UPDATED THEORY OF CHANGE	72
ANNEX 2. COUNTIES RANKED BY PERCENTAGE OF EXTREME POOR	73
ANNEX 3. DISABILITY IN LIBERIA	74
ANNEX 4. FINANCIAL MANAGEMENT.....	75
ANNEX 5. PROCUREMENT.....	79
ANNEX 6. SUMMARY OF CLIMATE ADAPTATION AND MITIGATION BENEFITS UNDER THE AF82	

DATASHEET

BASIC INFORMATION – PARENT (Recovery of Economic Activity for Liberian Informal Sector Employment Project - P174417)

Country	Product Line	Team Leader(s)		
Liberia	IBRD/IDA	Mack Capehart Mulbah		
Project ID	Financing Instrument	Resp CC	Req CC	Practice Area (Lead)
P174417	Investment Project Financing	HAWS3 (9737)	AWCW1 (6547)	Social Protection & Jobs

Implementing Agency: Ministry of Youth and Sports, Ministry of Gender, Children and Social Protection, Liberia Agency for Community Empowerment

Is this a regionally tagged project?	
No	

Bank/IFC Collaboration
No

Approval Date	Closing Date	Expected Guarantee Expiration Date	Environmental and Social Risk Classification
12-Mar-2021	30-Jun-2024		Substantial

Financing & Implementation Modalities

<input type="checkbox"/> Multiphase Programmatic Approach [MPA]	<input type="checkbox"/> Contingent Emergency Response Component (CERC)
<input type="checkbox"/> Series of Projects (SOP)	<input checked="" type="checkbox"/> Fragile State(s)
<input type="checkbox"/> Performance-Based Conditions (PBCs)	<input type="checkbox"/> Small State(s)
<input type="checkbox"/> Financial Intermediaries (FI)	<input type="checkbox"/> Fragile within a Non-fragile Country
<input type="checkbox"/> Project-Based Guarantee	<input type="checkbox"/> Conflict
<input type="checkbox"/> Deferred Drawdown	<input checked="" type="checkbox"/> Responding to Natural or Man-made disaster
<input type="checkbox"/> Alternate Procurement Arrangements (APA)	<input type="checkbox"/> Hands-on Expanded Implementation Support (HEIS)



Development Objective(s)

The objective is to increase access to income earning opportunities for the vulnerable in the informal sector in response to the COVID-19 crisis in Liberia.

Ratings (from Parent ISR)

	Implementation		Latest ISR
	21-Jun-2021	24-Dec-2021	29-Jun-2022
Progress towards achievement of PDO	S	S	MS
Overall Implementation Progress (IP)	S	S	MS
Overall ESS Performance	S	MS	MS
Overall Risk	M	M	M
Financial Management	S	S	S
Project Management	MS	MS	MS
Procurement	MS	MS	S
Monitoring and Evaluation	S	S	S

BASIC INFORMATION – ADDITIONAL FINANCING (Additional Financing for the Recovery of Economic Activity for Liberian Informal Sector Employment Project - P179035)

Project ID	Project Name	Additional Financing Type	Urgent Need or Capacity Constraints
P179035	Additional Financing for the Recovery of Economic Activity for Liberian Informal Sector Employment Project	Cost Overrun/Financing Gap, Restructuring, Scale Up	Yes
Financing instrument	Product line	Approval Date	



Investment Project Financing	IBRD/IDA	22-Dec-2022	
Projected Date of Full Disbursement	Bank/IFC Collaboration		
31-Dec-2026	No		
Is this a regionally tagged project?			
No			

Financing & Implementation Modalities

<input type="checkbox"/> Series of Projects (SOP)	<input type="checkbox"/> Fragile State(s)
<input type="checkbox"/> Performance-Based Conditions (PBCs)	<input type="checkbox"/> Small State(s)
<input type="checkbox"/> Financial Intermediaries (FI)	<input type="checkbox"/> Fragile within a Non-fragile Country
<input type="checkbox"/> Project-Based Guarantee	<input type="checkbox"/> Conflict
<input type="checkbox"/> Deferred Drawdown	<input checked="" type="checkbox"/> Responding to Natural or Man-made disaster
<input type="checkbox"/> Alternate Procurement Arrangements (APA)	<input type="checkbox"/> Hands-on Expanded Implementation Support (HEIS)
<input checked="" type="checkbox"/> Contingent Emergency Response Component (CERC)	

Disbursement Summary (from Parent ISR)

Source of Funds	Net Commitments	Total Disbursed	Remaining Balance	Disbursed	
IBRD				<div style="width: 0%; height: 10px; background-color: #ccc;"></div>	%
IDA	10.00	2.23	7.33	<div style="width: 23%; height: 10px; background-color: #008000;"></div>	23 %
Grants				<div style="width: 0%; height: 10px; background-color: #ccc;"></div>	%

PROJECT FINANCING DATA – ADDITIONAL FINANCING (Additional Financing for the Recovery of Economic Activity for Liberian Informal Sector Employment Project - P179035)

FINANCING DATA (US\$, Millions)

SUMMARY (Total Financing)



	Current Financing	Proposed Additional Financing	Total Proposed Financing
Total Project Cost	10.00	25.00	35.00
Total Financing	10.00	25.00	35.00
of which IBRD/IDA	10.00	20.00	30.00
Financing Gap	0.00	0.00	0.00

DETAILS - Additional Financing

World Bank Group Financing

International Development Association (IDA)	20.00
IDA Credit	20.00

Non-World Bank Group Financing

Trust Funds	5.00
Miscellaneous 1	5.00

IDA Resources (in US\$, Millions)

	Credit Amount	Grant Amount	SML Amount	Guarantee Amount	Total Amount
Liberia	20.00	0.00	0.00	0.00	20.00
Crisis Response Window (CRW)	20.00	0.00	0.00	0.00	20.00
Total	20.00	0.00	0.00	0.00	20.00

COMPLIANCE

Policy

Does the project depart from the CPF in content or in other significant respects?

Yes No

Does the project require any other Policy waiver(s)?

Yes No



Environmental and Social Standards Relevance Given its Context at the Time of Appraisal

E & S Standards	Relevance
Assessment and Management of Environmental and Social Risks and Impacts	Relevant
Stakeholder Engagement and Information Disclosure	Relevant
Labor and Working Conditions	Relevant
Resource Efficiency and Pollution Prevention and Management	Relevant
Community Health and Safety	Relevant
Land Acquisition, Restrictions on Land Use and Involuntary Resettlement	Relevant
Biodiversity Conservation and Sustainable Management of Living Natural Resources	Not Currently Relevant
Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	Not Currently Relevant
Cultural Heritage	Relevant
Financial Intermediaries	Not Currently Relevant

NOTE: For further information regarding the World Bank’s due diligence assessment of the Project’s potential environmental and social risks and impacts, please refer to the Project’s Appraisal Environmental and Social Review Summary (ESRS).

INSTITUTIONAL DATA

Practice Area (Lead)

Social Protection & Jobs

Contributing Practice Areas

Agriculture and Food

Climate Change and Disaster Screening

This operation has been screened for short and long-term climate change and disaster risks

PROJECT TEAM

Bank Staff

Name	Role	Specialization	Unit
Mack Capehart Mulbah	Team Leader (ADM Responsible)	Social Protection and Jobs	HAWS3
Steisianasari Mileiva	Team Leader	Social Protection and Jobs	HAWS3
Oyewole Oluyemi Afuye	Procurement Specialist (ADM Responsible)	Procurement	EAWRU
Abimbola Ogunseitan	Procurement Specialist	Procurement	EAWRU
Anas Abba Kyari	Procurement Specialist	Procurement	EAWRU
Bertille Gerardine Ngameni Wepanjue	Financial Management Specialist (ADM Responsible)	Financial Management	EAEG2
MacDonald Nyazvigo	Financial Management Specialist	Financial Management	EAWG2
Akhilesh Ranjan	Social Specialist (ADM Responsible)	Social Development	SAWS1
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Adetunji A. Oredipe	Team Member	Agriculture	SAWA4
Aloysius K Kotee	Environmental Specialist	Environment	SAWE4
Baba Imoru Abdulai	Procurement Team	Procurement	EAWRU
Beageorge Matue Cooper	Team Member	Social Development	SAWS1
Carlos Jacinto Mondlane	Team Member	Finance and Disbursement	WFACS
Charity Inonge Mbangweta	Team Member	Administrative and Client Support	HAWS3
Edith Ruguru Mwenda	Counsel	Legal	LEGAM
Erik Anders Jorgensen	Team Member	Social Protection and Jobs	HAES1
Himanshi Jain	Team Member	Social Protection and Jobs	HSPGE
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Johnson Mwebaze	Team Member	Management Information System	HAWS3
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Lemu Ella Makain	Team Member	Administrative and Client	AWMLR



		Support	
Mitja Del Bono	Team Member	Social Protection and Jobs	HAWS3
Mohammad Ilyas Butt	Procurement Team	Procurement	EAERU
Nikolai Alexei Sviedrys Wittich	Procurement Team	STEP	EAWRU
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Sarika Gupta Ringwala	Team Member	Social Protection and Jobs	HAWS3
Sayba Yawai Tamba	Team Member	Social Protection and Jobs	HAWS3
Sundas Liaqat	Team Member	Social Protection and Jobs	HGNDR
Victoria Ewura Ekuwa Wood	Counsel	Legal	LEGAM
Zephaniah J Smith	Team Member	Financial Management	EAWG2
Zoe Quoi Diggs Duncan	Procurement Team	STEP	AWMLR
Extended Team			
Name	Title	Organization	Location



I. BACKGROUND AND RATIONALE FOR ADDITIONAL FINANCING

1. **This Project Paper seeks the approval of the World Bank’s Board of Executive Directors to provide an Additional Financing (AF) to the Republic of Liberia for scaling up the Recovery of Economic Activity for Liberian Informal Sector Employment (REALISE) project (parent project, P174417).** It also proposes a restructuring of the parent project to accommodate the proposed AF activities. Specifically, existing project components would be expanded by increasing the geographic scope and targeted number of beneficiaries, while new components will be added to support poor and food-insecure households in rural communities and strengthen the country’s social protection system. The project development objectives (PDO), results framework, procurement, disbursement, implementing agency, and implementation arrangements as well as closing date will also be revised. The AF processing is following condensed procedures as outlined in the World Bank IPF Policy Section III, paragraph 12 on Situations of Urgent Need of Assistance or Capacity Constraints to respond to urgent needs to scale up investments in food security and resilience interventions in response to the emerging food security crises in Liberia and to support poor and food insecure households cope with the shock of the current acute shortage of food.

A. Country Context

2. **Liberia’s recovery from the COVID-19 pandemic and its continued development is significantly threatened by increased global uncertainties and rising food and fuel prices.** Following a strong recovery to 5.0 percent in 2021, real GDP growth is expected to moderate to 4.8 percent in 2022, despite the strong performance of mining sector so far this year.¹ Activity in the rest of the economy appears muted reflecting the increased uncertainties from global trade and supply chain disruption caused by the war in Ukraine² and the rising and volatile food and energy prices. Liberia is highly dependent on imports for basic food and commodities, making it susceptible to economic shocks. More than 70 percent of the nation’s staple (rice) is imported.

3. **The country is currently facing a severe food security crisis driven by a constellation of multiple factors.** Between 2019 and 2021, a staggering 80 percent of the population faced moderate or severe food insecurity, with 37 percent experiencing severe food insecurity.³ In 2021, Liberia was classified as a country in a serious state of hunger and ranked 110 out of 116 countries on the Global Hunger Index.⁴ In October 2022, food price inflation stood at 3.1 percent; however, imported food inflation was significantly higher at 15.8 percent, driven largely by an increase in the price of imported rice on the domestic market.⁵ With the poorest 40 percent of households devoting 74 percent of their expenditure on food, households’ purchasing power and revenue continue to diminish over time owing to rising food and fuel costs, losses of working capital, and such coping strategies as sale of productive assets.⁶

¹ World Bank Macroeconomics, Trade, and Investment Global Practice

² <https://www.imf.org/-/media/Files/Publications/CR/2022/English/1LBREA2022001.ashx>.

³ Food and Agriculture Organization (FAO). FAOSTAT Statistical Database. License: CC BY-NC-SA 3.0 IGO. Extracted from: <https://www.fao.org/faostat/en/#data/FS>. Data of Access: 09-12-2022.

⁴ <https://www.globalhungerindex.org/ranking.html>

⁵ Liberia Institute for Statistics and Geo-Information Services, 2022. Liberia Consumer Price Index

⁶ https://databankfiles.worldbank.org/data/download/poverty/987B9C90-CB9F-4D93-AE8C-750588BF00QA/current/Global_POVEQ_LBR.pdf



4. **The compounded negative impacts of the pandemic and rising food and fuel prices significantly affect the livelihood of rural communities, especially those engaged in agriculture.** Even though urban areas experienced higher numbers of COVID-19 cases than rural areas, lockdowns and travel restrictions led to a loss of income for many poor households in rural areas whose primary source of livelihood is subsistence farming. In addition, labor productivity for these households was significantly reduced as farm produce could not be processed or stored, thereby going to waste. This has severely limited affected households' ability to fully reengage in their livelihood activities at pre-COVID-19 levels. With about 71 percent of the poor living in rural communities,⁷ the lasting impact of the pandemic, coupled with the current high cost of food and fuel, is having substantial negative impacts on the livelihoods of rural populations. This, in turn, reduces the potential for human capital accumulation—already from a very low value⁸—and affects overall poverty levels and stability in the country.

5. **Liberia is highly vulnerable to climate change impacts, including rising sea levels and eroding coastlines, erratic rainfall, and extreme weather episodes.** This is primarily due to its long coastal line and concentration of population close to the ocean and the reliance on agriculture, including fisheries and forestry, for livelihoods. These risks are even worse for rural populations, who are considered more vulnerable and rely heavily on agriculture as a source of livelihood. In recognition of these challenges, Liberia has developed a National Adaptation Action Plan⁹ to adapt to climate change and build resilience, improve emergency response, and mainstream climate change into development policy. The plan includes undertaking diagnostics, developing policies and strategies to address needs, and investing in climate-sensitive sectors (that is, agriculture, energy, waste management, forestry, and health).

B. Sectoral and Institutional Context

6. **Liberia's social protection system is not yet sufficiently developed to respond effectively to shocks.** Coverage of social protection interventions is very low, with only 14.3 percent of the population benefiting from some form of support and the sector contributing just 3.4 percent to the consumption of beneficiary households, therefore having a limited impact on poverty. The largest social protection program in terms of coverage is school feeding (almost 7 percent of the population), but it is also the least targeted. Except for pension programs for civil servants and formal sector workers, current social protection programs are primarily donor financed. As a result, the social protection program landscape is fragmented, with various donors and nongovernmental organizations (NGOs) delivering small-scale interventions. While progress has been made in recent years through the initiation and expansion of key social protection programs, there is an urgent need to increase the effectiveness of social protection interventions to have a more significant impact on poverty reduction and help address food insecurity and other crises.

7. **The Government of Liberia (GoL) recognizes social protection as a key part of its national development, and the World Bank has been its trusted partner for a number of years.** The government's Pro-poor Agenda for Prosperity and Development (PAPD), Pillar 1 (Power to the People) highlights an

⁷ Latest representative and available data from the Liberia Household Income and Expenditure Survey (HIES), 2016.

⁸ In 2020, the World Bank put Liberia's Human Capital Index score at 0.32 (of a potential 1.0), suggesting that a child born in Liberia in 2020 can be expected to attain only 32 percent of human capital by age 18 (https://databankfiles.worldbank.org/data/download/hci/HCI_2pager_LBR.pdf).

⁹ Liberia Environmental Protection Agency. 2018. "National Policy and Response Strategy on Climate Change."



improved social protection system, as well as increased access to social assistance, cash transfers, and work opportunities for the poor and most vulnerable as key national development priorities. The World Bank's support for Liberia's social protection includes three key projects. First is the Youth Opportunities Project (YOP, P146827¹⁰; closed on September 30, 2021) that supported urban and rural youth to acquire core life skills, provided them with opportunities for apprenticeships and productive public works, and facilitated their participation in agricultural activities. Second is Liberia Social Safety Nets Project (LSSNP, P155293¹¹; scheduled to close on June 30, 2023) that has established the key building blocks of a basic national safety net delivery system and provided income support to households who are both extremely poor and food insecure. Under the LSSNP, the country has established the Liberia Household Social Registry (LHSR) aimed at collecting and storing all households' socioeconomic data to improve the targeting of social protection programs. The registry also has an integrated management information system (MIS) to enable the implementation and coordination of social safety net programs. By the LSSNP's closing date, it is estimated that about 285,000 households will be profiled in the LHSR, representing almost one-quarter of the Liberian population. Following lessons from COVID-19, the government is expanding digital and mobile payments and facilitating the issuance of national ID cards through social protection platforms. Third is the REALISE (parent) project that is providing support to informal workers in urban areas of greater Monrovia in response to the negative effects of the COVID-19 pandemic.

8. **The coordination of social protection falls within the ambit of the Ministry of Gender, Children, and Social Protection (MGCSP).** Key government actors in the social protection sector are the MGCSP, Ministry of Youth and Sports (MYS), Liberia Agency for Community Empowerment (LACE), and National Social Security and Welfare Corporation. Coordinating structures in place to support the achievement of the social protection objectives set in the PAPD include the National Social Protection Steering Committee and the National Youth Sector Steering Committee. The MGCSP has a Deputy Minister for Children and Social Protection as well as a National Social Protection Coordinator who participates in activities of coordinating structures and Technical Working Groups.

C. Parent Project Status

9. **Progress toward achieving the Project Development Objective (PDO) and overall implementation progress of the REALISE (parent) project are rated Moderately Satisfactory.** While project implementation experienced some initial delays in the procurement of service providers, the Project Management Team (PMT) has worked with relevant government authorities to put in place the needed structures and instruments for rolling out project activities. Procurement processes for hiring service providers to support enrollment of beneficiaries was concluded in June 2022, and a total of 3,805 beneficiaries in 25 communities were enrolled under the first round of project implementation.

10. **Component 1 (Grant Support to Vulnerable Households to Revive or Start Small Businesses).** The component, referred to as Support to Small Businesses (SSB), has enrolled 1,305 beneficiaries (out of 4,000) from targeted households in 15 communities in Greater Monrovia. Basic business management training was delivered to 1,280 of the enrolled beneficiaries in September 2022, and the business plans that the beneficiaries developed have been approved by the PMT. Payment of business revival grants to

¹⁰ Report No: PAD1159 and ICR00005505

¹¹ Report No: PAD1617



beneficiaries for approved business plans is scheduled to run from December 1 to 15, 2022. Beneficiaries will receive business management training, mentorship, and business grants of up to US\$900 per beneficiary.

11. **Component 2 (Temporary Employment Support and Employability Development for Vulnerable Workers).** To date, 2,500 beneficiaries (out of a targeted 15,000) from 25 communities in the Greater Monrovia area have been enrolled for the first round of implementation. A total of 100 subprojects in various communities have commenced and US\$113,700 in grants were awarded to help beneficiary working groups procure tools and materials for subproject implementation. Also, the first tranche of labor subsidy payments, totaling US\$136,760, was made to 2,240 out of 2,500 beneficiaries in all 25 communities in October 2022. The payments for the remaining 260 beneficiaries are being processed along with the second tranche of payments, which are scheduled for December 2022.

12. **Component 3 (Capacity Building and Project Implementation and Coordination).** This component supports salaries of PMT consultants, capacity and systems building to support implementation, and project supervision- and coordination-related costs. Implementation of activities under this component has progressed well with the setup and staffing of the PMT, which has been working with consultants and service providers, as well as coordinating with relevant government institutions to ensure smooth implementation of project activities at the community level. The PMT has also put in place systems to aid implementation by updating the Project Operations Manual (POM) and implementation handbooks for Components 1 and 2 based on lessons learned so far. Additionally, a Monitoring and Evaluation (M&E) Handbook, terms of reference for a process evaluation, and environmental and social (E&S) management tools have been developed, while the procurement process for a third-party monitor to gauge beneficiary satisfaction is ongoing, with some delays. Nevertheless, the procurement process is nearing completion and the consultant is expected to be on board by January 2023.

13. **Component 4 (Contingent Emergency Response Component [CERC]).** This component has not been triggered.

14. **The project has no unresolved fiduciary, environmental, or social management issues, and there are no overdue audits or unaudited quarterly interim financial reports (IFRs).** Ratings for procurement, financial management (FM), and E&S management remain satisfactory.

D. Rationale for Additional Financing

15. **The AF responds to the GoL's request to the World Bank to coordinate with development partners in mobilizing financial and technical support for increasing social protection coverage and systems development through an AF in the amount of US\$25 million to the REALISE project.** The government recognizes the World Bank's convening power and technical expertise as key to a coordinated approach in establishing a national social protection platform, supporting recovery of the livelihoods of the poor, and scaling up immediate support in both urban and rural areas. The AF draws support from; the Crisis Response Window (CRW), which Liberia became eligible for in July 2022. In addition, the Swedish International Development Cooperation Agency (Sida) intends to support the AF through the Expanding



Social Protection Support Multi-Donor Trust Fund (ESPS MDTF).¹² Additionally, the French Development Agency (*Agence Française de Développement*, AFD), intends to provide co-financing to support the expansion of the community livelihood and agriculture support (CLAS) to additional counties not currently included under this financing.¹³ These funds would complement REALISE's support to addressing the negative impact of the fuel and food crisis on poor and vulnerable households.

16. **The proposed AF will contribute to two major priorities in the Quick Action Food Security Response Plan developed by the GoL with support from development partners, including the World Bank.**¹⁴ These are protecting vulnerable people from food shortages and negative food security and nutrition impacts and laying the foundation for medium- to long-term investment to boost agriculture productivity. The plan serves as a framework for interventions to be supported through the CRW-Early Response Financing to provide direct income support to vulnerable and food-insecure households and promotes local food production through support for community-level farming.

17. **The proposed AF capitalizes on REALISE's aim to support the economic recovery of the poor by expanding into both urban and rural areas.** While the REALISE project already operates in urban areas to support recovery of the poor from the COVID-19 crisis, the AF will use the existing platform to also support rural areas in the face of rising food prices and fuel costs. The expansion to rural areas will be achieved by leveraging lessons learned and capacities developed under REALISE as well as other social protection projects such as the YOP and the LSSNP.¹⁵ Furthermore, the proposed AF will support continuation of the social safety net system building that was initiated under the LSSNP. Finally, the AF would also address a funding shortfall under the parent project due to the rise in costs of goods and services in the local market emanating from the global supply chain disruption following the war in Ukraine.

18. **The AF would allow for the rapid rollout of proposed activities given existing capacities developed through current and past World Bank-funded interventions.** The MGCSP is implementing the LSSNP which is currently rated Moderately Satisfactory for implementation progress and Satisfactory for its PDO achievement. The MYS and LACE have demonstrated experience in managing social protection projects (YOP and REALISE) with promising results. The REALISE parent project is performing satisfactorily¹⁶ and the YOP's final outcome assessment was Moderately Satisfactory. The proposed AF will bring together two experienced PMTs (that is, the existing PMT of REALISE and the Project Implementation Unit of LSSNP), leveraging existing implementation mechanisms and institutional memory and expertise to immediately roll out the respective components and activities. The three agencies—MYS, LACE, and MGCSP—are already working together through the current REALISE Project Steering Committee and have joint implementation experience as part of the initial stages of the YOP.

19. **The proposed AF is aligned with the World Bank Group's (WBG) Country Partnership Framework (CPF) for Liberia for FY2019-2024 (Report No. 130753-LR).** In particular, the project will contribute to Pillar II on *Building Human Capital to Seize New Economic Opportunities* and the growing need to expand

¹² The proposed AF was appraised considering the US\$5 million equivalent from the ESPS MDTF. Sida financing is forthcoming in early 2023. In the event that it does not materialize, the project will be restructured accordingly.

¹³ The co-financing arrangement is expected to be concluded by February 2023 at the latest. To not delay the approval of this AF, it has been agreed to incorporate AFD's contribution through a restructuring at a later time.

¹⁴ IDA 20 Crisis Response Window Early Response Financing (CRW-ERF) Eligibility Note, July 2022.

¹⁵ The YOP was closed in September 2021, and the LSSNP is scheduled to close in June 2023.

¹⁶ According to the latest mission's Aide Memoire, October 26, 2022.



social protection to the most vulnerable. The proposed AF is also consistent with the WBG Human Capital Project and the Africa Human Capital Plan.

20. **The proposed AF is consistent with the World Bank Group’s Global Crisis Response Framework (GCRF)¹⁷.** The GCRF highlights the need to (a) respond to food insecurity; (b) protect people and preserve jobs; (c) strengthen resilience; and (d) strengthen policies, institutions, and investments for rebuilding better. The interventions under this proposed AF will contribute to these overall goals through direct support to the most vulnerable to both help them cope with immediate shocks and build longer-term resilience. Systems strengthening and better sector coordination will also enable a more adaptive response to future shocks.

II. DESCRIPTION OF ADDITIONAL FINANCING

A. Summary of Changes

21. **The proposed AF will introduce the following key changes to the project:** (a) amend the PDO to reflect the expanded scope; (b) increase the geographic scope and number of beneficiaries of Components 1 and 2; (c) change existing Component 3 to reflect the expanded project scope and additional implementing agency; (d) add two new components; (e) update the Results Framework to reflect the expanded scope and scaled-up activities; (f) make changes in disbursement and procurement arrangements; (g) add MGCSPP as implementing agency; and (h) extend the closing date to December 31, 2026.

B. Project Development Objective

22. **The PDO is reformulated as follows:** *To increase access to income-earning opportunities for the vulnerable in the informal sector in response to crises, expand income and livelihood support to poor and food insecure households, and improve efficiency in managing social protection programs in Liberia.*¹⁸ The revised PDO reflects the expanded scope, the new target group, and the additional focus on strengthening the broader social protection system. The updated theory of change is provided in Annex 1.

23. **PDO-level indicators are as follows:**

- Small businesses that are invested in by beneficiary households (Number); no change
 - Female-led small businesses that are invested in by beneficiary households (Percentage); no change
- Project beneficiaries of the labor-intensive public works program (Number); no change
 - Female project beneficiaries of the labor-intensive public works program (Percentage); no change

¹⁷ Under the AF (IDA parts), Components 2, 5, and 6 contribute to Pillar 1 (Responding to Food Insecurity), and Component 3 contributes to Pillar 4 (Strengthening Policies, Institutions, and Investments for Rebuilding Better).

¹⁸ ‘Vulnerable’ refers to individuals belonging to households with inadequate livelihoods, not resilient to shocks or crises, and without means to counteract them. ‘Poor and food-insecure households’ have insufficient monetary and nonmonetary resources to sustain themselves, reflected by a condition of living below either the extreme or the absolute poverty line, and their food consumption does not meet one or a number of adequacy standards (for example, Food Insecurity Experience Scale, Food Consumption Score, and Household Dietary Diversity Scale).



- Project beneficiaries of the labor-intensive public works program who are persons with disabilities (Percentage); new sub-indicator
- Project beneficiaries of the Community Livelihood and Agriculture Support (CLAS) program (Number); new indicator
 - Female project beneficiaries of the CLAS program (Percentage)
 - Project beneficiaries of the CLAS program who are persons with disabilities (Percentage)
- Project beneficiaries of the SCT program (Number); new indicator
 - Female cash recipients of the SCT program (Percentage)
 - Project beneficiaries of the SCT program with at least one person with disabilities in their households (Percentage)
- Social Protection programs utilizing the LHSR (Number); new indicator
- Cash transfer payments delivered to beneficiaries on time (Percentage); new indicator

C. Components, Activities and Beneficiaries

24. **The AF will modify all current components while adding two new components: Component 5 (Community Livelihood and Agriculture Support) and Component 6 (Social Cash Transfer and Strengthening of the National Social Protection System).** Unlike the parent project, activities under the AF have been designed to have both a rural and urban focus. Components 1 and 2 will be implemented in urban areas while Component 5 and Subcomponent 6A (Social Cash Transfer Program) will focus on rural areas. Activities under Subcomponent 6B (Strengthening National Social Protection System) will support the targeting and enrollment of beneficiaries under various components of the project.

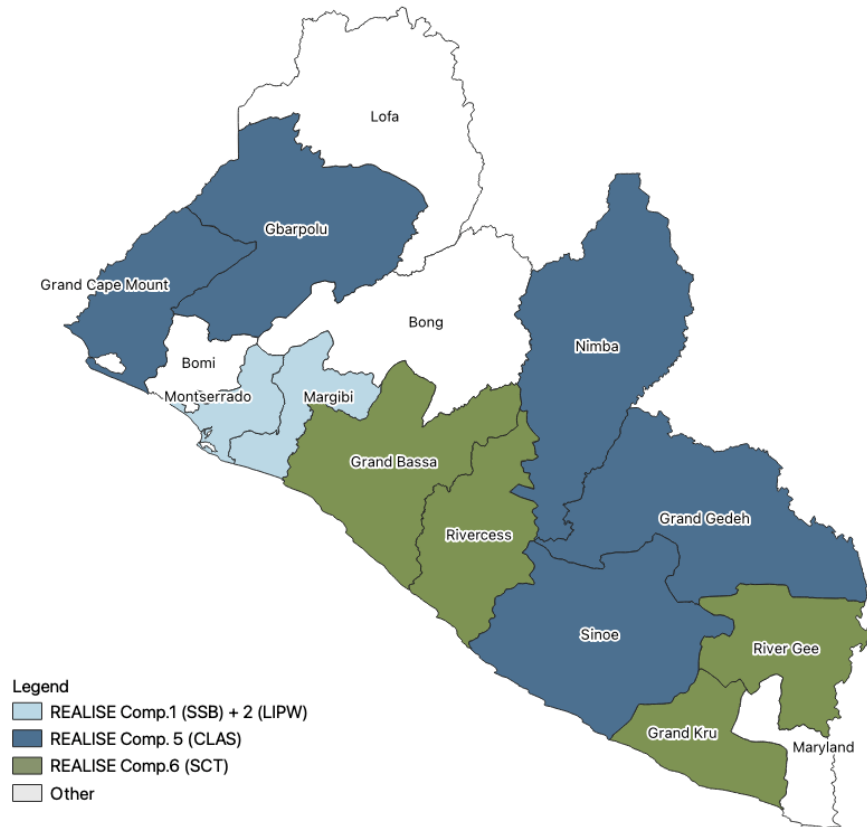
25. **Geographic coverage.** With the AF, the project will cover 11 out of 15 Liberian counties in total (Figure). County selection for different components was driven by the socioeconomic profile of the vulnerable, poor, and food-insecure households, as well as climate vulnerabilities.¹⁹ Specifically, Components 1 and 2 will focus on urban areas in Montserrado and Margibi Counties. Both counties have a high level of informal nonfarm activities, which were hit hard by the COVID-19 pandemic, and the expansion of the small business support to households (under Component 1) and Labor-Intensive Public Works (LIPW, under Component 2) will provide the quickest response to help vulnerable households and informal sector workers cope with the shock of increasing food prices. Components 5 and 6 aim to expand income and livelihood support for poor and food-insecure households in response to crisis with a focus on households that largely rely on farming for their livelihoods. Component 5 will target communities in Gbarpolu, Grand Cape Mount, Grand Gedeh, Nimba, and Sinoe Counties. Targeted counties have been selected based on availability of public/community-owned land to support communal-level farming activities and a successful track record of implementation under the YOP. Bomi, Bong, and Lofa Counties are targeted to be covered under support from the AFD which is yet to be processed, and therefore are not covered under this AF. Component 6 will complement support to rural populations through provision of social cash transfers (SCTs, under Subcomponent 6A) to poor and food-insecure households in Grand Bassa, Grand Kru, Rivercess, and River Gee Counties which are among the poorest in the country.

¹⁹ See section on Climate Change Adaptation and Mitigation and Annex 5 for more details on how the project activities support climate change adaptation and mitigation.



Maryland County, while also one of the poorest, has benefited under two rounds of implementation under LSSNP and has a large donor-financed cash transfer program under implementation.²⁰

Figure 1. Geographical Coverage of Project Interventions with the Proposed AF



Source: The World Bank's elaboration of shapefiles from Liberia Administrative Boundary Common Operational Database.

Revised Component 1: Grant Support to Vulnerable Households to Revive or Start Small Businesses (additional US\$1.08 million equivalent from Multi-Donor Trust Fund [MDTF], new total: US\$4.60 million equivalent)

26. This component will continue to support non-farm enterprises operated by vulnerable households in the urban informal sector through the provision of: (a) sub-grants to eligible small businesses to support their operations or start-up; and (b) business and entrepreneurship training to eligible small businesses.

²⁰ Financed and implemented by GiveDirectly.



27. **The AF will increase the number of beneficiaries and expand its geographic coverage.**²¹ The number of beneficiary households will be increased from 4,000 to 4,450²² to bring in additional communities from urban areas in Margibi County. Accordingly, eligibility criteria and the targeting tools will be revised from their current focus on the Greater Monrovia area. Furthermore, based on implementation to date, there is a funding shortfall of US\$0.6 million to cover the benefit package for beneficiaries and cost of service providers, based on higher implementation costs than originally anticipated.

Revised Component 2: Temporary Employment Support and Employability Development for Vulnerable Workers (additional US\$0.72 million from IDA CRW, new total: US\$6.00 million equivalent)

28. This component will continue to create temporary employment and developing employability for vulnerable workers, including: (a) carrying out labor-intensive public works sub-projects, *inter alia*, rehabilitation of recreational spaces, painting of public buildings, street walls and cross-walks, street sweeping and cleaning, drainage clearance, and providing basic care/services to the elderly, disabled and children; (b) provision of life skills and employability training, *inter alia*, time management, basic financial literacy, sexual and reproductive health, abuse and harassment at the workplace, business management training, functional literacy, and job readiness skills; and (c) provision of cash transfers to selected vulnerable households.

29. **The AF will increase the number of beneficiaries and expand geographic coverage to additional urban areas in Montserrado and neighboring Margibi Counties.** It will increase the number of beneficiary households from 15,000 to 17,000.²³ Accordingly, eligibility criteria and the targeting tool will be revised from the current focus in the Greater Monrovia area. Activities under this component are expected to positively contribute to climate change adaptation through a series of community-driven development activities that aim to improve the environment and well-being of poor and vulnerable communities. At least 50 percent of subprojects will focus on climate change adaptation and mitigation. Support for activities under Component 2 will continue to draw from the IDA grant and credit per the parent project. However, to help vulnerable food-insecure informal sector workers cope with increasing food prices, the CRW will be used to support rapid disbursement of labor subsidies to workers participating in LIPW activities, many of whom are struggling to find gainful employment and opportunities in light of multiple shocks on their livelihoods.

Revised Component 3: Capacity Building and Project Implementation and Coordination (additional US\$1.93 million equivalent from IDA CRW [US\$1.50 million] and MDTF [US\$0.43 million equivalent]; new total: US\$3.13 million equivalent)

30. **The funding allocation to the component is being increased to reflect the overall expansion of the parent project's scope.** Also, a subcomponent will be added to reflect the addition of MGCSP as one of the implementing partners. The component will continue to finance costs related to project management and coordination, audits, communication, training, and M&E). The funding allocation is

²¹ Consistent with the project's Stakeholder Engagement Plan (SEP).

²² Using the average household size of five members, total number of indirect beneficiaries will be 22,250.

²³ Using the average household size of five members, total number of indirect beneficiaries will be 85,000.



being increased to enable implementing agencies to expand technical support to additional activities and reflect the extended project duration. With the expansion of the project's locations to counties outside of Montserrado, the component will support the recruitment of county-level consultants to supervise implementation of activities as deemed necessary. Moreover, a stronger emphasis on rigorous M&E will be introduced, with a focus on the use of technology to enhance remote monitoring. The project's overall management costs remain capped at 12 percent of the financing and will be carefully monitored throughout implementation to mitigate the risks of cost overruns. The changes to the subcomponents are provided in the following paragraphs.

31. **Subcomponent 3A: Capacity Building and Project Implementation and Coordination for MYS (additional US\$0.73 million equivalent from IDA CRW [US\$0.50 million] and MDTF [US\$0.23 million equivalent], new total: US\$1.43 million equivalent).** The additional cost to this subcomponent will support the MYS's role in overall coordination of the project's expanded scope under the AF. This will involve organizing activities and coordinating among stakeholders involved in implementation of the project, including capacity and systems building. Specifically, capacity building will include technical assistance (TA) to community structures involved in project implementation, in addition to design and rollout of comprehensive M&E activities. The MYS will ensure collaboration across sectors and counties, as well as links with other areas within the GoL in the overall implementation of the project. The subcomponent will also cover consultant costs, equipment, vehicles, fuel, office space, communications costs, and incremental project-related operating costs under the MYS for the implementation of the expanded scope of LIPW.

32. **Subcomponent 3B: Capacity Building and Project Implementation and Coordination for LACE (additional US\$0.20 million equivalent from MDTF, new total: US\$0.70 million equivalent).** This subcomponent will provide capacity building for LACE to carry out its respective parts of the project, including preparation of operational procedures and guidelines, financial and procurement management, reporting and auditing, M&E, all through the provision of technical advisory service, training, operating costs, and acquisition of goods. Building on existing structures and arrangements under the parent project and experiences from the implementation of the YOP, the subcomponent will cover consultant costs, equipment, vehicles, fuel, office space, communications costs, and incremental project-related operating costs under LACE to support the implementation of the expanded SSB and the newly proposed component, the CLAS component, as deemed necessary.

33. **Subcomponent 3C (new): Capacity Building and Project Implementation and Coordination for MGCSP (US\$1.00 million from IDA CRW).** The AF will add this subcomponent to finance project implementation, management, and coordination of the component implemented by the MGCSP, building on the experiences from the LSSNP. This includes consultant-related costs, equipment, vehicles, fuel, rental of office space, communication costs, and incremental project-related operating costs — such as to support M&E activities. Also, it will provide capacity building to key stakeholders involved in the implementation (at the national, county, district, and community levels). Additionally, this subcomponent will support knowledge exchange events at various levels, including the National Social Protection Steering Committee Meeting, the Social Protection Technical Working Group Meeting, program and line ministry staff training and travel costs, and relevant TA support and studies aimed at increasing the capacity of MGCSP and contributing to the objective of strengthening social protection systems in Liberia.



Component 4: Contingent Emergency Response Component (CERC)

34. **This is a zero-value component to allow for rapid reallocation of project funds from uncommitted resources under other components during an emergency.** In the event of an eligible crisis or emergency, the project will contribute to providing an immediate and effective response to such crisis or emergency.

Component 5 (new): Community Livelihood and Agriculture Support (CLAS) (US\$4.77 million equivalent from IDA CRW [US\$1.28 million] and MDTF [US\$3.49 million equivalent])

35. **This component is aimed at improving livelihood opportunities and climate resilience for poor and vulnerable populations in rural areas of Liberia, directly responding to the current food crisis.** It will support up to 6,200 beneficiary households living in rural communities in Grand Cape Mount, Gbarpolu, Grand Gedeh, Nimba, and Sinoe Counties with inputs and technical support to engage in community-level farming that will help recover or strengthen their income generation potential. Resources will be utilized to provide direct income support to vulnerable and food-insecure households, as well as to promote local food production through support for community-level farming. These interventions will be complemented by the Liberia Rural Economic Transformation Project (RETRAP) Additional Financing (P179359), which aims to address availability of food for poor households through support for future harvests, to include provision of agricultural input; financial and advisory services for farmers and agricultural Small Medium Enterprises to increase local food production in crisis-affected areas; and increased access to nutritious food through diversification of production.

36. **Activities under the component will be similar to those implemented under the CLAS component of the YOP (see summarized lessons learned) and will provide temporary income support to poor and food-insecure households and livelihood opportunities through communal farming, in addition to life skills training and sensitization of beneficiaries on sustainable agricultural practices.** Based on gaps observed and lessons learned from the YOP, the AF will include support to market links, and development of small-scale community-level infrastructure that facilitate livelihood activities as part of the overall support package for participating communities. Specifically, this component would support Beneficiary Farming Group (BFG)²⁴ develop farming subprojects, receive US\$1,800 farm start-up grants to procure inputs, provide life skills trainings and promote climate-smart agriculture practice, and offer cash transfer of US\$350 as labor subsidy to help smooth consumption during the lean season. Each beneficiary will be guaranteed a total of 100 days per implementation cycle (12 months). The component will also facilitate the transition of beneficiaries to mobile money through the provision of a low-cost mobile phone and SIM card to each beneficiary to enable them to access their labor subsidy payments. Additionally, it will provide Community Development Support (CDS) grants of up to US\$1,800, alongside technical assistance, to each participating community to help maintain or improve small-scale common infrastructures, which are identified in consultation with BFGs. It will also provide market link support (MLS) for beneficiary groups and their communities through TA and business grants. The small-scale and labor-intensive nature of community projects implies they are also likely to be low-carbon activities, while

²⁴ BFG average size is expected to be around 30 people with 50 percent of beneficiaries being women.



MLS would also promote climate-smart farming.²⁵ Details would be included in the updated POM. Support for activities under the component will be drawn from the MDTF on ‘Expanding Social Protection Support’ in Liberia with contribution from SIDA and the World Bank CRW.

Box 1. CLAS - Results and Lessons Learned

The CLAS was a component of the YOP designed to improve food security and access to income generation opportunities for Liberia’s youth in rural areas. The component aimed to support community-level crop production through group farming and was able to reach 10,722 beneficiaries nationwide by the project’s closure in 2021.

An impact evaluation that was conducted in 2020–2021 shows that participants worked 35.8 more hours in farming activities in a typical month than nonparticipants and spent less time engaging in unpaid activities with an average of 2.8 hours less per week. The participants placed a higher share of their harvest for sale, and qualitative evidence suggests that they were able to reinvest their profits into the group farm, which could lead to further monetary long-term gains. They were also more likely to invest farming profits back into the community and experienced improved food security, dietary diversity, and positive spillovers on children’s schooling enrolment and social cohesion at the community level. The component has also improved outcomes related to women’s empowerment, measured by intra-household decision-making.

The implementation of CLAS has also generated several key lessons learned: (a) high costs of service provision and monitoring was due to its beneficiaries being too widespread and nationwide coverage; (b) the involvement of local leaders from the onset was key to solicit political buy-in and receive continuous technical support; (c) through an efficient mobilization, community members fully understood their roles and provided free land for youth groups to cultivate for up to three years without any safeguard issues; (d) introduction and application of safeguard instruments (land use agreement, environmental safeguards, and land screening tools) prevented land conflict and environmental issues; and (e) feasibility of mobile money to provide labor subsidies for rural beneficiaries and the benefit of direct payment of grants for local procurement of farm input to beneficiaries.

Long-term results and sustainability of CLAS were also ensured as beneficiary groups established village savings loan associations which served as credit unions for participating communities and enhanced their stability as well as access to secured loans in the absence of formal channels to access credit. Youth groups have also expanded farming activities by engaging in animal husbandry and poultry production for additional income diversification. Introduction of agro-processing machines for select groups of beneficiaries has also enhanced value addition, reduced wastage, and improved profit margins, demonstrating the value add of complementary value chain support. As noted in the YOP Implementation Completion and Results Report (Report No: ICR00005505), future projects can incorporate such agriculture value addition components, including market links, storage, and rehabilitation of farm-to-market roads.

Component 6 (new): Social Cash Transfer and Strengthening of the National Social Protection System (US\$16.50 million from IDA CRW)

37. **This component will provide income support to poor and food-insecure households in selected counties, as well as support the strengthening of the national social protection system.** These two overarching goals are currently being operationalized in the LSSNP, implemented by the MGCSF. Under the proposed AF, the government’s ongoing SCT program under the LSSNP will be expanded to support

²⁵ A negative list of activities to exclude, E&S screening form, and subproject appraisal processes for CDS and MLS will be detailed in the updated POM and implementation handbook for the component.



targeted households in Grand Bassa, Grand Kru, Rivercess, and River Gee Counties (Figure). The cash transfers will aim to help poor households mitigate economic shocks, smoothen consumption over time, and enable long-term human capital development. Furthermore, to facilitate the effective delivery of cash transfers and improve targeting of social protection programs more broadly, the AF will also strengthen the national social protection system, including the LHSR and its digital information systems as well as digital payments.

38. **Subcomponent 6A: Social Cash Transfer Program (US\$15.00 million).** This subcomponent aims to support poor and food-insecure households in the selected counties through the provision of SCTs to targeted beneficiaries. Specifically, it would provide income support to about 16,000 poor and food-insecure households in River Gee, Grand Kru, Rivercess, and Grand Bassa Counties through regular cash transfers. These four counties have been selected because they are among the poorest counties²⁶ outside of Maryland, Lofa, Bong, and Bomi Counties, which are either already covered by the current SCT program or will be covered under AFD's co-financing for the CLAS program.²⁷

39. **The SCT benefit levels for each household size category will be increased from the benefit levels used under the LSSNP.** This is done following an updated adequacy analysis that considers the economic effect of the pandemic and recent increases in food and commodity prices. Benefit levels will be adjusted to reflect 30 percent of the national extreme poverty line in 2022 (more details can be found in the Economic Analysis section).

40. **Consistent with current SCT implementation, preference will be given to females to serve as the cash recipient on behalf of their households.** The transfers will be delivered digitally, via mobile money, and accompanied by information sessions on using mobile wallets and basic financial planning, further contributing to increasing the resilience of the households through improving financial inclusion and digital literacy. The basic financial planning exercise will be provided for couples, as was done under the current SCT program. Through the financial planning, which will take place during registration and enrollment into the program, beneficiaries will be guided to set goals and plan the use of their cash transfers with their spouses/partners (as applicable). The aim is to increase women's agency related to financial decision-making while mitigating any possible intra-household conflict related to the use of the cash transfer. The implementation arrangement for the subcomponent will be detailed in the updated POM and SCT subcomponent handbook.

41. **Subcomponent 6B: Strengthening of the National Social Protection System (US\$1.50 million).** The objective of this subcomponent is to improve efficiency, enhance capacity, and strengthen the national social protection system through continued development of the basic building blocks of a safety net delivery system. Under this subcomponent, the AF will leverage investments made under the LSSNP to contribute to the further development of social protection systems. Key support will include (a) increasing the use of the integrated MIS within the LHSR and continually improving it to allow for

²⁶ Based on the percentage of households living in extreme poverty in these counties, from HIES 2016 data. See Annex 2 for the full list of counties and their poverty rankings.

²⁷ Lofa, Bong, and Bomi Counties were already identified as locations for the CLAS implementation, following AFD's appraisal mission in March 2022 and the Board Approval in June 2022. The AF identification mission agreed with the principle of distributing the expanded social protection programs under the AF across 15 counties, so no county gets multiple interventions, which is why Lofa, Bong, and Bomi have not been considered for the SCT program. Maryland has been part of two rounds of the SCT program under the LSSNP.



enrollment, payment delivery, grievance redress, M&E, and access management by multiple programs;²⁸ (b) strengthening the LHSR by using new data sources and exploring interoperability with other administrative databases in the country to improve coordination of social protection interventions across government institutions, civil society, and development partners; (c) exploring alternative approaches to LHSR data collection, case management, and enrollment modalities as a means of supporting sustainability; (d) as feasible, expanding data collection for the LHSR to areas not currently covered; and (e) assessing existing grievance redress mechanisms (GRMs) across both the REALISE parent project and the LSSNP and identifying the potential for streamlining and consolidation—including for cases of sexual and gender-based violence (SGBV)—to improve resolution times and accountability. These activities aim to improve the performance of the social protection delivery system and pave the way to a more adaptive system to support Liberia’s preparedness in responding to future shocks.

42. **The subcomponent will finance the following:** (a) consultant services to expand LHSR data collection and functionalities of the MIS; (b) technical advisory services and workshops to strengthen the LHSR visibility, utility, sustainability, and interoperability; and (c) TA, assessments and trainings to strengthen the GRM.

D. Project Beneficiaries, Targeting, and Outreach

43. **The primary target groups are individuals or households in the informal sector that are poor or who risk falling into poverty due to the impact of COVID-19 and the current global food and fuel crises on their livelihoods.** Under the proposed AF, the project will benefit the poor by supporting the development of a safety net system to ensure that households headed by single women, the elderly, pregnant women, women with young infants, and persons with disabilities are considered during the beneficiary selection process. While the project will have no upper age restriction, participants in supported interventions must be at least 18 years old. Given the distribution of the working-age population in Liberia, the expectation is that most beneficiaries for LIPW, SSB, and CLAS programs will be in the youth category (ages 18—35 years). Overall, about 218,000 vulnerable individuals living in Grand Bassa, Grand Cape Mount, Grand Gedeh, Grand Kru, Gbarpolu, Margibi, Montserrado, Nimba, Rivercess, River Gee, and Sinoe Counties will benefit from project interventions (Table 1). The profiles of beneficiaries will however vary, owing to the different interventions to be supported under the project.

44. **Targeting under the AF will deploy a variety of mechanisms to ensure that the objectives set for various interventions under the project are achieved.** The project will utilize LHSR data in areas where the registry has coverage or use a combination of administrative data on poverty, other available secondary-level data, and stakeholder consultations to select beneficiary communities. Community selection will follow a stratified and varied approach that considers qualitative as well as quantitative information on level of poverty, food insecurity, and/or other vulnerabilities at the community level until the total number of households in these communities reaches the total number of households to be covered by the program in the given county. A set of eligibility criteria, an additional targeting mechanism,

²⁸ Information system for cash transfers program management and for the social registry are developed and being expanded to enable the management of other social protection programs such as public works and business grants. The information system supports digital delivery of benefits to program beneficiaries as well as processing of grievances.



and detailed procedures for outreach, identification, selection, and enrollment under various interventions of the AF will be defined in the updated POM.

Table 1. Revised Project Beneficiaries by Component

Project Components	Parent Project		Parent Project + AF	
	Direct Beneficiaries (Households)	Direct and Indirect Beneficiaries (Individuals)	Direct Beneficiaries (Households)	Direct and Indirect Beneficiaries (Individuals)
Component 1: Grant Support to Vulnerable Households to Revive or Start Small Businesses	4,000	20,000	4,450	22,250
Component 2: Temporary Employment Support and Employability Development for Vulnerable Workers	15,000	75,000	17,000	85,000
Component 5: Community Livelihood and Agriculture Support	0	0	6,200	31,000
Component 6: Social Cash Transfer and Strengthening of the National Social Protection System	0	0	16,000	80,000
Total	19,000	95,000	43,650	218,250

Note: Indirect beneficiaries are calculated assuming an average household size of five members.

45. **The Results Framework is revised to reflect the changes under the AF.** The revisions include increasing some indicator targets related to activities financed by this AF, adding new indicators to measure progress of the new components, and moving two PDO indicators from the parent project to intermediate indicator level. Also, sub-indicators are added to track progress in supporting Persons with Disabilities (PWDs). Finally, all indicators are adjusted with the revised date for end target. Details of the changes are captured in section VIII, Results Framework.

E. Budget and Financing

46. **Total cost of the proposed additional activities is US\$25 million equivalent.** Table 2 presents a revised costing of the project.

47. **The closing date of the project will be extended from June 30, 2024, to December 31, 2026.**

48. **The disbursement and procurement arrangements of the parent project will be revised.** Disbursement arrangement will include new categories for Components 5 and 6. Procurement arrangement will be adjusted to create procurement plan for MGCSP in Systematic Tracking of Exchange in Procurement (STEP) that enable the agency to implement procurement for its parts of the project

**Table 2. Revised Project Costs by Component and Sources of Financing (US\$, millions)**

Project Components	Current Allocation (Parent)	Proposed AF		Proposed Total Project Cost (Cumulative)
	PBA ²⁹	CRW	MDTF	
Component 1: Grant Support to Vulnerable Households to Revive or Start Small Businesses	3.52	0.00	1.08	4.60
Component 2: Temporary Employment Support and Employability Development for Vulnerable Workers	5.28	0.72	0.00	6.00
Component 3: Capacity Building and Project Implementation and Coordination	1.20	1.50	0.43	3.13
Component 4: Contingent Emergency Response Component	0.00	0.00	0.00	0.00
Component 5: Community Livelihood and Agriculture Support	0.00	1.28	3.49	4.77
Component 6: Social Cash Transfer and Strengthening of the National Social Protection System	0.00	16.50	0.00	16.50
Subtotal	10.00	20.00	5.00	35.00
Grand total	10.00	25.00		35.00

F. Implementation Arrangements

49. **The AF will include MGCSP as an implementing agency in additional to MYS and LACE who are implementing the parent project.** The MYS will continue bearing the overall responsibility of ensuring the effective implementation of the project. The MYS will be responsible for overall project coordination and implementation of Component 2 (Temporary Employment Support and Employability Development for Vulnerable Workers) while LACE will be primarily responsible for implementation of Component 1 (Grant Support to Vulnerable Households to Revive or Start Small Businesses) and Component 5 (Community Livelihood and Agriculture Support). The MGCSP will be responsible for implementation of Component 6 (Social Cash Transfer and Strengthening of the National Social Protection System). Component 3 (Capacity Building and Project Implementation and Coordination) has three subcomponents broken down by the three implementing agencies, and therefore, the MYS, LACE, and MGCSP will be responsible for Subcomponents 3A, 3B, and 3C, respectively. Implementation arrangements for CERC will be outlined in the CERC Operations Manual. As deemed necessary, the MYS, LACE, and MGCSP shall hire consultants and service providers to support the implementation of core activities. Procurement under the project will be done by the MYS, LACE, and MGCSP through the PMT. Figur illustrates the implementation arrangement of the project under the AF.

²⁹ Performance-Based Allocation



Figure 2. REALISE-AF Implementation Structure

Coordination Structure	REALISE Project Steering Committee		
	Ministry of Youth and Sports Overall Management and Coordination		
Project Implementing Institutions	Ministry of Gender, Children and Social Protection (MGCSP)	Ministry of Youth and Sports (MYS)	Liberia Agency for Community Empowerment (LACE)
Project Components by Responsible Institution	MGCSP Component 3C: Capacity Building and Project Implementation and Coordination for MGCSP Component 6: Social Cash Transfer and Strengthening of the National Social Protection System	MYS Component 3A: Capacity Building and Project Implementation and Coordination for MYS Component 2: Temporary Employment Support and Employability Development for Vulnerable Workers	LACE Component 3B: Capacity Building and Project Implementation and Coordination for LACE Component 1: Grant Support to Vulnerable Households to Revive or Start Small Businesses. Component 5: Community Livelihood and Agriculture Support
Project Management Team	Coordinated by MYS but staffed with consultants hired by MYS, MGCSP, and LACE		
County and Community Level	County Steering Committee		
	Community Oversight Committee		
Implementation Support Service Providers	Service Providers for Cash Transfers and Data Collection	Service Provider for Labor Intensive Public Works and Employability	Service Providers for Small Business and Community Livelihood Supports

50. **The AF will also maintain the implementation management structure of the parent project by maintaining a single PMT.** It will consist of consultants hired by the MYS, MGCSP, and LACE to oversee the overall implementation of the project as well as facilitate participation of civil servants in supporting project-related activities. This will include training and other capacity-building activities for staff of implementing entities. The PMT will serve as the link between the implementing agencies, external stakeholders, and the policy and coordination committees and will also be responsible for developing all guidelines and annual work plan and budget (AWP&B), establishing appraisal mechanisms, and working collaboratively with the three implementing entities to ensure consistent and regular flow of information between internal and external audiences. The following key officers will constitute the core part of the PMT: (a) project coordinator; (b) social protection sector coordinator; (c) deputy project coordinators for economic inclusion and social assistance programs; (d) procurement officer; (e) financial management officer (FMO); (f) communications officer; (g) M&E officer; (h) grievance redress officer; and (h) social and environmental officers. Key specialists and other relevant officers deemed necessary for the implementation of various interventions will form part of the PMT as well. The functions of PMT members



will be detailed in the updated POM. In addition, FM arrangements will be based on the existing modalities under the parent project where the Project Financial Management Unit (PFMU), which is managing 90 percent of donor-financed project accounts, will continue to manage the project account under the AF, in close collaboration with the PMT's FMO.

III. KEY RISKS

51. **Overall risk rating for the project has been increased from Moderate to Substantial.** Both fiduciary and overall E&S risks are maintained at Substantial from the parent project, while the political and governance, technical design of the project, and institutional capacity for implementation and sustainability risks are revised from Moderate to Substantial.³⁰ Risks that are assessed as Substantial and their mitigation measures are discussed in the following paragraphs.

52. **The overall political and governance risk is rated Substantial.** While the current political situation is relatively stable, it is predicted to be more volatile as the campaign season for the upcoming presidential elections, scheduled for October 2023, draw closer. Availability of the authorities may be a challenge, which could affect the performance of project implementation due to delays in making key decisions. Additionally, while the proposed AF is well aligned with the PAPD priorities, a new administration may put in place a new national development document. To mitigate this risk, the PMT will develop an action plan with key milestones and a tracking mechanism and vigorously monitor the political situation and priorities of the government.

53. **Institutional capacity for implementation and sustainability risk is rated Substantial.** Should there be a change in the government after the elections, this could lead to change in leadership at implementing entities and in the PMT, thereby potentially reducing institutional memory and capacity for managing World Bank-financed projects. Such adjustments could lead to delays in implementation on the ground and slow disbursements due to the need to focus on administrative processing, training, and orientations to new personnel. Furthermore, the expanded scope and institutional arrangements will require strong coordination between the implementing agencies which will be facilitated, among other means, by maintaining a single PMT and the Project Steering Committee. Regarding sustainability, the fiscal space remains limited for the GoL's investment in the social protection sector. The mitigation measures include early engagement with the new administration on specific project milestones and providing information on the World Bank-financing and project implementation processes. Additionally, sharing results from social protection investments in the country and in the region would help increase support for the project objectives.

54. **Risks arising from technical design are rated Substantial.** The AF will increase the overall project cost by more than three times and add two new components. Furthermore, the project design requires the GoL to launch multiple interventions covering both rural and urban areas across the country. This introduces more complexities for the implementing institutions. The technical design for Component 5 (Community Livelihood and Agriculture Support) is more complex due to the introduction of

³⁰ Ratings for the following risks are maintained at Moderate: Macroeconomic, Sector Strategies and Policies, Stakeholders, and Others: 'COVID-19'.



complementary interventions such as the CDS grants and MLS. While both interventions are technically well justified, they pose risks of delays due to the need to identify local firms/NGOs that can provide these services (service providers). There is also a need to ensure they go hand in hand with the main CLAS support to maximize benefits to the communities, requiring good on-the-ground coordination. The main mitigation measures include the following: (a) identifying a pipeline of potential service providers through quality market scoping exercise; and (b) ensuring timely onboarding of selected service providers. Nevertheless, given the risks of limited supply and/or quality of potential service providers, which may need additional monitoring and support from the PMT during implementation, the residual risks due to the complexity of technical design is considered Substantial.

55. **The overall fiduciary risk is Substantial.** Project resources are allocated to implementing agencies for operations including grant payments to beneficiaries and costs for services under the project. This requires significant oversight to strengthen internal controls and ensure efficiency; thus, the FM risk remains Substantial. The risk will be mitigated through (a) continuing use of the PFMU; (b) retaining quality FMO and continued capacity building; and (c) sustaining timely implementation of internal and external audits and other verification measures outlined in Annex 3. Procurement risk has also been assessed as Substantial, primarily due to the gaps in contract management by the implementing agencies. The main mitigation measures include the following: (a) strengthening contract administration system to ensure the tracking of contract end dates, successful contract completion, and prompt payments to reduce the potential for disputes; and (b) training on contract management for PMT staff to enhance their capacity.

56. **The overall E&S risks are Substantial.** While the environmental risk of the proposed AF is Moderate, the social risk is Substantial because of the government's low capacity to prevent or reduce social exclusion by including measures in the project to include and protect vulnerable people. Potential negative E&S impacts of project activities will be mitigated by enhancing targeting tools and the screening process of subprojects, including a negative/exclusion list which excludes highly polluting or environmentally and socially detrimental activities from being financed under the project, to be developed by the PMT. Appropriate site-specific action plans will be developed to address issues related to occupational health and safety and community health and safety, pollution, and waste management. Also, gender inequality is widespread in Liberia, and women are particularly disadvantaged when it comes to accessing income opportunities, education, ownership of assets, and general development benefits. These have far-reaching implications on women's vulnerability to the different forms of SGBV. A sexual exploitation and abuse/sexual harassment (SEA/SH) action plan will be developed and implemented throughout the lifecycle of the project. Additional mitigation measures include (a) introducing clear and transparent eligibility criteria, including use of lotteries in case of oversubscription; (b) providing personal protective equipment and training for project staff and project beneficiaries participating in, or involved with, the public activities; (c) monitoring COVID-19 situation and putting in place social distancing measures and protocols as required; and (d) introducing a Code of Conduct for project workers to be developed and adopted by project staff and staff of contractors.



IV. APPRAISAL SUMMARY

A. Economic and Financial Analysis

57. **The economic rationale for activities under Components 1 and 2 stays intact.** Components 1 and 2 are expected to generate net positive social returns, as assessed using net present value (NPV). The estimates performed at appraisal of the parent project were updated to reflect the following: (a) a US\$0.6 million funding gap in Component 1 covered by the AF and (b) the proportional increase in the number of beneficiaries due to the scale-up of both components. For the latter, it is assumed that NPV will increase proportionally to the increase in the number of beneficiaries based on the assumption that both the per capita cost and per capita benefits of each component remains the same as estimated at appraisal of the parent project.

58. **The revised estimated NPVs of Component 1 and Component 2 are positive, even in the worst-case scenario.** The revised NPV for Component 1 is estimated at US\$6.34 million. This reflects both a downward revision of the original NPV due to the US\$0.6 million funding gap not accounted at appraisal of the parent project and an upward revision due to the increase in the number of beneficiaries financed by the AF, which largely cancel each other out. Specifically, the originally estimated NPV of Component 1 (US\$6.3 million) is reduced by US\$0.6 million considering the additional operational costs to cover the initial 4,000 beneficiary households. The NPV is then assumed to increase proportionally to the increase in the number of beneficiaries (by 11.25 percent), resulting in a final NPV estimate of US\$6.34 million. The revised NPV for Component 2 is US\$8.95 million. This reflects a proportional increase of NPV estimated at appraisal of the parent project as US\$7.9 million (for covering the first 15,000 beneficiaries) by 13.3 percent, corresponding to the new number of beneficiary households. As a sensitivity check, the worst-case scenario assumed at appraisal of the parent project is simulated again with the new value of costs and coverage, yielding an estimate for the lowest bound of the NPV. The resulting NPV of both components would remain positive even in the worst-case scenario: the lowest-bound estimate of the NPV of Component 1 is US\$4.08 million and US\$2.98 million for Component 2.

59. **The analysis of the economic rate of return (ERR) of the proposed Component 5 focuses on the benefits to increased earnings over the lifetime of program beneficiaries, as well as immediate consumption gains realized in the first year of inclusion due to the grants and wages.** Benefits are modeled in three forms as (a) short-term consumption gains due to the direct transfer of labor subsidies (CLAS) and better access to markets (CDS and MLS); (b) better earnings in the short term due to increased health and human capital; and (c) better earnings growth due to improved skills. Overall, the component has an ERR of 9 percent using conservative assumptions on intervention effectiveness and 15 percent using more optimistic assumptions. These figures are likely underestimates of the social rate of return as they do not account for potential social externalities of the project on community cohesion and reduced intra-household conflict, which are expected to arise based on the qualitative evidence collected in the YOP impact evaluation.

60. **A growing body of evidence shows that cash transfers represent one of the most cost-effective means for reducing financial hardship and vulnerability of beneficiary households, and they can have long-lasting positive impacts on recipients as well as their local economy.** In addition to their direct effect



on consumption and expenditure outcomes, a recent meta-analysis in low- and middle-income countries shows that cash transfers improve subjective well-being and mental health of beneficiaries.³¹ Cash transfers have further shown to be beneficial for children’s education by increasing school enrolment, attendance, and test scores³²; for health and food security; dietary diversity; and uptake of health services such as prenatal care or visits at clinics.³³ In other interventions across the region, cash transfers have also been beneficial to the local economy by increasing demand for goods and services in local markets.³⁴

61. The benefit levels proposed under the SCT component of REALISE-AF have been determined by carrying out a detailed adequacy analysis. Liberia’s poverty was declining during the pre-COVID period, but the pandemic and recent changes in food and commodity prices have shifted this positive trend. The share of Liberians living in extreme poverty has increased between 2016 and 2022.³⁵ Given the recent economic trends, an adequacy analysis of the current benefit levels under the SCT program of the LSSNP indicates that they would not be adequate if used in 2022.³⁶ The monthly benefit levels proposed under the SCT component of the REALISE-AF have therefore been updated to reflect 30 percent of the national extreme poverty line at 2022 prices for each household size,³⁷ as shown in Table 3. With these updated benefit levels, the cost for the SCT component to cover 16,000 beneficiary households,³⁸ with each household receiving the equivalent of 18 monthly payments, is US\$15 million (including approximately 25 percent estimated cost paid to the service provider).

Table 3. Monthly benefit levels by household size (US\$)

Household Size	Previous (LSSNP)	Proposed (REALISE-AF)
1	10	11
2	16	19
3	22	24
4	28	32
5+	34	49

62. Holding the benefit levels and number of beneficiary households constant, the SCT component has the potential to reduce extreme poverty by 3.3 percent to 11.8 percent in the targeted counties.

³¹ McGuire, Joel, Caspar Kaiser, and Anders Bach-Mortensen. 2020. “The Impact of Cash Transfers on Subjective Well-Being and Mental Health in Low- and Middle-Income Countries: A Systematic Review and Meta-Analysis.” SocArXiv.

³² Baird, S., Ferreira, F.H.G., Özle, B. & Woolcock, M. 2014. “Conditional, Unconditional and Everything in Between: A Systematic Review of the Effects of Cash Transfer Programmes on Schooling Outcomes.”

³³ Bastagli, F., Hagen-Zanker, J., Harman, L., Barca, V., Sturge, G., Schmidt, T., & Pellerano, L. 2016. “Cash Transfers: What Does the Evidence Say? A Rigorous Review of Impacts and the Role of Design and Implementation Features.”

³⁴ Ethiopia Social Cash Transfer Pilot Program, Livelihood Empowerment Against Poverty in Ghana, the Orphans & Vulnerable Children program in Kenya, the Lesotho Child Grants Program, the Zambia Child Grant Program, and the Zimbabwe Harmonized Social Cash Transfer Program.

³⁵ World Bank. 2022. “Poverty and Equity Brief: Liberia, October 2022.” World Bank, Washington, DC.

https://databank.worldbank.org/data/download/poverty/987B9C90-CB9F-4D93-AE8C-750588BF00QA/current/Global_POVEQ_LBR.pdf

³⁶ The benefit levels used by the LSSNP represented, on average, about 30 percent of the national extreme poverty line of LRD 37,152 per adult equivalent in 2016 representing the minimum caloric intake in 2016. It is assumed the national extreme poverty line has increased between 2016 and 2022 in line with annual food price inflation.

³⁷ This is done by multiplying 30 percent of the national extreme poverty line for an adult equivalent at 2022 prices by the median value of adult equivalents found in households of different sizes, in line with program thresholds (that is, households ranging from 1 to 5+ members).

³⁸ Using the average household size of 4.5 across the five targeted counties, which translates into an average benefit level of US\$40 per household for the 16,000 households.



The SCT program will universally enroll all households in the communities that are selected for the program, with community selection based on extreme poverty levels. As a result, the impact of the component on reducing extreme poverty will depend on what percentage of households in selected communities are considered extremely poor and how accurately the targeting tool identifies extremely poor households. When enrolling 16,000 households in total, the SCT component has the potential to reach between 3,957 and 14,400 extremely poor households, depending on average percentage of extremely poor households in selected communities and the accuracy of the targeting tool. As a result, in the counties selected, the program has the potential to reduce extreme poverty by 3.3–11.8 percentage points and the annual cost of reducing extreme poverty by 1 percent ranges between US\$615,818 and US\$2,241,292.

B. Technical

63. **The technical design of the AF is motivated by international and country-specific evidence supporting the strong rationale for coordinated government intervention to protect livelihoods during economic crises.** Effective crisis response hinges on the existence of adequate targeting mechanisms, tailoring of interventions to the needs and the capacities of the populations in need, and coordination to ensure synergies with complementary interventions and cost-effective resource management. The design of the proposed AF follows these principles as it integrates several streams of interventions under one single coordinating unit, sharing key human resources and capacities.

64. **The scale-up of Components 1 and 2 is grounded on international best practices, on country-specific evidence, and on the lessons learned during the implementation of the parent project.** The technical soundness of components 1 and 2 was assessed at appraisal. Both components integrate financial support interventions with additional training and skills development based on recommendations from multiple studies³⁹ and country-specific evidence. Furthermore, additional evidence from the impact evaluation of YOP shows how small business support grants, in the wake of COVID-19, improved the livelihood of beneficiaries by increasing their paid hours in self-employment by about 30 percent and increasing their monthly earnings by about US\$19 (equivalent to almost 40 percent of average household consumption of the target population) when compared to non-beneficiaries.⁴⁰ The process of enrolment for both components in year 2022 show high demand for the benefits: for Component 1, there were over 6.3 applicants for each slot available while for Component 2, the equivalent figure was 6. As a testament to the need and timeliness of the scale-up, 63 percent of applicants to small business grants (Component 1) were negatively affected by COVID-19.⁴¹

65. **Component 5 reintroduces well-tested and successful measures for rural communities and integrates them with additional activities expected to improve access to markets and social cohesion.**

³⁹ Cho Y., and M. Honorati. 2014. "Entrepreneurship Programs in Developing Countries: a Meta-Regression Approach". *Labour Economics*, 28 (C): 110–130; Grimm, M. and A.L. Paffhausen. 2015. "Do interventions targeted at micro-entrepreneurs and small and medium-sized firms create jobs? A systematic review of the evidence for low- and middle- income countries", *Labour Economics*, 32 (C): 67-85; Kluge, J. 2016. "A Review of the Effectiveness of Active Labour Market Programmes with a Focus on Latin America and the Caribbean". Research Department Working Paper No. 9, Geneva: International Labour Organization.

⁴⁰ Gupta, S., Del Bono, M. and E. Jorgensen. 2021. "The Impact of Grants and Skills Training on Youth Employment Outcomes in Liberia", The World Bank, forthcoming.

⁴¹ De Rochambeau, G., Sormani, R. C., Del Bono, M., and A. Agarwal. "Needs and characteristics of applicants to a small business support program.", The World Bank, forthcoming.



CLAS interventions rolled out under the YOP were successful in improving youth employment, food security, and access to finance with beneficiaries reported to have worked 35.8 more hours in farming activities in a typical month, have 19.5 percent higher rate in the expected count of purchases made on credit, and being 6.4 percentage points less food insecure than non-beneficiaries. In the AF, these successful measures will be complemented with the provision of community-level grants, and by supporting the creation of market linkages. These updates respond to the need to improve access to markets, which emerged from learning on the YOP results and the more recent international evidence. First, the review of YOP's results showed that CLAS interventions were most effective when they combined individual-level support with community-level investment in productivity-enhancing infrastructure, such as cassava or rice mills.⁴² These investments improved the marginal value product of labor in beneficiary communities, improving income and – potentially – labor supply. The demand for such interventions was so high that in some communities, individual beneficiaries spontaneously pooled resources to invest in community infrastructure, as was shown by anecdotal evidence obtained during supervision. Component 5 will also aim to improve social cohesion as its design is informed by a community driven development (CDD) approach. Although the international evidence on CDD's impact on social cohesion is limited⁴³, the local context seems to be ready for this type of intervention, as confirmed by the results of the qualitative research accompanying the impact evaluation of CLAS, whereby focus group respondents reported increased cohesion in the community and in the household.⁴⁴

66. The technical design of the SCT component (Component 6) follows proven best practices for cash transfer programs and lessons learned from the LSSNP. First, beneficiary households will be universally enrolled within targeted communities. Distributing the transfer universally can lead to a reduction in stigma associated with participation in the program or mental stress from being excluded from the program, helps ensure social cohesion and minimize discord, limits the creation of unwanted incentives (for example, reducing paid employment to remain eligible for the program), and reduces transaction costs associated with determining individual eligibility and delivering individualized benefits.⁴⁵ Universal enrollment also reduces concerns of accidental exclusion errors within targeted geographies. Second, the SCT component will deliver cash transfers via mobile money, which has been proven to generate higher financial resilience and savings for beneficiary households, change the way individuals make decisions around their occupation, increase transparency and security of payment delivery, and integrate informal sector users into the formal financial system.⁴⁶ Third, the component will continue making quarterly transfers to beneficiary households instead of monthly transfers, based on lessons learned from the LSSNP. Quarterly payments reduce the number of pay-outs and associated implementation and administrative costs, and less frequent and larger payment installments can increase the households' ability to plan around transfer spending. Finally, the component will continue to

⁴² World Bank. 2022. "Implementation Completion and Results Report on [...] the Youth Opportunities Project" (Report No. ICR00005505). World Bank, Washington, DC.

⁴³ White, H., Menon, R. and Waddington, H., 2018. "Community-driven development: Does it build social cohesion or infrastructure? A mixed-method evidence synthesis."

⁴⁴ World Bank's Social Protection and Jobs, Liberia. 2022. "Monitoring and Evaluation Report for Swedish International Development Cooperation Agency (SIDA)", unpublished.

⁴⁵ Grosh, Margaret, Phillippe Leite, Matthew Wai-Poi, and Emil Tesliuc. 2022. "Revisiting Targeting in Social Assistance: A New Look at Old Dilemmas. Human Development Perspectives." Washington, DC: World Bank. <https://openknowledge.worldbank.org/handle/10986/37228> License: CC BY 3.0 IGO.

⁴⁶ Parekh, N., and A. Haree. 2020. "The Rise of Mobile Money in Sub-Saharan Africa: Has This Digital Technology Lived up to Its Promises?" J-PAL. <https://www.povertyactionlab.org/blog/10-22-20/rise-mobile-money-sub-saharan-africa-has-digital-technology-lived-its-promises>



preferentially enroll women as cash recipients on behalf of beneficiary households whenever possible, as this has been shown to enhance women’s financial and digital inclusion, challenge restrictive gender norms, and improve women’s economic empowerment.⁴⁷ Other technical design elements based on best practices and lessons learned include ensuring proactive community sensitization and communication before enrollment begins to avoid misinformation and relying on digital data collection for both enrollment and post-distribution monitoring surveys to enhance efficiency and accuracy of program management.

Gender

67. As with the parent project, interventions under the AF will contribute to closing the gap between men and women accessing safety nets programs. Globally, women have less access to social protection programs and derive fewer benefits from them.⁴⁸ For both Components 1 and 2 under the parent project, at least half of beneficiaries are expected to be females. This will continue under the AF, including for Component 5 where it is expected to benefit at least 3,100 women directly, representing half of the total target direct beneficiaries for the component. Meanwhile, under the social cash transfer program (Component 6), female household members will be given priority to serve as the cash-recipients on behalf of their households whenever possible (and with end target of 75 percent of all cash transfer beneficiaries). Additionally, interventions under Component 5 will address some of the main constraints met by rural women, such as access to land, funding, agricultural inputs, and extension services. Specific measures will be put in place to facilitate the participation of pregnant women and women with young children in subproject activities. The project will foster participation of women in decision-making through an inclusive community approach when developing community development plans. It will seek to ensure gender parity within the project team, service providers, and other local structures/committees set up or supported under the component is addressed.

68. Component 6 will help close the gap between men and women’s financial inclusion and financial decision-making in the household. According to 2021 Findex data, women in Liberia are 7 percentage points less likely to have an account than men. Access to one’s own account, and to a mobile phone, has been demonstrated to empower women through a variety of indicators, such as increasing female labor force participation, liberalizing gender norms, and reducing intimate partner violence.⁴⁹⁵⁰ This is important in Liberia, where 31 percent of women do not have a say in key decisions like household purchases, own health care, and visiting family.⁵¹ Component 6 will address this by preferentially enrolling women in the cash transfer program to serve as the cash recipient on behalf of their households,⁵² which

⁴⁷ Zimmerman, Jamie Melissa, Maria May, Elizabeth Kellison, and Jeni Klugman. 2020. “Digital Cash Transfers in Times of COVID-19: Opportunities and Considerations for Women’s Inclusion and Empowerment (English).” Washington, D.C.: World Bank Group. <http://documents.worldbank.org/curated/en/378931596643390083/Digital-Cash-Transfers-in-Times-of-COVID-19-Opportunities-and-Considerations-for-Womens-Inclusion-and-Empowerment>.

⁴⁸ UN Women. 2015. “Progress of the World’s Women 2015-2016.”

⁴⁹ Rotondi, V., et al. (2020). “Leveraging mobile phones to attain sustainable development.” Proceedings of the National Academy of Sciences, 117(24), 13413-13420.

⁵⁰ Peterman, Amber; and Roy, Shalini. 2021. “Cash transfers and intimate partner violence (IPV) in low- and middle-income settings: A joint research agenda to inform policy and practice.” Project Note June 2021. Washington, DC: International Food Policy Research Institute (IFPRI). <https://doi.org/10.2499/p15738coll2.134445>

⁵¹ World Bank DataBank: Demographic and Health Surveys, 2020. <https://data.worldbank.org/indicator/SG.DMK.ALLD.FN.ZS>

⁵² With end target of 75 percent female cash recipient (on behalf of their households).



helps increase their agency over household spending decisions. In addition, as part of the enrollment process, women will be provided with a mobile phone, and thereafter be paid transfers using mobile money, expanding both their digital and financial inclusion. Finally, the SCT program will engage couples in a joint financial planning exercise at the time of program enrollment. In this exercise, women and their partners will be guided through a collaborative process of setting goals for how they want to spend their cash transfers, and they will be provided with soft commitment devices (planning certificates and posters) to help remind them of their plans. The goal is to help ensure women's preferences are reflected in how the cash transfer is spent and to help reduce potential conflict or intimate partner violence related to decisions around transfer spending by having couples plan together before the money comes. The effectiveness of this exercise in meeting its objectives is being rigorously tested via an impact evaluation under the SCT program of LSSNP, for which results will be available in June 2023. An initial pilot of a similar intervention in Kenya showed promising results, and qualitative feedback reflected a positive outlook on the intervention on the part of recipients.

69. **Additionally, Components 1 and 2 will continue addressing key gender gaps that exist in Liberia's labor market.** One in three working-age men in Liberia is a wage employee, compared to less than one in ten working age women. A wide wage gap also exists between wage employees with men earning US\$173 per month and women earning US\$128 per month, on average.⁵³ Component 2 will contribute to closing these gaps by ensuring that at least 50 percent of LIPW direct beneficiaries are women and by paying them equal wages to men. Under Component 1, at least one round of implementation will include interventions designed to empower women who are interested in starting new businesses to cross-over into male-dominated employment sectors and thus help close the gap of women's underrepresentation in higher productivity and higher profit sectors of the economy.

Disability

70. **As with the parent project, the AF will ensure that interventions are accessible to, and address the needs of, persons with disabilities.** In particular, the activities of all main components (including Components 1, 2, 3, 5, and 6) will be made accessible through (a) dedicated outreach efforts to target persons with disabilities, including outreach through disabled people organizations; (b) disability awareness trainings for trainers; and (c) adaptation of training facilities and training to the needs of persons with disabilities. Component 5 will also strive to ensure that disability inclusion is considered in the selection of community projects and community projects include activities that may directly improve the situation for persons with disabilities, including social services for the disabled and their families or accessibility of public spaces. Special attention will be paid for economic inclusion of persons with disabilities. Special consultations with representative national disabled people organizations will be organized in the beginning of 2023 to consider the disability inclusiveness of support to vulnerable households to revive or start small businesses as well as employability development for vulnerable workers. Current efforts will continue to include disability-specific data in the LHSR. See Annex 3 for more details on disability in Liberia.

⁵³ World Bank. 2021. "Project Appraisal Document: Recovery of Economic Activity for Liberian Informal Sector Employment Project." World Bank, Washington, DC.



C. Financial Management

71. **The current arrangements, whereby the PMT serves as the main implementing unit for all implementing agencies of the project, will be maintained.** In view of this, FM aspects have been reviewed, and the FM arrangements currently in place will change to reflect the inclusion of the MGCSP as an additional implementing entity. However, FM arrangements will be based on the existing modalities under the parent project where the PFMU, which is managing 90 percent of donor-financed project accounts (World Bank included) in the country, will continue to manage the project account under the AF. The PFMU comprises 24 staff and is headed by a director who is a chartered accountant, and all PFMU staff are familiar with the World Bank procedures, and therefore, the PFMU is adequately staffed with competent finance professionals who have garnered the requisite experience and have qualifications acceptable to the World Bank. The PMT has an FMO who is responsible for FM, as well as for working closely with the PFMU on the reporting requirements for the project. The AF will use the PFMU Financial Procedures Manual already developed for ongoing projects, and it will be brought into the Integrated Financial Management Information System (IFMIS).

72. **In line with the guidelines as stated in the Bank Directive Financial Management Manual for World Bank Investment Project Financing (IPF) Operations issued February 10, 2017, and effective on March 1, 2010, the FM arrangements of the REALISE PMT have been assessed to determine whether the project has acceptable FM arrangements in place that satisfy the World Bank's minimum requirements.** These arrangements would ensure that the implementing entities (a) use project funds only for the intended purposes in an efficient and economical way; (b) prepare accurate and reliable accounts as well as timely periodic financial reports; (c) safeguard assets of the project; and (d) have acceptable auditing arrangements.

73. **The overall FM risk of the AF remains Substantial after the mitigating measures.** Under the parent project, risk mitigation measures have been taken, which include the use of the FMO, who has experience with the World Bank FM procedures, and external auditing by the General Auditing Commission (GAC). More details on FM are provided in Annex 4.

D. Procurement

74. **Procurement implementation arrangements.** Procurement under the AF will be adjusted to bring in MGCSP as an implementing/procuring entity. However, processing of all procurement activities will be carried out by the PMT. Procedures and processes already established under the parent project will be followed. Procurement details are in Annex 5 and will be reflected in the updated POM.

75. **Update of the Project Procurement Strategy for Development (PPSD).** The MYS has updated the PPSD for the parent project, which describes how procurement activities will support the achievement of the PDO and deliver value for money under the AF. The PPSD concluded that the existing procurement unit has prior experience on the World Bank's New Procurement Framework and that there exists a good number of service providers to implement earmarked consulting and non-consulting services under the AF. The procurement strategy will be linked to the project implementation plan to ensure proper sequencing of activities. For each contract financed by the project, the procurement method, market



approach, cost estimate, World Bank review requirements, and time frame for implementation will be agreed between the GoL and the World Bank and duly reflected in the project Procurement Plan. Based on the PPSD findings, the PMT has prepared a procurement plan covering activities for the first 18 months of the AF. The PPSD is a living document that would be regularly updated during project implementation to provide necessary justifications for procurement arrangements, Procurement Plans, and their updates.

E. Legal Operational Policies

	Triggered?
Projects on International Waterways OP 7.50	No
Projects in Disputed Areas OP 7.60	No

F. Environmental and Social

76. **The overall E&S risks of the project are classified as Substantial, in line with the parent project.** In view of the sensitivity and scale of the proposed subproject activities, the nature and magnitude of the potential E&S risks and impacts, and the E&S capacity of the government, the overall risks have been assessed as Substantial. Seven Environmental and Social Standards (ESS)⁵⁴ were relevant to the parent project, and under the proposed AF, ESS5 “Land Acquisition, Restrictions on Land Use and Involuntary Resettlement” will be added owing to activities to be supported on component 5 (CLAS). The summary of screening of E&S risks and impacts is given in the following paragraphs.

Anticipated Environmental Impacts and Risks

77. **E&S risks and mitigation measures for Components 1 and 2 are in place and will continue.** However, the introduction of a new component that seeks to provide consumption smoothing through CLAS could trigger environmental pollution if not properly managed. The AF will support beneficiaries to engage in community-level farming activities through a CLAS subcomponent. Activities to be supported under this subcomponent proposes that beneficiaries farming groups have access to farmland for a period of up to three years. This would guarantee their right to farm the same plots, thereby avoiding the need to search new plots on which to farm and, at times, clearing wooded areas in the process. Using the same plots, however, might lead beneficiary farming groups to use fertilizers. To mitigate potential negative environment impacts as a result of these activities, ESS 3 is deemed relevant, and site-specific ESMPs will be prepared for subprojects. ESMPs will be developed and approved as part of subproject proposal prior to commencement of subproject activities. The Environmental and Social Management Framework (ESMF) of the parent project will be updated prior to effectiveness to include an Integrated Pest Management Plan and other measures for managing potential environmental risks. Additionally, the POM

⁵⁴ ESS1 - Assessment and Management of Environmental and Social Risks and Impacts; ESS2 - Labor and Working Conditions; ESS3 - Resource Efficiency and Pollution Prevention and Management; ESS4 - Community Health and Safety; ESS6 - Biodiversity Conservation and Sustainable Management of Living Natural Resources; ESS8 - Cultural Heritage; and ESS10 - Stakeholder Engagement and Information Disclosure.



will be updated to include “negative list⁵⁵” of activities that are not eligible for support under the project to guide project implementers and beneficiaries.

Anticipated Social Impact and Risks

78. **The project is expected to have significant positive social impacts.** The project is designed to improve socioeconomic outcomes and mitigate the impact of COVID-19 on these outcomes, including (a) preserving consumption levels of vulnerable households affected by COVID-19 by sustaining earning opportunities; (b) preserving and strengthening human capital development from both health and education perspectives; (c) fostering improvements in employment and earnings outcomes over the medium-to-longer term by avoiding small business destruction, building labor-market-relevant skills, improving local infrastructure, and spurring entrepreneurship; (d) improving physical and psychological well-being by improving the environment of poor urban communities; (e) providing life skills training, improving a range of social, physical, and mental aspects of well-being that would contribute to increasing health awareness on COVID-19 and other diseases, and strengthening self-image and self-efficacy and social cohesion; and (f) contributing to strengthening the socioeconomic situation of women, by focusing specifically on targeting female beneficiaries. In addition to these positive social impacts, the AF will strengthen support to persons with disabilities.

79. **There are, however, potential social risks associated with the project, partly due to COVID-19.** These include (a) low uptake/participation among women due to social norms regarding family responsibilities such as taking care of children, siblings, and the elderly and handling household tasks; (b) low uptake of the most vulnerable households and individuals (including disabled and elderly) because of health risks associated with economic activity during the COVID-19 pandemic, limited access to the project, or insufficiently precise targeting of the project; (c) lack of community engagement; (d) ‘elite capture’ of resources for public works through inadequate or nonrepresentative community organization/engagement; (e) resentment from applicants not approved by the project or communities not selected and the emergence of social conflict resulting from favoritism and lack of transparency; (f) restriction on land use and involuntary resettlement; and (g) increased vulnerability of women to SEA/SH by the authorities or by co-workers in public works.

80. **Though land acquisition and displacement of people or communities are not anticipated under the project, key activities under Component 5 will require land for farming activities, and those lands may be community, family, or individually-owned.** As a result, use of such lands will be guided by a “Land Use Agreement” between beneficiary farming groups and their communities. However, there may be a need to ensure continued access to existing farming plots by other community members, which could otherwise lead to tensions between community groups. Consequently, ESS5 is relevant and the RPF and ESMF for the parent project are under update and will be submitted to the World Bank for approval and subsequent disclosure prior to effectiveness. To mitigate risks, site-specific ESMPs will be established in the updated ESMF. Where deemed necessary and based on results of the screening, subprojects will be required to include a Resettlement Action Plan (RAP)/Livelihood Restoration Plan, consistent with the

⁵⁵ The negative list will cover aspects related to: (a) significant expansion into new areas; (b) diversification into new crops in agriculture; (c) proposed acquisition of relatively hazardous pest control products or methods; or (d) specific environmental or health concerns (e.g., proximity of protected areas or important aquatic resources)



guidelines established in the ESMF. If required, the RAP shall be submitted to the World Bank for approval and subsequently implemented by the PMT who shall then submit a RAP implementation completion report to the World Bank.

81. **SEP.** The SEP of the parent project has been updated and disclosed. However, given the limited consultations held during project preparation, the ESCP requires the client to conduct extensive consultations, update, and resubmit to the World Bank for review and approval and redisclose the SEP three months after project effectiveness. The project shall continue to explicitly seek to support the engagement of targeted beneficiaries and other stakeholders through consultative processes and feedback mechanisms, which will help adjust the approach of all programs under the project and maximize benefits to the vulnerable individuals and households. The expansion of the project into new geographical areas shall require the establishment of grievance redressal structures in new areas and counties while still maintaining those established in existing project areas. The GRM will respond to concerns and grievances of project-affected parties related to the E&S performance of the project on time in accordance with the ESMF, RPF, and SEP. The project shall ensure the national-level GRM at LACE and the MYS remains functional and includes the MGCSP. The GRM to be established in all project locations, before commencing engagement with beneficiaries, shall have a gender-based violence (GBV)/SEA/SH-sensitive channel, and those already established under the parent project shall be enhanced. The GRM for the workers will be established before commencement of activities and engagement of project workers, and it will remain operational throughout implementation. The ESCP and SEP of the parent project have been updated and disclosed on the World Bank website on December 5, 2022, and will be disclosed in-country by December 14, 2022

82. **Citizen engagement.** The project explicitly seeks to support the engagement of targeted beneficiaries and other stakeholders through consultative processes and feedback mechanisms, which will help adjust the approach to economic inclusion and maximize benefits to vulnerable individuals and households. Consultations are an integral part of project preparation and have helped motivate and shape component design. Feedback will be a continuous part of the implementation to allow course corrections and project modifications, including through the project's GRM (see next paragraph). Furthermore, participatory decision-making is embedded in the community-driven development approach for implementation of the CLAS component. Additionally, a community oversight committee⁵⁶ is already in place for the parent project and will be extended to the expansion under the proposed AF. The project will also conduct annual beneficiary satisfaction surveys throughout its life, which will be reflected and tracked through beneficiary feedback indicators.⁵⁷ In addition, the project will explore using iterative beneficiary monitoring via phone surveys to improve the frequency of beneficiary feedback to be able to inform project implementers on any issues as quickly as possible.

83. **GRM for the project.** Two GRMs were established under the parent project—one for project workers and the other for beneficiaries, citizens, and stakeholders—with various channels for submitting grievances. These GRMs will be updated and maintained throughout project implementation. At the

⁵⁶ Comprising representatives of the youth, community head, a women's representative, a community elder, and a professional person residing in the community of implementation (for example, teacher, health worker, or administrator).

⁵⁷ (i) Beneficiaries satisfied with the project interventions under Component 1 (breakdown of female and male) and (ii) Labor-Intensive Public Works beneficiaries satisfied with project interventions (breakdown of female and male).



national and county levels, the project will build GRMs used under the YOP with various channels already being operational (including community, county, and nation-based Grievance Redress Committees [GRCs], SMS/hot line, project website, and so on). For new participating communities under the AF that did not benefit from the YOP, the project will establish new committees before commencement of activities in these communities. Overall, for counties and communities covered under the AF, the project shall train the GRCs⁵⁸ and conduct stakeholder engagements using different tools to make known the members of the committees and the processes for reporting complaints and seeking redress. The project shall be responsible for ensuring that the GRM is responsive to GBV including SEA as well as SH-related complaints. To achieve this, the project shall hire a grievance and GBV specialist so that SEA/SH challenges can be properly assessed, and appropriate prevention and mitigation measures are proposed and implemented. Other responsibilities shall include the consolidation of complaints and reports of all committees across the counties, logging and tracking, and coordinating their timely resolution, which will be tracked via an indicator in the project's Results Framework.

84. **Personally identifiable information and sensitive data.** Large volumes of personal data, personally identifiable information, and sensitive data (Data) will be collected and used in connection with the project implementation (for example, enrollment data) under circumstances where measures to ensure the legitimate, appropriate, and proportionate use and processing of that Data may not feature in national law. According to a recent assessment, "Elements of data security, archiving, and digital preservation exist in policies but without a single overarching policy that consolidates and harmonizes these or provides formal procedures or mechanisms to address data security."⁵⁹ To guard against abuse of that Data, the AF, following the parent project, will incorporate best international practices for dealing with such Data in such circumstances. Measures may include, among others, data minimization (collecting only Data that is necessary for the purpose), data accuracy (correct or erase Data that are not necessary or are inaccurate), use limitations (Data are only used for legitimate and related purposes), data retention (retain Data only for as long as they are necessary), informing data subjects of use and processing of data and allowing data subjects the opportunity to correct information about them and so on. The data collection protocols for enrollment under REALISE-AF will generally follow the LHSR Data Collection and Protection Protocol, which was developed by the MGCSP for the implementation of the social registry and is generally compliant with the principles outlined.

Climate Change Adaptation and Mitigation (See Annex 6 for More Details)

85. **Climate change is exacerbating the challenges facing Liberia's highly vulnerable agriculture sector.** In recent years, unpredictable rainfall patterns have contributed to a decline in agricultural productivity, particularly in cassava production, and increasing temperatures have affected soil moisture and diminished the availability of water for food production. Pests, disease, and inadequate storage impose high pre- and post-harvest losses, which average about 40 percent per year for food crops.

86. **The AF intends to contribute to climate change mitigation by focusing on the protection of the most vulnerable.** Climate change affects the poor and vulnerable disproportionately, given that the poor

⁵⁸ Which consist of community elders and include representatives of vulnerable groups (women and youth) at various levels.

⁵⁹ World Bank Group. 2020. "Liberia Digital Economy Assessment. Summary Report". Washington, DC: World Bank. License: Creative Commons Attribution CC BY 3.0 IGO.



are net purchasers of food and therefore are negatively affected by climate shocks affecting food production. Climate change threatens both urban and rural livelihoods, especially for more vulnerable households, because of risky locations for their activities (urban) and the negative impact on rain-fed and undiversified subsistence agriculture. Extreme weather, erosion, and flooding will also directly affect the health and living conditions of Liberia's poor and vulnerable by increasing water scarcity and contributing to worsened water and sanitation conditions. Finally, climate change-induced natural disasters, such as landslides or flooding, directly threaten the lives of the poor who tend to live in more exposed areas and with worse infrastructure. Flooding, storm surges, and erosion have resulted in serious loss of infrastructure and aggravated involuntary migration for those living in Liberia's urban slums. In the absence of social safety nets, vulnerable households are forced to apply the only mitigation strategies at their disposal, most of which have negative short-term and long-term effects, including reduced food consumption and malnutrition, selling of productive assets, and reduced access to school for children.

87. By strengthening the social protection systems and providing direct social protection programming to the poor and vulnerable, the AF contributes directly to climate change adaptation and mitigation for the poor. First, the operation will build on a long-term engagement by the World Bank, through a series of projects, to help build national capacity to establish and strengthen the social protection system in the country. Second, by providing vulnerable households with income opportunities to protect household consumption, human capital, and productive physical assets, the proposed AF is directly helping households build resilience to climate change developments (and shocks) in the future. Third, by focusing on vulnerable communities with high risk of being affected by climate change, and by focusing on community projects that help create shaded areas and strengthen infrastructure to protect living areas and water supply from climate-induced disasters, the proposed AF will build resilience in extra vulnerable communities. Fourth, life skills training will build awareness on climate risks and adaptation measures and on entrepreneurial and employment opportunities in green jobs.

88. While the project will operate in areas vulnerable to climate change, supported activities of subprojects are expected to contribute to addressing climate change risks. The small scale and labor-intensive nature of community projects planned under Components 2 and 5 are likely to be low-carbon activities and the project will proactively seek opportunities to employ smart and green technologies at all levels. In addition, the project will engage youth and vulnerable farmers in identifying alternatives to chemical and fossil-based inputs. Under Component 2, at least 50 percent of LIPW subprojects will focus on climate change adaptation and mitigation, and subprojects under Component 5 (Community Livelihood and Agriculture Support) will aim to promote the climate resilience of poor and vulnerable households relying on agriculture as a source of livelihood through the promotion of sustainable and climate-smart practices at (a) the farmers groups' level through provision of information and skills on using small-scale field trials; (b) cooperative members' level through increasing capacity (skills and financial resources) to enable them to support individual farmers to adapt and increase climate-smart agriculture practices as well as link these farmers to value chains that help them with value addition and minimizes wastage; and (c) the local community and institutional levels to enhance or maintain local infrastructure that contribute to the well-being of the community and increase income-earning opportunities for households. Additionally, the project intends to support capacity building for local service providers and Ministry of Agriculture agents to sustain investment in climate-resilient agriculture practices at the community level.



V. WORLD BANK GRIEVANCE REDRESS

89. **Grievance redress.** Communities and individuals who believe that they are adversely affected by a project supported by the World Bank may submit complaints to existing project-level grievance mechanisms or the World Bank's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the World Bank's independent Accountability Mechanism (AM). The AM houses the Inspection Panel, which determines whether harm occurred, or could occur, as a result of World Bank non-compliance with its policies and procedures, and the Dispute Resolution Service, which provides communities and borrowers with the opportunity to address complaints through dispute resolution. Complaints may be submitted to the AM at any time after concerns have been brought directly to the attention of Bank Management and after Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's GRS, please visit <http://www.worldbank.org/GRS>. For information on how to submit complaints to the World Bank's Accountability Mechanism, please visit <https://accountability.worldbank.org>.



VI SUMMARY TABLE OF CHANGES

	Changed	Not Changed
Implementing Agency	✓	
Project's Development Objectives	✓	
Results Framework	✓	
Components and Cost	✓	
Loan Closing Date(s)	✓	
Disbursements Arrangements	✓	
Procurement	✓	
Cancellations Proposed		✓
Reallocation between Disbursement Categories		✓
Legal Covenants		✓
APA Reliance		✓
Other Change(s)		✓

VII DETAILED CHANGE(S)

IMPLEMENTING AGENCY

Implementing Agency Name	Type	Action
Liberia Agency for Community Empowerment	Line Ministry/Ministerial Department	No Change
Ministry of Gender, Children and Social Protection	Line Ministry/Ministerial Department	New
Ministry of Youth and Sports	Line Ministry/Ministerial Department	No Change



PROJECT DEVELOPMENT OBJECTIVE

Current PDO

The objective is to increase access to income earning opportunities for the vulnerable in the informal sector in response to the COVID-19 crisis in Liberia.

Proposed New PDO

To increase access to income-earning opportunities for the vulnerable in the informal sector in response to crises, expand income and livelihood support to poor and food insecure households, and improve efficiency in managing social protection programs in Liberia.

COMPONENTS

Current Component Name	Current Cost (US\$, millions)	Action	Proposed Component Name	Proposed Cost (US\$, millions)
Grant Support to Vulnerable Households to Revive or Start Small Businesses	3.52	Revised	Grant Support to Vulnerable Households to Revive or Start Small Businesses	4.60
Temporary Employment Support and Employability Development for Vulnerable Workers	5.28	Revised	Temporary Employment Support and Employability Development for Vulnerable Workers	6.00
Capacity Building and Project Implementation and Coordination	1.20	Revised	Capacity Building and Project Implementation and Coordination	3.13
Contingent Emergency Response Component	0.00		Contingent Emergency Response Component	0.00
	0.00	New	Community Livelihood and Agriculture Support	4.77
	0.00	New	Social Cash Transfer and Strengthening of the National Social Protection System	16.50
TOTAL	10.00			35.00



LOAN CLOSING DATE(S)

Ln/Cr/Tf	Status	Original Closing	Current Closing(s)	Proposed Closing	Proposed Deadline for Withdrawal Applications
IDA-68480	Effective	30-Jun-2024	30-Jun-2024	31-Dec-2026	30-Apr-2027
IDA-D7830	Effective	30-Jun-2024	30-Jun-2024	31-Dec-2026	30-Apr-2027

DISBURSEMENT ARRANGEMENTS

Change in Disbursement Arrangements
Yes

Expected Disbursements (in US\$)

Fiscal Year	Annual	Cumulative
2021	0.00	0.00
2022	0.00	0.00
2023	4,000,000.00	4,000,000.00
2024	8,000,000.00	12,000,000.00
2025	12,000,000.00	24,000,000.00
2026	6,000,000.00	30,000,000.00
2027	5,000,000.00	35,000,000.00

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

Risk Category	Latest ISR Rating	Current Rating
Political and Governance	● Moderate	● Substantial
Macroeconomic	● Moderate	● Moderate
Sector Strategies and Policies	● Moderate	● Moderate
Technical Design of Project or Program	● Moderate	● Substantial
Institutional Capacity for Implementation and Sustainability	● Moderate	● Substantial
Fiduciary	● Substantial	● Substantial



Environment and Social	● Substantial	● Substantial
Stakeholders	● Moderate	● Moderate
Other	● Moderate	● Moderate
Overall	● Moderate	● Substantial

LEGAL COVENANTS – Additional Financing for the Recovery of Economic Activity for Liberian Informal Sector Employment Project (P179035)

Sections and Description

ESCP: the Recipient shall assign a Gender-based Violence (GBV) Specialist to the project within 2 months of Project effectiveness.

ESCP: the Recipient shall prepare, disclose, consult upon, and adopt the Sexual Exploitation and Abuse/Sexual Harassment (SEA/SH) action plan not later than 3 months after the Effective Date and implement the plan throughout the Project implementation.

ESCP: three months after project effectiveness, the Recipient shall conduct in-depth stakeholder engagements on relevant components, update, submit to the Association for review and upon clearance, adopt, redisclose and implement throughout the project implementation period.

Conditions

Type	Financing source	Description
Effectiveness	IBRD/IDA	The Recipient has updated, adopted and submitted to the Association, the Project Operations Manual, in form and substance satisfactory to the Association.
Effectiveness	IBRD/IDA	The Project Management Team (PMT) is fully staffed with the following additional technical staff: a national social protection coordinator, a deputy project coordinator for economic inclusion and a deputy project coordinator for social assistance, all to be recruited in accordance with the provisions of the Procurement Regulations.
Effectiveness	IBRD/IDA	Update, consult upon, disclose and adopt the ESMF, RPF, LMP and IPMP in form and substance satisfactory to the Association.
Effectiveness	IBRD/IDA	A Subsidiary Agreement, acceptable to the Association, shall have been duly executed and delivered on behalf of the Recipient and the Project Implementing Entity and



		shall have become effective and binding upon such parties in accordance with its terms.
Type Disbursement	Financing source IBRD/IDA	Description For payments under Categories (3), (6) and (9) unless the Recipient has prepared and submitted to the Association a template for the Payment Agreement, in form and substance satisfactory to the Association



VIII. RESULTS FRAMEWORK AND MONITORING

Results Framework

COUNTRY: Liberia

Additional Financing for the Recovery of Economic Activity for Liberian Informal Sector Employment Project

Project Development Objective(s)

To increase access to income-earning opportunities for the vulnerable in the informal sector in response to crises, expand income and livelihood support to poor and food insecure households, and improve efficiency in managing social protection programs in Liberia.

Project Development Objective Indicators by Objectives/ Outcomes

Indicator Name	PBC	Baseline	Intermediate Targets	End Target
			1	
To increase access to income earning opportunities for the vulnerable in the informal sector (Action: This Objective has been Revised)				
Small businesses that are invested in by beneficiary households (Number)		0.00	2,000.00	2,424.00
Female-led small businesses that are invested in by beneficiary households (Percentage)		0.00	40.00	50.00
Number of individuals who have completed the business skills training (Number)		0.00		4,450.00
Share of female individuals who have completed the business skills training (Percentage)		0.00		50.00
Project beneficiaries of the labor-intensive public works program (Number)		0.00	12,500.00	17,000.00
Female project beneficiaries of the labor-intensive public works program (Percentage)		0.00	40.00	50.00

Indicator Name	PBC	Baseline	Intermediate Targets	End Target
			1	
Project beneficiaries of the labor-intensive public works program who are persons with disabilities (Percentage)		0.00	0.50	1.00
Action: This indicator is New	Rationale: To monitor progress in project's commitment for disability-inclusiveness			
Number of project beneficiaries who have completed the Life Skills and Employability training (Number)		0.00		17,000.00
Share of female project beneficiaries who have completed the Life Skills and Employability training (Percentage)		0.00		50.00
To expand income and livelihood support to poor and food insecure households (Action: This Objective is New)				
Project beneficiaries of the CLAS program (Number)		0.00	3,000.00	6,200.00
Action: This indicator is New	Rationale: To reflect the new CLAS component			
Female project beneficiaries of the CLAS program (Percentage)		0.00	40.00	50.00
Action: This indicator is New	Rationale: Adding this supplement indicator to track female-male ratio			
Project beneficiaries of the CLAS program who are persons with disabilities (Percentage)		0.00	0.50	1.00



Indicator Name	PBC	Baseline	Intermediate Targets	End Target
			1	
Action: This indicator is New	Rationale: <i>To monitor progress in project's commitment for disability-inclusiveness</i>			
Project beneficiaries of the SCT program (Number)		0.00	12,000.00	16,000.00
Action: This indicator is New	Rationale: <i>To measure progress of the newly added Component 6, specifically the SCT program.</i>			
Female cash recipients of the SCT program (Percentage)		0.00	60.00	75.00
Action: This indicator is New	Rationale: <i>Adding this supplement indicator to track female cash recipient</i>			
Project beneficiaries of the SCT program with at least one person with disabilities in their households (Percentage)		0.00	1.00	2.00
Action: This indicator is New	Rationale: <i>To monitor progress in project's commitment for disability-inclusiveness</i>			
To improve efficiency in managing social protection programs in Liberia (Action: This Objective is New)				
Social Protection programs utilizing the LHSR (Number)		2.00	4.00	6.00
Action: This indicator is New	Rationale: <i>To measure progress of the newly added Component 6, specifically the SP System Strengthening subcomponent</i>			



Indicator Name	PBC	Baseline	Intermediate Targets	End Target
			1	
Cash transfer payments delivered to beneficiaries on-time (Percentage)		0.00	45.00	75.00
<i>Action: This indicator is New</i>	<i>Rationale: To measure progress of the newly added Component 6, specifically the SP System Strengthening subcomponent</i>			

Intermediate Results Indicators by Components

Indicator Name	PBC	Baseline	Intermediate Targets	End Target
			1	
Component 1: Grant Support to Vulnerable Households to Revive or Start Small Businesses				
Individuals who have completed the business skills training (Number)		0.00	3,000.00	4,450.00
<i>Action: This indicator is New</i>	<i>Rationale: Moving this indicator to intermediate-level from PDO-level during the AF processing in 2022 to reduce the number of PDO indicators as agreed in AF decision meeting's decision note.</i>			
Female individuals who have completed the business skills training (Percentage)		0.00	40.00	50.00



Indicator Name	PBC	Baseline	Intermediate Targets	End Target
			1	
Action: This indicator is New				
		Rationale: Moving this indicator to intermediate-level from PDO-level during the AF processing in 2022 to reduce the number of PDO indicators as agreed in AF decision meeting's decision note.		
Beneficiaries of labor market programs (CRI, Number)		0.00	15,000.00	22,250.00
Action: This indicator has been Revised				
		Rationale: To reflect the increased target value for Component 1		
Beneficiaries of labor market programs - Female (CRI, Number)		0.00	7,500.00	11,125.00
Action: This indicator has been Revised				
		Rationale: To reflect the increased target value for Component 1		
Households benefitting from grant support program under Component 1 (Number)		0.00	3,000.00	4,450.00
Action: This indicator has been Revised				
		Rationale: End target is revised from 4,000 to 4,450 to reflect the increase of Component 1/SSB beneficiaries; and end target date is revised to the new project closing date December 31, 2026		
Households with female representative benefitting from grant support program under Component 1 (Percentage)		0.00	40.00	50.00



Indicator Name	PBC	Baseline	Intermediate Targets	End Target
			1	
Action: This indicator has been Revised	Rationale: Only removing "share" at the beginning of the indicator name as the unit of measure is included at the end			
Enrolled beneficiary households that receive the full grant payments under Component 1 (Percentage)		0.00	45.00	60.00
Action: This indicator has been Revised	Rationale: Only revising end target date to the new project closing date.			
New businesses started in a male-dominated field by female grant recipients in Component 1 (Number)		0.00	30.00	50.00
Action: This indicator has been Revised	Rationale: Only revising end target date to the new project closing date.			
Beneficiaries satisfied with the project interventions under Component 1 (Percentage)		0.00	65.00	80.00
Action: This indicator has been Revised	Rationale: Only revising end target date to the new project closing date.			
Female beneficiaries satisfied with the project interventions under Component 1 (Percentage)		0.00	65.00	80.00
Action: This indicator has been Revised	Rationale: Only revising end target date to the new project closing date.			
Male beneficiaries satisfied with the project interventions under Component 1 (Percentage)		0.00		80.00



Indicator Name	PBC	Baseline	Intermediate Targets	End Target
			1	
<i>Action: This indicator has been Revised</i>				
Rationale: <i>Only revising end target date to the new project closing date.</i>				
Component 2: Temporary Employment Support and Employability Development for Vulnerable Workers				
Beneficiaries of social safety net programs (CRI, Number)		0.00	62,500.00	85,000.00
<i>Action: This indicator has been Revised</i>				
Rationale: <i>To reflect the increased target value for LIPW/Component 2</i>				
Beneficiaries of Safety Nets programs - Cash-for-work, food-for-work and public works (number) (CRI, Number)		0.00	62,500.00	85,000.00
<i>Action: This indicator has been Revised</i>				
Rationale: <i>To reflect the increase of LIPW/Component 2 beneficiaries</i>				
Public work projects initiated in poor communities (Number)		0.00	430.00	600.00
<i>Action: This indicator has been Revised</i>				
Rationale: <i>To update calculation made for the PAD and reflect the increase of LIPW/Component 2 beneficiaries</i>				
Public work projects targeted to benefit/improve services for women/girls (Percentage)		0.00	10.00	20.00



Indicator Name	PBC	Baseline	Intermediate Targets	End Target
			1	
Action: This indicator has been Revised	Rationale: Only removing "share" at the beginning of the indicator name as the unit of measure is included at the end			
Public work projects aimed at climate mitigation/adaptation (Percentage)		0.00	25.00	50.00
Action: This indicator has been Revised	Rationale: Only removing "share" at the beginning of the indicator name as the unit of measure is included at the end			
Work-days created by the project under labor-intensive public works program (Number)		0.00	750,000.00	1,020,000.00
Action: This indicator has been Revised	Rationale: To reflect the increase of LIPW/Component 2 beneficiaries			
Labor-intensive public works program beneficiaries that receive their final wage payment within two weeks of completing 60 days of work (Percentage)		0.00	75.00	90.00
Action: This indicator has been Revised	Rationale: Only revising end target date to the new project closing date.			
Labor-intensive public works program beneficiaries satisfied with the project interventions (Percentage)		0.00	65.00	80.00
Action: This indicator has been Revised	Rationale: Only revising end target date to the new project closing date.			

Indicator Name	PBC	Baseline	Intermediate Targets	End Target
			1	
Female labor-intensive public works program beneficiaries satisfied with the project interventions (Percentage)		0.00		80.00
Action: This indicator has been Revised	Rationale: Only revising end target date to the new project closing date.			
Male labor-intensive public works program beneficiaries satisfied with the project interventions (Percentage)		0.00	65.00	80.00
Action: This indicator has been Revised	Rationale: Only revising end target date to the new project closing date.			
Component 3: Capacity Building and Project Implementation and Coordination (Action: This Component has been Revised)				
Households enrolled in Component 1 registered in Liberia Household Social Registry (Percentage)		0.00	80.00	100.00
Households enrolled in Component 1 with representatives that are registered for mobile money (Percentage)		0.00	80.00	90.00
Households enrolled in Component 1 with female representatives that are registered for mobile money (Percentage)		0.00	40.00	50.00
Labor-intensive public works program beneficiaries registered in Liberia Household Social Registry (Percentage)		0.00	80.00	100.00
Labor-intensive public works program beneficiaries registered for mobile money (Percentage)		0.00	80.00	90.00



Indicator Name	PBC	Baseline	Intermediate Targets	End Target
			1	
Female labor-intensive public works program beneficiaries registered for mobile money (Percentage)		0.00	40.00	50.00
Complaints received by Project Grievance Redress Mechanism that are addressed within 4 weeks (Percentage)		0.00	60.00	80.00
Component 5: Community Livelihood and Agriculture Support (Action: This Component is New)				
Beneficiaries of social safety net programs (CRI, Number)		0.00	15,000.00	31,000.00
Action: This indicator is New	Rationale: To measure progress under the new CLAS component			
Beneficiaries of Safety Nets programs - Cash-for-work, food-for-work and public works (number) (CRI, Number)		0.00	15,000.00	31,000.00
Action: This indicator is New	Rationale: To capture progress under the new CLAS component			
Farming communities practicing improved and climate resistant farming methods with access to market information (Percentage)		0.00	40.00	60.00
Action: This indicator is New	Rationale: To measure progress under the new CLAS component			
CLAS program beneficiaries that receive full payment of labor subsidy (Percentage)		0.00	55.00	80.00

Indicator Name	PBC	Baseline	Intermediate Targets	End Target
			1	
Action: This indicator is New	Rationale: To measure progress under the new CLAS subcomponent			
Female CLAS program beneficiaries that receive full payment of labor subsidy (Percentage)		0.00	40.00	50.00
Action: This indicator is New	Rationale: To measure progress under the new CLAS component			
Community development plan funded by the project benefiting to the community members (Number)		0.00	111.00	222.00
Action: This indicator is New	Rationale: This addition reflects the new CLAS Component			
Component 6: Social Cash Transfer and Strengthening of the National Social Protection System (Action: This Component is New)				
Beneficiaries of social safety net programs (CRI, Number)		0.00	60,000.00	80,000.00
Action: This indicator is New	Rationale: To capture progress under the new SCT subcomponent			
Beneficiaries of Safety Nets programs - Unconditional cash transfers (number) (CRI, Number)		0.00	60,000.00	80,000.00



Indicator Name	PBC	Baseline	Intermediate Targets	End Target
			1	
<i>Action: This indicator is New</i>	Rationale: <i>To capture progress under the new SCT subcomponent</i>			
SCT payments delivered on time (Percentage)		0.00	60.00	75.00
<i>Action: This indicator is New</i>	Rationale: <i>To measure progress under the new SCT subcomponent.</i>			
Households registered in the LHSR (Number)		0.00	35,000.00	50,000.00
<i>Action: This indicator is New</i>	Rationale: <i>To measure progress under the new subcomponent aiming to strengthen the social protection system.</i>			

Monitoring & Evaluation Plan: PDO Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Small businesses that are invested in by beneficiary households	Investments will be measured by showing proof of spending at least 50 percent of the grant money on business related costs or expenses.	Quarterly, after 3 months of making first grant payment	Project Management Information System	In-person monitoring	LACE

Female-led small businesses that are invested in by beneficiary households	Female-led businesses will be those that have a female member representing the household for the business skills training and to receive the mobile money grant transfer. Investments will be measured by showing proof of spending at least 50 percent of the grant money on business related costs or expenses.	Quarterly, after 3 months of making first grant payment	Project Management Information System	In-person monitoring	LACE
Number of individuals who have completed the business skills training		Bi-annually, after 6 months of project implementation	Attendance records of training SP	Daily attendance records	Service Provider hired to deliver Business Skills Training
Share of female individuals who have completed the business skills training		Bi-annually, after 6 months of project implementation	Attendance records of training SP	Daily attendance records	Service Provider hired to deliver Business Skills Training
Project beneficiaries of the labor-intensive public works program	This will be the number of beneficiaries that are enrolled in the LIPW	Bi-annually, after 6 months of	Project Management Information	Beneficiary targeting and enrollment exercise	MYS



	program and receive at least one payment of wages.	implementa tion	System		
Female project beneficiaries of the labor-intensive public works program	This will be the percentage of female beneficiaries that are enrolled in the LIPW program and receive at least one payment of wages.	Bi-annually, after 6 months of implementa tion	Project Management Information System	Beneficiary targeting enrollment exercise	MYS
Project beneficiaries of the labor-intensive public works program who are persons with disabilities	This will be the percentage of persons with disabilities that are enrolled in the LIPW program and receive at least one payment of wages.	Bi-annually, after 6 months of project implementa tion	Project MIS	Beneficiary targeting and enrollment exercise	MYS
Number of project beneficiaries who have completed the Life Skills and Employability training		Bi-annually, after 6 months of project implementa tion	Attendance records of training SP	Daily attendance records	Service Provider hired to deliver Life Skills and Employability Training
Share of female project beneficiaries who have completed the Life Skills and Employability training		Bi-annually, after 6 months of project implementa tion	Attendance records of training SP	Daily attendance records	Service Provider hired to deliver Life Skills and Employability Training



Project beneficiaries of the CLAS program	This will be the number of beneficiaries that are enrolled in the CLAS program and receive at least one labor subsidy payment.	Bi-annually, after 6 months of project implementation	Project Management Information System	Beneficiary targeting enrollment exercise	LACE
Female project beneficiaries of the CLAS program	This will be the percentage of female beneficiaries that are enrolled in the CLAS program and receive at least one labor subsidy payment	Bi-annually, after 6 months of project implementation	Project Management Information System	Beneficiary targeting and enrollment exercise	LACE
Project beneficiaries of the CLAS program who are persons with disabilities	This will be the percentage of persons with disabilities that are enrolled in the CLAS program and receive at least one labor subsidy payment	Bi-annually, after 6 months of project implementation	Project MIS	Beneficiary targeting and enrollment exercise	LACE
Project beneficiaries of the SCT program	This will be the number of beneficiaries that are enrolled in the SCT program and receive at least one cash transfer payment.	Bi-annually, after 6 months of project implementation	Project Management Information System	Beneficiary targeting enrollment exercise	MGCSF
Female cash recipients of the SCT program	This will be the percentage of female cash recipient	Bi-annually, after 6	Project Management	Beneficiary targeting and enrollment exercise	MGCSF



	that are enrolled in the SCT program and receive at least one cash transfer payment.	months of project implementation	Information System		
Project beneficiaries of the SCT program with at least one person with disabilities in their households	This will be the percentage of SCT beneficiary household who are enrolled in the SCT program and receive at least one cash transfer payment who has at least one person with disabilities as member of the household.	Bi-annually, after 6 months of project implementation	Project MIS	Beneficiary targeting and enrollment exercise	MGCSP
Social Protection programs utilizing the LHSR	This will be the number of social protection programs utilizing the Liberia Household Social Registry, including incorporating their data or using the registry for identification of beneficiaries.	Bi-annually, after 6 months of project implementation	SRIS/MIS	Review/audit of the Social Registry Information System (SRIS)/MIS	MGCSP
Cash transfer payments delivered to beneficiaries on-time	On-time means that the payments are made to beneficiaries within the specified payment schedule per component handbook.	Bi-annually, after 6 months of project implementation	SRIS/MIS and/or records from programs	Review/audit of the SRIS/MIS and/or records from programs	MYS, LACE and MGCSP

Monitoring & Evaluation Plan: Intermediate Results Indicators

Indicator Name	Definition/Description	Frequency	Datasource	Methodology for Data Collection	Responsibility for Data Collection
Individuals who have completed the business skills training	Completion will be determined as being in attendance for at least 75% of training days, including during the last week of training.	Bi-annually, after 6 months of project implementation	Attendance records of training SP	Daily attendance records	Service Provider hired to deliver Business Skills Training
Female individuals who have completed the business skills training	Completion will be determined as being in attendance for at least 75% of training days, including during the last week of training.	Bi-annually, after 6 months of project implementation	Attendance records of training SP	Daily attendance records	Service Provider hired to deliver Business Skills Training
Beneficiaries of labor market programs		Bi-annually, after 6 months of implementation	Project Management Information System	Beneficiary targeting enrollment exercise	LACE



Beneficiaries of labor market programs - Female		Bi-annually, after 6 months of implementation	Project MIS	Beneficiary targeting enrollment exercise	LACE
Households benefitting from grant support program under Component 1	This will measure the number of eligible households that are enrolled in Component 1 and receive the first grant payment	Bi-annually, after 6 months of implementation	Project Management Information System	Beneficiary targeting enrollment exercise and grant payroll	LACE
Households with female representative benefitting from grant support program under Component 1	Breakdown of the parent indicator by measuring the share of female representative	Bi-annually, after 6 months of implementation	Project Management Information System	Beneficiary targeting enrollment exercise and grant payroll	LACE
Enrolled beneficiary households that receive the full grant payments under Component 1	Receiving full grant payments means receiving both installments of the grant, the second of which is contingent on presenting evidence of investment in the small business.	Bi-annually, after 6 months of implementation	Project Management Information System	Tracking mobile money payment records	LACE
New businesses started in a male-dominated field by female grant	This will measure the number of new small	Annually, after 2	Project Management	In-person monitoring	LACE



recipients in Component 1	business that females in the program start in fields that women are traditionally underrepresented in Liberia	years of project implementation	Information System		
Beneficiaries satisfied with the project interventions under Component 1	This will measure the share of beneficiaries enrolled in the program that report being satisfied with overall program implementation.	Annually, after one year of implementation	Beneficiary Satisfaction Surveys	In-person or phone-based data collection	LACE
Female beneficiaries satisfied with the project interventions under Component 1	Breakdown of the parent indicator by measuring the share of female	Annually, after one year of implementation	Beneficiary Satisfaction Surveys	In-person or phone-based data collection	LACE
Male beneficiaries satisfied with the project interventions under Component 1	Breakdown of the parent indicator measuring the share of male	Annually, after one year of implementation	Beneficiary Satisfaction Surveys	In-person or phone-based data collection	LACE
Beneficiaries of social safety net programs		Bi-annually, after 6 months of project implement	Project Management Information System	Tracking Mobile Money payment records	MYS



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Beneficiaries of Safety Nets programs - Cash-for-work, food-for-work and public works (number)		Bi-annually, after 6 months of project implementation	Project Management Information System	Tracking Mobile Money payment records	MYS
Public work projects initiated in poor communities	This will measure the number of projects that are launched in poor communities as part of the LIPW program.	Annually, after one year of implementation	Project Management Information System	Labor-intensive public work record-keeping	MYS
Public work projects targeted to benefit/improve services for women/girls	This will measure the share of LIPW projects that include a specific focus on improving public services or public spaces for women and/or providing services that women disproportionately benefit from, such as childcare.	Annually, after one year of implementation	Project Management Information System	Labor-intensive public work record-keeping	MYS
Public work projects aimed at climate mitigation/adaptation	This will measure the share of LIPW projects that can help communities mitigate risks from climate change or adapt to climate change.	Annually, after one year of implementation	Project Management Information System	Labor-intensive public work record-keeping	MYS



Work-days created by the project under labor-intensive public works program	A work-day is counted as each day each beneficiary is engaged in paid employment activities. "Work-day" is defined as the number of days in which a project beneficiary is credited for 6 or more hours of labor.	Bi-annually, after 6 months of project implementation	Project Management Information System	Assigning days to each the labor-intensive public work project	MYS
Labor-intensive public works program beneficiaries that receive their final wage payment within two weeks of completing 60 days of work	Full wages equal the daily wage multiplied by the number of days worked	Bi-annually, after 6 months of project implementation	Project Management Information System	Tracking Mobile Money payment records	MYS
Labor-intensive public works program beneficiaries satisfied with the project interventions	This will be the share of beneficiaries enrolled in the program that report being satisfied with overall program implementation.	Annually, after one year of implementation	Beneficiary Satisfaction Surveys	In-person or phone-based data collection	MYS
Female labor-intensive public works program beneficiaries satisfied with the project interventions	Breakdown of the parent indicator by measuring the share of female	Annually, after one year of implementation	Beneficiary Satisfaction Surveys	In-person or phone-based data collection	MYS



Male labor-intensive public works program beneficiaries satisfied with the project interventions	Breakdown of the parent indicator by measuring the share of male	Annually, after one year of implementation	Beneficiary Satisfaction Surveys	In-person or phone-based data collection	MYS
Households enrolled in Component 1 registered in Liberia Household Social Registry	All enrolled households should also be registered in the Liberia Household Social Registry.	Bi-annually, after 6 months of project implementation	Liberia Household Social Registry	Checking Liberia Household Social Registry data	MYS
Households enrolled in Component 1 with representatives that are registered for mobile money	This will measure the share of Component 1 beneficiaries that are successfully registered for mobile money to receive their grant money from the project.	Bi-annually, after 6 months of project implementation	Project Management Information System	Checking records with Mobile Money Service Providers	LACE
Households enrolled in Component 1 with female representatives that are registered for mobile money	Breakdown of the parent indicator by measuring the share of female	Bi-annually, after 6 months of project implementation	Project Management Information System	Checking records with Mobile Money Service Providers	LACE



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Labor-intensive public works program beneficiaries registered in Liberia Household Social Registry	All beneficiaries enrolled in labor-intensive public works program should also be registered in the Liberia Household Social Registry.	Bi-annually, after 6 months of project implementation	Liberia Household Social Registry	Checking Liberia Household Social Registry data	MYS
Labor-intensive public works program beneficiaries registered for mobile money	This will measure the share of LIPW beneficiaries that are successfully registered for mobile money to receive their wages from the project.	Bi-annually, after 6 months of project implementation	Project Management Information System	Checking records with Mobile Money Service Providers	MYS
Female labor-intensive public works program beneficiaries registered for mobile money	Breakdown of the parent indicator by measuring the share of female	Bi-annually, after 6 months of project implementation	Project Management Information System	Checking records with Mobile Money Service Providers	MYS
Complaints received by Project Grievance Redress Mechanism that are addressed within 4 weeks	Measures GRM functionality. See the GRM section of the POM for additional details on how	Quarterly, after 3 months of project	Quarterly progress report submitted to	Consulting GRM database	LACE/MYS/MGCSP



	the complaints are registered, recorded, and resolved.	implementation	World Bank will include information on GRM		
Beneficiaries of social safety net programs		Bi-annually, after 6 months of project implementation	Project MIS	Beneficiary targeting and enrollment exercise	LACE
Beneficiaries of Safety Nets programs - Cash-for-work, food-for-work and public works (number)		Bi-annually, after 6 months of project implementation	Project MIS	Beneficiary targeting and enrollment exercise	LACE
Farming communities practicing improved and climate resistant farming methods with access to market information	This will measure the share of farming communities that implement climate resistant farming methods and receive access to market information as provided by farmer cooperatives/farmer-based organizations through the	Bi-annually, after 6 months of project implementation	Service provider	Monitoring and record keeping by the service provider	LACE



	market linkage support of the CLAS program.				
CLAS program beneficiaries that receive full payment of labor subsidy	Receiving full payment of labor subsidy means receiving the full amount equal to beneficiary's labor subsidy daily rate multiplied by the number of days worked.	Bi-annually, after 6 months of project implementation	Labor subsidy payment records from county-level service provider and project MIS	Review of at payroll and project MIS	LACE
Female CLAS program beneficiaries that receive full payment of labor subsidy	This will measure the share of female beneficiaries enrolled in the CLAS program that receive full payment of labor subsidy.	Bi-annually, after 6 months of project implementation	Project MIS	Review of Project MIS	LACE
Community development plan funded by the project benefiting to the community members	This will measure the number of funded community development plans as part of the community development support of the CLAS program. The end target assumes all CLAS beneficiary communities will have their development plans funded.	Bi-annually, after 6 months of project implementation	Service provider and/or COC	Monitoring and record keeping by the service provider and/or COC	LACE



Beneficiaries of social safety net programs		Bi-annually, after 6 months of project implementation	Project MIS	Beneficiary targeting and enrollment exercise	MGCSP
Beneficiaries of Safety Nets programs - Unconditional cash transfers (number)		Bi-annually, after 6 months of project implementation	Project MIS	Beneficiary targeting and enrollment exercise	MGCSP
SCT payments delivered on time	On time means within one month of expected quarterly payment as stipulated in the POM and/or specific SCT handbook/implementation guidelines.	Bi-annually, after 6 months of project implementation	Project MIS	Review of implementation timeline and actual payments delivery dates/period	MGCSP
Households registered in the LHSR	This will be the total number of households registered in the LHSR (without duplicates).	Bi-annually, after 6 months of project implement	SRIS	Review of the SRIS	MGCSP



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The World Bank

Additional Financing for the Recovery of Economic Activity for Liberian Informal Sector Employment Project (P179035)

ANNEX 1. UPDATED THEORY OF CHANGE





ANNEX 2. COUNTIES RANKED BY PERCENTAGE OF EXTREME POOR

Table A2.1. County-level Population, Poverty and Food Insecurity Rates in Liberia

Poverty Rank	County	Number of HH	Poor HH	% of Poor HH	Extreme Poor HH	% of Extreme Poor HH	Food Insecure HH	% of Food Insecure HH
1	Maryland	33,865	26,223	77	13,332	39	21,796	64.36
2	River Gee	18,347	13,761	75	6,210	34	11,524	62.81
3	Lofa	73,435	48,074	65	17,273	24	40,683	55.40
4	Grand Kru	15,000	10,145	68	3,458	23	7,869	52.46
5	Bong	96,241	62,868	65	20,315	21	56,628	58.84
6	River Cess	20,080	12,545	62	3,929	20	11,078	55.17
7	Bomi	25,046	14,792	59	4,619	18	13,663	54.55
8	Grand Bassa	66,804	37,970	57	11,153	17	34,711	51.96
9	Grand Cape Mount	38,022	19,258	51	6,308	17	29,638	77.95
10	Gbarpolu	27,243	14,610	54	4,514	17	12,069	44.30
11	Nimba	119,173	71,348	60	19,258	16	63,829	53.56
12	Grand Gedeh	35,314	19,617	56	5,087	14	17,908	50.71
13	Margibi	63,367	28,989	46	7,323	12	36,658	57.85
14	Montserrado	50,382	13,006	26	4,463	9	28,320	56.21
15	Sinoe	28,264	11,598	41	1,806	6	15,082	53.36
16	City Monrovia*	280,074	37,349	13	3,418	1	106,064	37.87
	Total	990,656	442,153	45	132,467	13	507,711	51.25

* City Monrovia is in Montserrado County. Liberia has a total of fifteen counties.

Source: Based on the latest available data (HIES 2016).

Note: - HH = Households.

- Food insecurity is defined as “percent of households that report not having enough food to feed the household at least once at some point in the 12 months prior to the interview”

ANNEX 3. DISABILITY IN LIBERIA

1. People with disabilities in Liberia represent one of the most vulnerable groups of population. Those living with disabilities and their families are in a condition of marginalization and discrimination, which make it difficult for them to participate in economic activities, purchase food, or access education and health services, among others. In this regard, a strong connection exists between disability and poverty in Liberia, as is the case with other countries.
2. There are no updated, reliable, and accurate data estimating disability in Liberia. Yet according to HIES 2016, 11.8 percent of the Liberian working-age (15–64 years old) population have at least some difficulties with at least one disability.⁶⁰ The most common types of impairments are physical mobility (4.7 percent), vision (5.1 percent), and cognition (2.7 percent), followed by communication (1.6 percent), hearing loss (1.3 percent), and self-care (0.9 percent). The aftermath of a harsh civil war, the Ebola outbreak in 2014–16, and the COVID-19 pandemic may have further contributed to the increase of disability in Liberia and the marginalization of the people impaired by disabilities.⁶¹ It is necessary to update the country's data on persons with disabilities to enable better planning and budget allocation for their special needs both at the national and county levels.
3. Liberia has ratified the UN Convention on the Rights of Persons with Disabilities on July 26, 2012. The National Commission on Disabilities is in charge of the development and implementation of the country's National Action Plan (NAP) for Inclusion of Persons with Disabilities in Liberia (2018–2022). The NAP includes six key social indicators to ensure PWDs attain their full potential and effectively participate in decision-making processes both at county and national levels: facilitating their access to public services, access to education, access to health, access to employment and livelihood opportunities, access to independent living and self-determination, and access to justice and the rule of law.

⁶⁰ Defined as having at least some difficulty with vision, hearing, walking or climbing steps (that is, mobility), remembering or concentrating (that is, cognition), performing self-care tasks, or communicating.

⁶¹ <https://equityhealthj.biomedcentral.com/articles/10.1186/s12939-021-01580-6>.



ANNEX 4. FINANCIAL MANAGEMENT

1. **The current arrangements, where the PMT serves as the main implementing unit for all implementing agencies on the project, will be maintained.** In view of this, FM aspects have been reviewed, and the FM arrangements currently in place will be changed to reflect the MGCSP as an additional implementing entity. However, FM arrangements will be based on the existing modalities under the parent project where the PFMU, which is managing 90 percent of donor-financed project accounts (World Bank included) in the country, will continue to manage the project account under the AF. The PFMU comprises 24 staff and is headed by a director who is a chartered accountant, and all PFMU staff are familiar with World Bank procedures. The PFMU is thus adequately staffed with competent finance professionals who have the requisite experience and qualifications acceptable to the World Bank. The PMT has an FMO who is responsible for FM and works closely with the PFMU for the reporting requirements for the project. The AF will use the PFMU Financial Procedures Manual developed for ongoing projects, and it will be brought into the IFMIS.
2. **In line with the guidelines stated in the World Bank Directive Financial Management Manual for World Bank IPF Operations issued on February 10, 2017, and effective from March 1, 2010, the FM arrangements of the REALISE PMT have been assessed to determine if the project satisfies the World Bank's minimum FM requirements.** These arrangements would ensure that the implementing entities (a) use project funds only for the intended purposes in an efficient and economical way, (b) prepare accurate and reliable accounts as well as timely periodic financial reports, (c) safeguard assets of the project, and (d) have acceptable auditing arrangements.
3. The overall FM risk of the AF remains Substantial after mitigating measures. Under the parent project, risk mitigation measures have been taken, which include the use of the FMO, who has experience with the World Bank FM procedures, and external auditing by the GAC.
4. **The proposed AF will need to be accommodated within the existing FM system under the parent project.** To do this, the PFMU will need to (a) update the current accounting manual and (b) customize the existing accounting software to include the account of the new project to generate the IFRs and financial statements. However, the PMT will engage the GAC to conduct the annual external audit of the project's financial statements. These measures should be completed within three months of the AF effectiveness.
5. **The AWP&B will be updated to reflect implementation progress.** The PMT, in consultation with the PFMU, will prepare the AWP&B that should be approved by the Project Steering Committee. The PMT will submit the approved AWP&B to the World Bank for 'no objection' two months (November 1) before the commencement of the financial year.

Accounting and Reporting

6. **Project accounts will be maintained on a cash basis and the International Public Sector Accountant Standard will be used for reporting.** The use of the project funds will be reported through quarterly IFRs acceptable to the World Bank. The PFMU is responsible for preparing the quarterly IFRs using the existing agreed template. The IFRs are to be submitted to the World Bank 45 days after the end



of each quarter. The IFR comprises, at a minimum, (a) sources and uses of funds; (b) use of funds within components; (c) fund disbursement status; (c) a schedule of fixed assets; (d) a schedule of withdrawal applications; and (e) bank account reconciliation statements.

Internal Controls and Audit

7. **The PFMU has established internal control procedures and processes that ensure that appropriate personnel approve transactions.** Adequate segregation of duties between approval, execution, accounting, and reporting functions is in place. The Internal Audit Unit that is currently in use will continue to be used for the internal audit of the AF. Internal auditors are supposed to submit internal audit reports to the World Bank 45 days after the end of every six-month period (that is, in March and September).

External Audit Arrangements

8. **The GAC will conduct annual audits at the end of each GoL calendar year.** The project financial statements, including movements in the Designated Accounts (DAs), will be audited in accordance with the International Standard of Supreme Audit Institutions, and a single opinion will be issued to cover the project financial statements in accordance with the World Bank's audit policy. The auditors' report and opinion with respect to the financial statements and activities of the DA, including the Management Letter, will be furnished to the World Bank within six months after the end of each governmental fiscal year.

Funds Flow Arrangements

9. **The project will also use the report-based disbursement method to receive funds into the DA for project implementation.** Credit and grant proceeds, including for the AF, will flow from IDA to the designated US dollar account held at Guaranty Trust (GT) Bank Liberia Limited (a commercial bank acceptable by the World Bank). An additional Operational Account will be opened at GT Bank for the MGCSP, thereby increasing the number of Operational Accounts from two to three (one for each implementing entity). Payments will be made from the Operational Accounts only for eligible project expenses. The report-based disbursement method (IFRs) will be used as a basis for the withdrawal of all credit and grant proceeds, including that of the AF.

FM Covenants

10. **The following legal covenants will be applicable:**
- (a) Quarterly progress reports on financial progress will be prepared and sent to the World Bank no later than 45 days from the end of the quarter.
 - (b) Annual audit reports will be prepared and submitted to the World Bank within six months of the end of the year audited.
 - (c) AWP&B shall be prepared and submitted to the World Bank by end of each fiscal year.

Supervision Plan

11. Consistent with the overall FM residual risk rating, which is considered to be Substantial, two supervision and implementation missions shall be carried out each year, complemented with increased guidance and support to the clients in the first two years of project implementation.

Disbursements



12. **Most disbursement arrangements will follow those under the parent project while new disbursement categories will be added.** The following methods will be maintained for the AF: (a) reimbursement, where IDA may reimburse the Borrower for expenditures eligible for financing, pursuant to the Financing Agreement (FA) (eligible expenditures), that the Borrower has prefinanced from its own resources; (b) advances, where IDA will advance funds from the Financing Account into a DA of the Borrower to finance eligible expenditures as they are incurred and for which supporting documents will be provided; (c) direct payment, where IDA will make payments, at the Borrower’s request, directly to a third party (for example, supplier, contractor, or consultant) for eligible expenditures; and (d) special commitment, where IDA will pay amounts to a third party for eligible expenditures under special commitments entered into, in writing, at the Borrower’s request and on terms and conditions agreed between the Borrower and the World Bank. Separate disbursement categories will be added for cash transfers, community grants, cooperative grants, and system strengthening.

13. The following table specifies categories of eligible expenditure under the IDA CRW credit.

Table A4.1. Eligible Expenditure (IDA CRW Credit)

Category	Amount of the Financing Allocated (expressed in USD)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Sub-grants under Part 1(a) of the project	0	Such percentage as may be determined by the Association and communicated to the Recipient based on the Annual Work Plan and Budget
(2) Goods, works, non-consulting services, consulting services Training and Operating Costs under Parts 1(b) and 3(b) of the project	0	
(3) LIPW Cash Transfers under Part 2(c) of the project	480,000	
(4) Goods, works, non-consulting services, consulting services, Training and Operating Costs under Parts 2(a) and (b), and 3(a) and of the project	740,000	
(5) Emergency Expenditures under Part 4 of the Project	0	100%
(6) CLAS Cash Transfers under Parts 5(a) and (b) of the project	1,280,000	Such percentage as may be determined by the Association and communicated to the Recipient based on the Annual Work Plan and Budget
(7) CDS and MLS Grants under Parts 5(d) and (e) of the project	0	
(8) Non-consulting services, consulting services, Training and Operating Costs under Part 5(c) of the project	0	
(9) Social Cash Transfers under Part 6(a) of the project	11,664,000	100%
(10) Goods, works, non-consulting services, consulting services, Training and Operating Costs under Part 3(c) and 6(b) of the project	5,836,000	100%
TOTAL AMOUNT	20,000,000	



Verification and Oversight System for Cash Payments (cash grants, cash transfers, and labor subsidies)

14. **The AF will build on experiences from implementation of the current parent project and those of the LSSNP with respect to verification and oversight systems for cash payments.** The parent project and LSSNP have developed strong internal verification and oversight procedures to ensure integrity and transparency throughout the cash payments chain. Under the parent project, the MYS and LACE have managed a variety of cash transfer payments such as the cash grants to small businesses under the SSB program and labor subsidies under the LIPW program. The MGCSP has managed payments of cash transfers to beneficiaries in both urban and rural communities through the SCT program under the LSSNP with the support of a service provider. Payments to beneficiaries under the parent project (LIPW labor subsidies and cash grants to small businesses) are currently being delivered using mobile money which has further enhanced the transparency and security of payment processes since the deployment of this payment method under the YOP in 2019 and the LSSNP in 2020. The same verification and oversight procedures will apply to cash payments under the REALISE-AF (farm grants and labor subsidies for CLAS and cash transfers under SCT). These will serve to ensure satisfactory implementation of all project components, including (a) the accuracy of the beneficiary selection mechanism; (b) monitoring of milestone achievement and other requirements; and (c) verification of payments.

15. **In addition, there will be a comprehensive set of ex ante mitigation measures to ensure that cash payments are delivered to the eligible beneficiaries and to mitigate the risks of error, fraud, and corruption.** These include (a) use of standardized enrollment tool based on objective criteria (enrollment and eligibility determination will be done using a standardized enrollment tool and using a proxy means test developed for the LHSR, where applicable); (b) use of public lotteries to select beneficiaries in cases of oversubscription for CLAS, LIPW, and SSB interventions, where applicable; (c) use of community validation as an additional check to ensure that beneficiaries enrolled into the program are eligible; (d) administration of annual and high-frequency beneficiary surveys to check that the payments are received timely and accurately; and (e) utilization of the GRM for ex ante mitigation of errors of exclusion or inclusion as well as fraud and corruption. GRM has multiple access channels, including a free hotline easily accessible in the Greater Monrovia area. All these measures are aimed at mitigating the risks of errors of inclusion or exclusion (targeting/eligibility) and fraud and corruption (for example, intentional inclusion of ineligible beneficiaries). The verification and oversight processes in place are designed to address potential implementation errors, fraud, and other irregularities and to continuously improve implementation and oversight procedures. Internal verification and oversight are complementary and include the use of a PFMU internal control mechanism and mobile money transfers that are verified before each cash disbursement is made.

16. **Mobile money payment Process.** Before a payment is made electronically using mobile money, the payroll is reviewed, and records are verified against the mobile money operator (MMO) records. To ensure that the eligible beneficiaries are being paid, each name in the MMO records is verified against the approved payroll. Payroll is checked by the PFMU and cleared by the World Bank before disbursement.



ANNEX 5. PROCUREMENT

1. **Applicable procurement procedures.** The Borrower will carry out procurement under the proposed project in accordance with (a) the World Bank's Procurement Regulations for IPF Borrowers (Procurement in Investment Project Financing - Goods, Works, Non-Consulting and Consulting Services, November 2020); (b) the World Bank's Guidelines on Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants, dated July 1, 2016; and (c) other provisions stipulated in the FA.
2. **Preparation of the PPSD.** The MYS has prepared a PPSD, which describes how procurement activities will support the achievement of the PDO and deliver value for money. The procurement strategy will be linked to the project implementation plan to ensure proper sequencing of activities. For each contract financed by the project, the procurement method, market approach, cost estimate, World Bank review requirements, and time frame for implementation will be agreed upon between the GoL and the World Bank and will be duly reflected in the project's Procurement Plan. Based on the PPSD findings, the MYS prepared a Procurement Plan covering activities for the first 18 months to which the World Bank has agreed. The Procurement Plan will be reviewed, cleared, and disclosed on the World Bank's external website. The Procurement Plan will be updated in agreement with the World Bank annually, or as required, to reflect the project's actual implementation needs and improvements in institutional capacity. The project will use the World Bank's Systematic Tracking of Exchanges in Procurement (STEP) as a primary tool to submit, review, and clear all Procurement Plans. The PPSD is a living document that would be regularly updated during project implementation to provide necessary justifications for procurement arrangements, Procurement Plans, and their updates.
3. **Procurement implementation arrangements.** Procurement under the AF will be adjusted to bring in the MGCSP as an implementing/procuring entity. However, all procurement activities will be processed by the PMT. Procedures and processes already established under the parent project will be followed.
4. The MYS will be responsible for procurement under Component 2 (Temporary Employment Support and Employability Development for Vulnerable Workers) and Subcomponent 3A (Capacity Building and Project Implementation and Coordination for MYS). LACE will be responsible for procurement under Component 1 (Grant Support to Vulnerable Households to Revive or Start Small Businesses), Component 5 (Community Livelihood and Agriculture Support), and Subcomponent 3B (Capacity Building and Project Implementation and Coordination for LACE). The MGCSP will be responsible for procurement under Component 6 (Social Cash Transfer and Strengthening of the National Social Protection System) and Subcomponent 3C (Capacity Building and Project Implementation and Coordination for MGCSP). The PMT will have a procurement officer who will support procurement of activities under all three implementation agencies. Implementing agencies will contract experienced/qualified NGOs, local firms, or other organizations to support implementation of some aspects of the activities, especially those related to nonfinancial support provided to the enterprises, such as life skill training and other accompanying measures under the public works.
5. **Capacity assessment and procurement risk assessment and mitigation action plan.** A capacity and risk assessment of the MYS, LACE, and MGCSP was carried out which reviewed the procurement



procedures, organizational structures, staffing, and skills for procurement management of the project. The overall risk to procurement was considered Substantial. The issues regarding contract management mainly contributed to this risk rating. It was noted that the PMT was unable to properly keep track of contract delivery dates, resulting in extension requests for contracts that had already expired. To mitigate this challenge, the PMT will set up an effective and efficient contract administration system to ensure the tracking of contract end dates, successful contract completion, and prompt payments to reduce the potential for disputes. Identified consultants on the PMT will also undergo contract management training to enhance their contract management capacity and to be able to use the newly introduced 'Contract Management' module in STEP. The PMT will work with PFMU to develop a clear understanding of required documentation for timely payments.

6. **Filing and recordkeeping.** The Procurement Manual (part of the POM) will set out the detailed processes for maintaining and providing readily available access to project procurement records, in compliance with the FA. The MYS will assign one person to be responsible for maintaining these records. The logbook of the contracts with unique numbering system shall be maintained and entered into STEP accordingly.

7. **Procurement Manual.** Procurement arrangements, roles and responsibilities, and methods and requirements for carrying out procurement shall be elaborated in detail in the Procurement Manual which will be a section in the POM. The current POM shall be revised by the Borrower and agreed with the World Bank before effectiveness of the AF.

8. **Procurement Plan.** The MYS will coordinate with various implementing agencies to prepare a Procurement Plan for components that will be implemented using IPF under the project, based on the findings and recommendations of the PPSD. The Procurement Plan is subject to public disclosure and will be updated on an annual basis, or as needed, by including contracts previously awarded and to be procured. The updates or modifications of the Procurement Plan shall be subject to the World Bank's prior review and 'no objection.' The World Bank shall arrange for the publication of the Procurement Plan and any updates on the World Bank's external website directly from STEP, while the MYS will do the publication on its project website or the government's Executive Mansion website.

9. **Monitoring by STEP.** Through mandatory use of STEP by the Borrower, the World Bank will be able to consolidate procurement/contract data for monitoring and tracking of all procurement transactions. Using STEP, comprehensive information of all prior and post review contracts for goods, works, technical services, and consultants' services awarded under the project will be available automatically and systematically on a real-time basis whenever required. This includes, but is not limited to, (a) the reference number as indicated in the Procurement Plan and a brief description of the contract; (b) the estimated cost; (c) the procurement method; (d) timelines of the bidding process; (e) the number of participated bidders; (f) names of rejected bidders and reasons for rejection; (g) the date of contract award; (h) the name of the awarded supplier, contractor, or consultant; (i) the final contract value; and (j) the contractual implementation period.

10. **Publication of procurement information.** The project will follow the World Bank's policies on publication of procurement information that are set forth in the World Bank's Procurement Regulations.



11. **Procurement post review.** Contracts below the determined prior review thresholds shall be subject to post review according to procedures set forth in World Bank Procurement Regulations on an annual basis by the World Bank. The rate of post review is initially set at 20 percent. This rate may be adjusted periodically based on the performance of the procuring entity. Since the post review will be conducted entirely on the new online platform, the project must ensure that all contracts and supporting documents are uploaded into STEP as and when activities are carried out.

12. **Special considerations.** The AF processing is following condensed procedures as outlined in the World Bank IPF Policy Section III, paragraph 12 on Situations of Urgent Need of Assistance or Capacity Constraints, and procurement arrangements will draw on the World Bank Guidance on Procurement Procedures in Situations of Urgent Need of Assistance or Capacity Constraints issued on July 1, 2016, as deemed necessary.

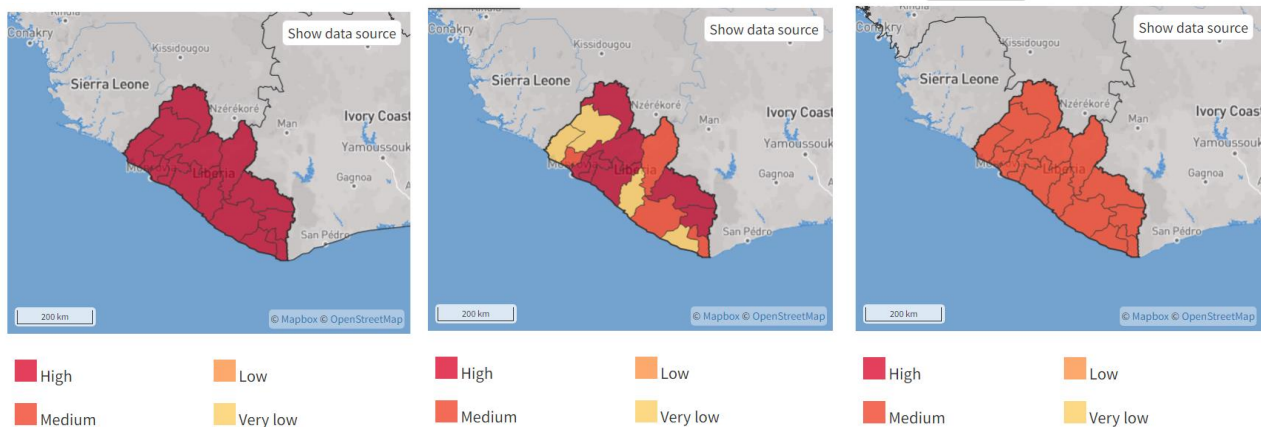
13. **Operational costs** financed by the project would be incremental expenses, including office supplies, operation and maintenance of vehicles, maintenance of equipment, communication, rental expenses, utilities, consumables, transport and accommodation, per diem, supervision, and salaries of locally contracted support staff. Such services will be procured using the procurement procedures specified in the POM accepted and approved by the World Bank.

14. **Training, workshops, study tours, and conferences.** Training activities would comprise workshops and training, based on individual needs, as well as group requirements, on-the-job training, and hiring of consultants to develop training materials and conduct trainings. Selection of consultants for training services follows the requirements outlined above. All training and workshop activities (other than consulting services) would be carried out on the basis of approved annual work plans/training plans that would identify the general framework of training activities for the year, including (a) the type of training or workshop; (b) the personnel to be trained; (c) the institution that would conduct the training and reason for selection of this particular institution; (d) the justification for the training, focusing on how it would lead to effective performance and implementation of the project; (e) the duration of the proposed training; and (f) the cost estimate of the training. Reports by the trainee(s), including certificates/diplomas awarded upon completion of training, shall be provided to the PMT to be kept as part of the records and will be shared with the World Bank if required.

ANNEX 6. SUMMARY OF CLIMATE ADAPTATION AND MITIGATION BENEFITS UNDER THE AF

1. **Climate Vulnerability Context:** Liberia is highly vulnerable to climate change impacts, including rising sea levels and eroding coast lines, erratic rainfall, and extreme weather episodes. Heavy rains, storm surges and sea level rise and increased erosion put both urban and rural population and infrastructures at risk. Vulnerability to climate change in Liberia is exacerbated by the country’s high level of poverty and high dependence on climate change sensitive sectors, such as agriculture, fisheries, and forestry. In Liberia, agriculture is the most vulnerable sector to climate change, due to seasonal changes of rainfall patterns and an increase in rainfall during critical moments in the growing season, leading to reduced crop yields. Both direct (changes in agricultural outputs) and indirect (commodity prices affecting household incomes and expenditures) effects are expected to impact the entire economy, but these risks are even worse for rural populations, who are considered more vulnerable and rely heavily on agriculture as a source of livelihood. Climate change is therefore a major threat to food security in Liberia, as agriculture provides primary livelihoods to more than 70 percent of the population.⁶² About 80 percent of Liberians was estimated to be moderately or severely food insecure between 2019 and 2021⁶³ with approximately 31 percent living below the international extreme poverty line (US\$2.15/day in 2017 PPP).⁶⁴ Adapting food production systems to climate change and supporting households whose food consumption is affected directly and indirectly by climate change is critical to improve the resilience of the population.

Figure A6.1. Hazard Levels in Liberia: River Flood, Urban Flood and Extreme Heat



Source: ThinkHazard, Global Facility for Disaster Reduction and Recovery (GFDRR), available here: <https://thinkhazard.org/en/report/144-liberia/EH>

Component 5: Community Livelihood and Agriculture Support (CLAS) - US\$4.77 million equivalent

⁶² World Food Programme, 2021. Liberia Annual Country Report 2021. Accessed from: <https://docs.wfp.org/api/documents/WFP-0000137968/download/>

⁶³ FAO. FAOSTAT Statistical Database. License: CC BY-NC-SA 3.0 IGO. Extracted from: <https://www.fao.org/faostat/en/#data/FS>. Data of Access: 09-12-2022.

⁶⁴ World Bank. 2022. “Poverty and Equity Brief: Liberia, October 2022.” World Bank, Washington, DC.



2. **Intent to address vulnerability: This component aims at improving climate resilience for poor and food insecure populations largely relying on farming in rural areas facing high risks of flood.** In particular, this component aims at (a) promoting climate smart agriculture and support improved livelihood for Beneficiary Farming Groups and at (b) improving or maintaining small-scale community infrastructure to improve its climate resilience.

3. **Link between the context and activities:** The reliance on agriculture as a source of income is a key factor in the vulnerability of the Liberian population to climate change. Improving agricultural practices to promote the adoption of climate smart agriculture is thus of utmost important to ensure the population can **adapt** to climate change but also contribute to **mitigation** by avoiding negative practices such as deforestation. The component will support linkage to value chain and prioritize incorporation of climate adaptation features such as the use of climate-resilient seeds and varieties; methods to improve soil nutrients and prevent soil erosion; improved water management; efficient pest and disease management. Activities will also facilitate reduction of climate-related crop losses; and reduce pest-, drought-, and flood-related crop losses. Where possible, the project will also work with communities to reduce loss of biodiversity and local crop varieties and livestock breeds. Activities will boost water availability and water-use efficiency, diversify, and expand water sources; improve drainage and thereby reduce flooding and soil erosion and associated crop losses. The improvement in community level infrastructure to ensure higher resilience to climate shocks, in particular floods, is critical to ensure services are not disrupted and livelihood potentially threatened in the future. The Community Development Support will thus focus on a positive list of community projects classified as promoting climate resilience, including water and soil conservation, land rehabilitation, and flood control. The target for these activities will thus be rural population and communities in areas repeatedly affected by floods

Subcomponent 6A: Social Cash Transfer - US\$15.00 million

4. **Intent to address vulnerability:** This component aims at improving adaptation for poor and food-insecure households in counties at high risk of floods by providing income support allowing them to cope with the food insecurity shocks exacerbated by climate change. The counties targeted (Grand Bassa, Grand Kru, Rivercess and River Gee Counties) all are at high risk of floods, and include Liberia's most vulnerable populations, including in terms of food insecurity.

5. **Link between the context and activities:** The activities will directly address resilience to climate change-related impact by supporting the livelihoods of food insecure households through regular cash transfers. It will promote **adaptation** by ensuring households have the means to prepare for, cope with and adapt to climate shocks without having to rely on human capital eroding coping strategies, such as reduced food intake or reduced health and education spending. The cash transfer will allow household to adapt by ensuring adequate nutrition as well as means to cope with shocks such as diversifying livelihoods. Additionally, by relying on mobile money, the cash transfer will strengthen the delivery chain and ensure it capable to respond quickly to shocks should the need arise. Mobile money transfers can be triggered very quickly and remotely, therefore responding to the urgency in providing assistance but also ensuring the continuity of operations despite potential difficult access, as is often the case with floods, where no cash distribution can be organized.

Subcomponent 6B: Strengthening of the National Social Protection System - US\$1.50 million

6. Intent to address vulnerability: This component aims at strengthening the social protection system, in particular through the development of the social registry, a key building block to ensure the adaptivity of the system through efficient and rapid targeting of beneficiaries, including in case of climate shocks.

7. Link between the context and activities: The activities in this sub-component will support **adaptation** through improvements in the adaptive capacity of the social protection system. In particular, by ensuring the social registry coverage is expanded to additional counties at risk of climate change and improving coordination and interoperability with other institutions. Thus, the activities will ensure households can efficiently be targeted and assistance deployed in case of climate shocks.