



Additional Financing Appraisal Environmental and  
Social Review Summary  
Appraisal Stage  
**(AF ESRS Appraisal Stage)**

Date Prepared/Updated: 11/12/2022 | Report No: ESRSAFA494



**BASIC INFORMATION**

**A. Basic Project Data**

Country	Region	Borrower(s)	Implementing Agency(ies)
Liberia	WESTERN AND CENTRAL AFRICA	Republic of Liberia	Ministry of Youth and Sports, Liberia Agency for Community Empowerment, Ministry of Gender, Children and Social Protection
Project ID	Project Name		
P179035	Scaling up Recovery of Economic Activity for Liberian Informal Sector Employment		
Parent Project ID (if any)	Parent Project Name		
P174417	Recovery of Economic Activity for Liberian Informal Sector Employment Project		
Practice Area (Lead)	Financing Instrument	Estimated Appraisal Date	Estimated Board Date
Social Protection & Jobs	Investment Project Financing	11/21/2022	12/20/2022

Public Disclosure

Proposed Development Objective

To increase access to income-earning opportunities for the vulnerable in the informal sector, expand consumption smoothing support to poor and food insecure households, and strengthen social protection systems in Liberia.

Financing (in USD Million)	Amount
Current Financing	10.00
Proposed Additional Financing	30.50
<b>Total Proposed Financing</b>	<b>40.50</b>

**B. Is the project being prepared in a Situation of Urgent Need of Assistance or Capacity Constraints, as per Bank IPF Policy, para. 12?**

No



### C. Summary Description of Proposed Project [including overview of Country, Sectoral & Institutional Contexts and Relationship to CPF]

Poverty remains widespread in Liberia, and is now on the rise. With a gross national income per capita of just US\$600 in 2018, Liberia is among the ten poorest countries in the world. According to the 2016 household survey data, more than half of the population (50.9 percent) was living in poverty. Poverty was more than twice as high in rural areas (71.6 percent) as in urban areas (31.5 percent). The national headcount poverty rate increased to an estimated 55.5 percent in 2019, reflecting negative per capita GDP growth rates and rising inflation. Due to COVID-19 pandemic and its economic impacts, poverty rates are projected to increase by as much as 10 to 13 percentage points as per capita income contracts and food prices rise. An additional 335,000 to 526,000 Liberians are now at risk of falling into poverty. The country is especially vulnerable to the effects of COVID-19 due to fragility, weak public health and social protection systems and high levels of food insecurity and malnutrition.

The COVID-19 pandemic and government-imposed containment measures hit urban informal sector enterprises and workers particularly hard. As in other countries, urban areas are the epicenter of COVID-19 infections, with a majority of cases recorded in Montserrado country, which hosts the capital city of Monrovia. The urban informal non-farm sector is heavily impacted by social distancing rules and curfews imposed by the Government of Liberia (GoL) to prevent the spread of the disease. As a majority of the informal workers rely on daily economic activities such as street selling, and other casual labor activities to make ends meet, the imposition of curfews and social distancing as well as spillover effects from reduced economic activity overall are likely to have significantly impacted their livelihoods.

The project development 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. For the purpose of this PDO, “vulnerable” refers to individuals belonging to households that are poor or are at risk of falling into poverty due to the impact of COVID-19 on their livelihoods. These are defined as households in the three poorest quintiles of national consumption distribution.

The project will have the following four components: 1. Grant Support to Vulnerable Households to Revive or Start Small Businesses; 2. Temporary Employment Support and Employability Development for Vulnerable Workers; including labor-intensive public works and life skills and employability training; 3. Program Implementation, Capacity Building and Coordination; and 4. Contingency Emergency Response Component.

Component 1: Grant Support to Vulnerable Households to Revive or Start Small Businesses. Component 1 will protect livelihoods by providing support to small businesses that would likely have survived had COVID-19 not struck, and that could be expected to continue to provide livelihoods once the pandemic has passed. Thus, Component 1 will help sustain – or limit reductions in – livings standards of vulnerable households who rely on these small businesses as their main source of income. For operational purposes, small businesses are defined as non-farm enterprises with five workers or less. Specifically, it will provide: i) business maintenance and recovery/development grants, and ii) business skills training to existing informal non-farm enterprises. In a second stage (at a time when COVID-19 may have waned and the economy is on the recovery track), the project will expand to providing technical support and grants to start new enterprises in the informal sector in urban area as well as rural areas.

Component 2: Temporary Employment Support and Employability Development for Vulnerable Workers. Component 2 will provide temporary employment and employability development for vulnerable workers struggling to find



gainful employment and opportunities during and after the COVID-19 crisis through labor-intensive public works (LIPW) in urban areas. Project-financed activities will be small-scale, quickly executable, labor intensive, suited to low skill individuals and sustainable in terms of use, maintenance, and environmental concerns. Life Skills and Employability training will be offered to all beneficiaries that take part in the LIPW program. The curriculum will build on life skills curriculum delivered to reflect COVID-compliant protocols for functioning in the labor market and conducting business in a safe manner. It would cover personal initiative, leadership, self-efficacy, confidence, time management, basic financial literacy, sexual and reproductive health, sexual exploitation, abuse and harassment at the workplace, and COVID-19 related material

Component 3: Capacity Building and Project Implementation and Coordination. This objective of this component is to support: i) capacity building at all levels for Government and other actors for the coordination, design, and implementation of the project; ii) the administrative, technical, and financial management of the project by Project Implementation Unit (PIU); iii) the coordination among all institutional partners to ensure the efficient flow of information among all actors and coordination with the private sector; iv) the establishment of monitoring and evaluation mechanism of the project’s results and impact; and v) the development of communication activities to publicize and disseminate project results, best practices, and success stories. This component will have two sub-components: Sub-component 3a: Capacity Building and Project Implementation and Coordination for MYS; and Sub-component 3b: Capacity Building and Project Implementation and Coordination for LACE.

Component 4 would be a Contingent Emergency Response Component (CERC). This is a provisional zero amount component to allow for rapid reallocation of loan proceeds from other project components during an emergency.

The project is fully aligned with the Liberia Country Partnership Framework (CPF) FY2019-2024. In particular, the proposed project will contribute to several CPF pillars and objectives, such as Pillar II on Building Human Capital to Seize New Economic Opportunities, via contributing to the objective of Improved Earnings Generation Opportunities for Youth and Women (Objective 5). While the project will not specifically target youth, given the country’s youthful demographics it is expected by and large to benefit young people working in the informal sector. Owing to strong gender disparities in the labor market, the project will prioritize and adapt interventions to benefit women. At least 50 percent of the beneficiaries will be female.

This project falls under Pillars 2 and 3 of the WBG COVID-19 Crisis Response Approach. Pillar 2 of the approach is focused on protecting the poor and vulnerable. The proposed project will directly support with the objective of supporting employment and productivity for vulnerable households, informal businesses and micro-enterprises by supporting the immediate consumption needs of informal sector workers from low-income households through availing them with temporary employment opportunities. LIPW projects using proper safety precautions can support livelihoods, while providing community small-scale infrastructure and resilience. The proposed project’s activities will also aim to improve employability and productivity by fulfilling the putting people back to work objective of the Resilient Recovery Stage of the WBG response. Finally, by focusing on informal sector micro-enterprises, the project will also contribute to Pillar 3 which aims at ensuring sustainable business growth and job creation.

#### **D. Environmental and Social Overview**

D.1. Detailed project location(s) and salient physical characteristics relevant to the E&S assessment [geographic, environmental, social]



The Additional Financing project geographic coverage will be expanded from the Greater Monrovia area under the current project design, to urban areas in Montserrado County and Margibi County; as well as the rural areas of nine other counties in Liberia. These will include Grand Bassa, Grand Cape Mount, Grand Gedeh, Grand Kru, Gbarpolu, Nimba, Rivercess, River Gee, and Sinoe Counties respectively. Montserrado County is home to the nation’s Capital City, Monrovia. It is the most populated county with a population of approximately 1,364,902, which is about 30% of the country’s population.

Implementation of components 1 and 2, will be within urban areas in Montserrado and Margibi Counties whose geographical features and socioeconomic characteristics (fragility, poverty, and informality) are extremely vulnerable to floods, which are predicted to become more frequent and intense with climate change. In Montserrado, existing critical infrastructure and assets, such as 30 km of major roads, 35 percent of schools, and 14 percent of hospitals are currently located in a flood risk zone. It is projected that a one-meter rise in sea level by end of the century, will place almost 230,000 people at risk and cause the loss of 2,150 square kilometers of coastal land, including the infrastructure and much of Montserrado, valued at US\$250 million for the country.

Components 5 & 6, Agriculture Support, and cash transfer project activities will be in the rural area of Gbarpolu, Grand Bassa, Grand Cape Mount, Grand Gedah, Nimba, River Gee, Grand Kru and Sinoe. The specific sites for the agricultural support activities in the nine counties are not known at this stage. However, many of the environmental and social conditions relevant to the project are present nationwide.

While Liberia enjoys a favorable climate with significant arable land and abundant water and natural resources, a high reliance on climate-sensitive activities leaves the country vulnerable to climate change. Liberia’s flat coastal lowlands are predicted to be negatively impacted by rising sea levels, causing flooding, land erosion and potentially serious economic and social harm, particularly in major coastal cities like Monrovia. As Liberia’s coastal regions are also home to almost 60 percent of the population, rising sea levels could increase migration to higher land, and flooding may worsen as increased heavy rains and storm surges place health, infrastructure, and livelihoods at risk. Liberia is also home to 40 percent of West Africa’s Forest cover with significant biodiversity, and forest resources are used for food, fuel, and energy. The country also enjoys one of the highest rates of water resources per capita in Africa, creating favorable conditions for agricultural development. Here too climate change poses significant risks to agriculture, as changes in weather and potentially heavier rainfall patterns cause soil erosion, harmful runoff, and an increase in the incidence of pests and disease. Environmental degradation threatens Liberia’s biodiversity, often in the form of over-exploitation of resources, excessive fuel wood harvesting and logging, encroachment by human settlement, and unsustainable mineral and sand mining activities.

Liberia’s environmental position and vulnerability to climate change are closely linked to social conditions, which are marked by high levels of poverty, acute urban-rural disparities, and human capital development gaps. Liberia remains one of the world’s poorest countries, placed 176th out of 189 countries on the UN’s Human Development Index. According to 2016 household survey data, more than half of the population (50.9 percent) was living in poverty, figures which rise to 71.6 percent in rural areas (versus 31.5 percent in urban areas). These populations face cultural, logistic, and physical barriers in accessing economic, social, cultural, medical, and educational services and opportunities. COVID-19 gives rise to problems for persons in this group. Liberia, a post-conflict country, is particularly vulnerable to unrest and instability. Already before the COVID-19 crisis, the economy was under strain as a result of difficult macroeconomic reforms. Rural poverty often goes hand in hand with subsistence agriculture, which is the primary form of employment for most of Liberia’s working age population in rural areas: 77.2 percent of households



headed by a smallholder farmer live below the poverty line. Non-poverty indicators for education, healthcare, access to infrastructure and finance are also significantly worse than in urban counterparts.

Human capital development also suffers from significant gaps stemming in part from Liberia’s history of conflict, although gains are being made. Food insecurity persists and stunting remains a serious public health concern per World Health Organization standards: in 2017, 10 out of 15 counties had stunting rates of over 30 percent. Government efforts to promote literacy and gender parity in education have achieved meaningful results, but here too rural-urban disparities are significant, with literacy rates for women in rural farming areas at just 32.7 percent. Adolescent pregnancy and maternal mortality continue to hinder human capital development, with 23 percent of female deaths related to pregnancy or childbearing according to the 2019-2020 DHS data (although improvements are being made) and 30 percent of adolescent girls have begun childbearing according to 2020 DHS data. A continued focus on prioritizing human capital investment is needed to help Liberia’s young population—42 percent of the population is below 15 years old—power a demographic dividend for the country.

Liberia’s government and population have been ill-equipped to face the economic crisis brought on by COVID-19. Liberia’s population, 90 percent of which works in the informal sector, suffers from high levels of poverty, and food insecurity, and has high levels of illiteracy. In rural areas 70 percent, while in urban areas 43 percent, live below the poverty line. Around 83 percent live on less than \$1.25 per day. This leaves Liberians very vulnerable to even minor economic shocks. Low agricultural output, combined with high poverty prevalence, contributes to food insecurity.

Most of the food poor live in urban areas. Chronic malnutrition stands at 32 percent, one of the highest rates in the world. The economic shocks households experience and will continue to experience for a long time coupled with what is already a high risk for women and girls. People with disabilities account for 14 percent of the population and are said to live in extreme poverty. These populations face cultural, logistic, and physical barriers in accessing economic, social, cultural, medical, and educational services and opportunities. COVID-19 gives rise to problems for persons in this group. Liberia, a post-conflict country, is particularly vulnerable to unrest and instability. Already before the COVID-19 crisis, the economy was under strain as a result of a difficult macroeconomic situation.

#### D. 2. Borrower’s Institutional Capacity

The project shall be implemented by the MYS, the LACE, and the MGCSP. MGCSP will be added as one of the project’s implementing agencies, bringing the number of implementing entities to three. The inclusion of MGCSP is to implement the activities of the SCT program and strengthen of the national social safety net system under the new Component 6. Also, the current Project Steering Committee will be expanded to include relevant ministries and agencies, such as the Ministry of Agriculture.

MYS has experience in implementing public works projects in Greater Monrovia under the Liberia Youth Employment Program (LYEP) and its Beach and Waterways Cleaning Program. MYS will take the lead on inter-ministerial coordination with other government agencies relevant to the enterprise and job creation agenda. This will be necessary to ensure that small businesses supported by the project have an enabling environment to operate and do not face constraints related to excessive regulation at their stage of development.

LACE has an established track record of delivering employment-focused programs in Liberia. LACE is a not-for-profit and autonomous agency, established by the Government of Liberia in 2004 and is accountable to the Executive Branch of the government. LACE’s mandate is to improve the living standards of poor communities while promoting



community-inclusive development processes. LACE has a history of implementing a series of employment generation projects financed by the World Bank, including the Community Empowerment Projects (CEP) I and II, the Youth Employment Support Project (YES), and the Cash for Work Temporary Employment Project (CfWTEP). More recently, LACE has been implementing Small Business Support (SBS) and Community Livelihood and Agriculture Support (CLAS) Projects under YOP.

Both MYS and LACE have dealt with safeguards issues in the past in the World Bank-financed project, Youth Opportunities Project (P146827) implemented under WB’s Safeguard Policy (category B). While MGCSP also has experience with World Bank projects, the institution has significant weaknesses in technical capacity and resources that may hinder E&S risks mitigation implementation under ESF because its current project, the LSSN Project (P155293), is under Safeguard Policy. Although earlier this year, 2022, the Ministry signed a financing agreement for the Liberia Women Empowerment Project, covered by ESF, implementation is still in the process of mobilization.

MYS will still be in charge of the overall project coordination and implementation of existing Component 2 (Temporary Employment Support and Employability Development for Vulnerable Workers) while LACE will be primarily responsible for the implementation of Component 1 (Grant Support to Vulnerable Households to Revive or Start Small Businesses) as well as the intervention under component 5 (Community Development and Agriculture Support). Although the AF brings together three implementing entities, the implementation structure of the parent project, will be retained with a single Project Management Team (PMT) responsible for managing project implementation. The PMT will be staffed by consultants hired by the three implementing entities.

Given the limited experience of the three institutions in implementing projects under ESF, the project will invest strongly in capacity-building and stakeholders’ engagement, using a phased approach in which implementation mechanisms are fully established prior to the commencement of activities with beneficiaries. In addition to this implementation support, the project’s existing Component 3 (Capacity building and project implementation and coordination is dedicated to improving the institutional capacity of the implementing agencies and other key ministries to expand technical support for the implementation of additional activities at the central and local level. The PMT will continue to receive additional training on ESF to enhance their capacity in implementation and knowledge in ESF/ESS regarding the newly added components. MGCSP will implement the New Component 5, Social Cash Transfer (SCT) to Vulnerable and Food Insecure Households. MGCSP has experience in the management of Grievance-Redress Mechanism (GRM), Gender-Based Violence (GBV), Sexual Exploitation and Abuse and Sexual Harassment (SEA/SH) risks and is currently implementing the LSSNP(P155293).

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**II. SUMMARY OF ENVIRONMENTAL AND SOCIAL (ES) RISKS AND IMPACTS**

**A. Environmental and Social Risk Classification (ESRC)**

Substantial

**Environmental Risk Rating**

Moderate

Environment Risks Moderate The Environmental risk rating for the parent project is Moderate and remains moderate for the Additional Financing. The classification is based on the potential environmental risks and impacts, the sensitivity of the recipient environment, and the capacity of the implementing agencies to manage the risks. The



project’s adverse environmental risks and impacts under the parent project mainly eliminate emanated from interventions under component 2 activities, labor-intensive public works, which focuses on community activities that improve the local environment such as solid waste management (including through street and beach cleaning), building sanitation facilities, drainage clearance, painting of public buildings, and rehabilitation of public spaces. The AF will scale up and modify (i) existing components 1 and 2 on their geographic scope, target number and distribution of beneficiaries among targeted counties, and costs; (ii) changes to existing component 3 to reflect the expanded project scope and additional implementing agency; (iii) include a new Component 5 “Community Development and Agriculture Support”; (iv) include a new Component 6 “Social Cash Transfer. All scaled-up and new activities will be built directly on relevant E&S standards and structures put in place under the parent project. Implementation arrangements, responsible agencies including the additional agency (MGCSP), and partner institutions from the parent project will be retained in full, including the Project Management Team (PMT) within the Ministry of Youth and Sport. Activities eligible for financing with potential E&S risks include component 2, labor-intensive public works, and Component 5 “Community Development and Agriculture Support”. Component 5 Community Development and Agriculture Support (CDAS), the AF will expand coverage to support vulnerable and poor households in rural communities outside of urban Montserrado County which includes Bomi, Bong, Gbarpolu, Grand Bassa, Grand Cape Mount, Lofa, and Sinoe Counties. Under the CDAS activities, beneficiaries will be supported in groups of 25-30 people and provided farm startup grants, labor subsidies, life skills training, etc. support on market linkages and development of small-scale community-level infrastructures that facilitate livelihood activities in targeted communities. This will enable the poor and young to have access to temporary employment as well as Improvement of youth employability. The project is not expected to acquire land but will provide support to existing farms. Nonetheless, land clearing and planting of crops due to agricultural activities under the project may result in damage to existing crop species and increased soil erosion. Although it is anticipated that agriculture activities will not occur on land that has pristine/good quality natural forest, but rather on existing farmed areas. The Parent ESMF will be updated to include principles and guidelines for environmental management. The proposed activities under Components 2 and 5 may result in other direct and indirect environmental risks, such as community health and safety, pollution and release of chemicals and effluent into waterways, land and soil degradation and contamination, management of waste, genetically modified crops, labor-related issues, and loss of biodiversity. However, these risks are expected to be site-specific, local, reversible, and mainly temporary, and appropriate risk mitigation measures shall be outlined in the ESMF and LMP to be updated, adopted, and disclosed three months after project effectiveness. Component 6, Social Cash Transfer (SCT) to Vulnerable and Food-Insecure Households, will comprise of two sub-components. This subcomponent aims to provide income support to about 16,000 poor and food-insecure households in River Gee, Grand Kr

**Social Risk Rating**

Substantial

Social Risks Substantial The nature of social risks for the AF remains Substantial as for the parent project. The substantial risk rating is maintained the same as the implementing agencies’ limited capacity and experience to implement ESF/ESSs objectives and requirements as well as other social risk factors, discussed in the proceeding paragraphs of this section, remain the same. The associated E&S risk for components and sub-components specific to the parent project has already been outlined in the E&S instruments of the parent project. In addition, the nature of the project and associated risks may also increase women’s vulnerability and further widen the inequality/gap between men and women; the possibility of the project resource being exploited by the local elite; and the differential treatment in benefiting targeted people may create social unrest and conflicts if identified social risks could not be managed accordingly. The likely associated risks include (i) low uptake/participation among women due to social norms regarding family responsibilities such as taking care of siblings and handling household tasks; (ii) low

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uptake of the most vulnerable households and individuals (including persons living with disability and elderly), because of limited access to the project, or because of insufficiently precise targeting of the project; (iii) lack of community engagement; (iv) “elite capture” of resources for public works through inadequate or non-representative community organization/engagement; (v) 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; (vi) increased vulnerability of women to Sexual Exploitation and Abuse (SEA)/Sexual Harassment (SH) by the authorities or by co-workers in public works. Given the current economic situation, workers might be exploited, underpaid, and deprived of social benefits; their working conditions might be too demanding, and their safety at the farms might be at risk. Additionally, given the immense needs of vulnerable communities, the Project may result in employing child laborers. The majority of people in Liberia are employed in the informal sectors with many limitations, insecurities, and challenges. The vulnerable people with uncertain employment and poor living conditions pose challenges at various level to stable and sustainable development as the workforce are unregulated, unrecognized and of low productivity in nature. Due to COVID-19-related imposed physical distancing, mass isolation, and quarantine need for informal sector-centric initiatives, the supply chain has been severely affected. Jobs and earnings of especially low-income urban and rural workers are at unprecedentedly distressing levels, which not only have created intrafamily stress and social tension but will also have cascading effects in terms of post-COVID-19 restoration and social stability. Gender disparities in labor market participation, disproportionate responsibility for caregiving and household work, low technical skills, and gender-based discrimination in the labor market are among the key barriers to women’s access to quality jobs, which has worsened due to the pandemic, requiring extreme mitigation efforts from all stakeholders. Selection of beneficiaries (including ensuring reduction in the gender gap, and inclusion of the vulnerable) would be a major challenge given the high number of potential candidates and subsequently may give rise to elite capture. Social norms and barriers to female labor force participation (especially in the post-COVID-19 phase) would also pose challenges. The access to training and job opportunities as well as support to restore the lost business and regain jobs may potentially be very limited due to the high demand and lower supply,

**Sexual Exploitation and Abuse/Sexual Harassment (SEA/SH) Risk Rating** Moderate

The implementation of project activities is likely to expose women to authorities and project workers who have a higher propensity to exploit women. Furthermore, the project activities are likely to bring people into close proximity and are likely to increase in personal interactions. Female beneficiaries may be targeted for GBV/SEA/SH by the implementing staff and public authorities. They may be kept away from selection, their inherent disproportionate risks and impacts because of their physical vulnerability which would require differentiated mitigation measures. In addition, GBV/SEA/SH risks will be managed by i) increasing awareness of SEA/SH issues, ii) requiring the signing and adhering to the Code of Conduct (CoC) as mandatory for implementation staff and public authorities associated with the project, iii) regularly sensitizing, briefings/training/workshop to educate people about consequences/disciplinary action for violating the CoC and committing GBV/SEA/SH. To avoid any such happening, the MYS/LACE/MGCSP shall adopt a mitigation measures/management plan and retain the Social Safeguards Specialist position of the parent project. Similarly, relevant measures have been included in the project ESCP. The project shall identify and work with GBV service providers as required and recommended as part of the service provider mapping. Project GRM will include specific provisions to address issues related to SEA/SH. All Project workers including beneficiaries will undergo sensitization-building measures as well as training related to GBV/SEA/SH. Further information on project interventions, plan, locations, etc. will be required to conduct a comprehensive GBV risks assessment and develop a GBV action plan, if required.

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## B. Environment and Social Standards (ESSs) that Apply to the Activities Being Considered

### B.1. General Assessment

#### ESS1 Assessment and Management of Environmental and Social Risks and Impacts

##### **Overview of the relevance of the Standard for the Project:**

This ESS is applicable to the Additional Financing and clarifies the Borrower's responsibilities in identifying and managing the E&S risks of the project. The AF is designed to expand coverage to support the vulnerable and poor households in urban areas of Montserrado and rural communities outside of urban Montserrado county: To this effect, The AF will add interventions that were implemented under the World Bank-supported social protection project, such as (i) income support to vulnerable and extremely poor households; and (ii) productive inclusion to youth and other vulnerable individuals living in rural communities. While maintaining the support of small-scale public work interventions which would encompass the following areas: (i) urban greenery (e.g. rehabilitation of recreational spaces, painting of public buildings, walls, and cross-walks), (ii) waste management (e.g. street sweeping and cleaning drainage clearance), and service-oriented public works (e.g. providing basic care/services to the vulnerable, such as elderly or disabled, in the communities).

The environmental risks could arise from activities that may use environmentally damaging technologies and resources for mainly the activities involved in component 2 and component 5, it may affect the environment adversely. The risks emerging from these activities (including public work, livelihood and value-addition activities in the agriculture sector) are likely to range from the pollution of land, ground and surface water (if wastes are improperly disposed of), air pollution/climate contamination (burning of disposed of wastes/GHG emission from decomposing waste at waste disposal sites) and harm towards animal and marine life through contamination of the food chain. Given the scale at which these activities will be implemented, the potential adverse risks and impacts on the environment are unlikely to be significant. The project will aim to minimize risks that could arise from supporting types of activities that may use environmentally damaging technologies and/or Component 1 beneficiaries potentially starting or expanding businesses that may affect the environment. The Bank team will work with the implementation agencies to prepare a negative/exclusion list to avoid substantial to high-risk activities supported under Component 1 that aims to Support Vulnerable Households to Revive or Start Small Businesses. On the other hand, the project will also consider assigning priority to those enterprises which are likely to have a positive impact on the environment or contribute to climate risk mitigation (e.g. solar panels, or other innovative solutions)

The project will build a case management system to support potential beneficiaries and will also arrange training and resources for targeted unemployed/underemployed, less educated, and poor in urban areas to facilitate in transition to productive employment. The project will also provide direct financial support. The eligibility criteria exclusion list as well as an additional negative list to screen out activities to which the related environmental and social risks and impacts need attention. The exclusion list will form part of the Project Operations Manual (POM). Key stakeholders, including less educated young females, single young mothers, and vulnerable and disadvantaged communities, will be identified, and consulted to understand their concerns and requirements, which will be included in the design of the interventions to strengthen greater support through the update of of the Parent Project Stakeholder Engagement Plan (SEP). An Environmental and Social Commitment Plan (ESCP) has been developed by the Borrower detailing material measures and action to manage E&S issues in a time-bound fashion. POM will be prepared for the Project which will include actions and measures to be adopted to identify and address E&S risks and impacts. The manual will also include an exclusion list, which will set out interventions that will not be funded by the Project. Within three



months after project effectiveness, the Project Management Team (PMT) shall update the Environment and Social Management Framework (ESMF) prepared for parent project aligned with specific criteria for the AF, which will have an updated standalone a Labor Management Procedure (LMP) including potential mitigation measures to address community safety risks and OHS issues, a GRM that is specific for addressing Workers complaints different from the project level GRM, among others. RPF of the YOP shall be updated within 3 months after project effectiveness. The ESCP shall be disclosed prior to Appraisal. While the SEP, ESMF, RPF and other E&S documents will be updated three months prior to project effectiveness or prior to the start of relevant sub-project activity.

### **ESS10 Stakeholder Engagement and Information Disclosure**

In preparation for the parent project, the project held multiple in-depth consultations with different stakeholders, including proposed project beneficiaries, to identify gaps and solutions for inclusive employment programs. Through activities carried out under the REALISE parent project, the PMT held consultation meetings/consultations with targeted beneficiaries including people of vulnerable groups in Greater Monrovia. Consultations were also held with Government counterparts including CSOs & NGOs working in the field of social protection and safety net. As part of the preparation for the AF, additional consultations were held with potential beneficiaries and interested stakeholders. The consultations focused specifically on employment outcomes and aspirations, with a focus on their constraints for improving productivity, benefits and drawbacks of existing programs that they had participated in, their perception on constraints to starting self-employment, staying in business, and growing.

A Stakeholder Engagement Plan (SEP) has been updated, by the PMT of the parent project, for stakeholder engagement and disclosure of information plans/actions, which is a living document and will be updated throughout the project implementation. The SEP outlines the characteristics and interests of the relevant stakeholder groups (such as the unemployed, women, small businesses, relevant government agencies, relevant CSOs) and timing and methods of engagement. Project level Grievance Mechanisms (GM) have been outlined in the SEP, of the parent project, through which issues and concerns can be raised about the project. The GM will be extended, instituted and made functional in the additional urban areas and new counties. The GMs have provisions for SGBV/Sexual Exploitation and Abuse/Sexual Harassment (SEA/SH) related complaints (survivor-centric approach, confidentiality, staffed by people with appropriate special training). Upon Project effectiveness, specific staff members will be designated to handle SGBV/SEA/SH related issues. The project GMs use various channel (including Internet, SMS, Web-based forms, email, etc.) for submission of complaints and concerns. Grievance Resolution Committees (GRC) in the new locations will be set up to receive, record, address, communicate and advice on issues raised by anyone in a timely manner. Periodic reports on grievance issues will be submitted to WB Task team.

### **B.2. Specific Risks and Impacts**

**A brief description of the potential environmental and social risks and impacts relevant to the Project.**

#### **ESS2 Labor and Working Conditions**

This standard is relevant. Based on the AF project-related information, there will be no large scale civil construction/works, hence the scope for labor influx and associated risks are unlikely. Component 2 will hold up



temporary employment support and employability development for vulnerable workers struggling to find gainful employment and opportunities. The component will involve labor-intensive public works and mostly community workers selected from the local communities will be involved. Besides, several administrative and operational level staffs will be employed by PMT (Direct workers) for project implementation at field levels, community workers shall also be employed. Given the need for close physical proximity in providing services to the poor beneficiaries who have very limited access to technology, the existing COVID-19 situation could pose obstacles. Guidelines for physical distancing, and use of protective equipment/sanitation/hygiene practices will need to be given priority. In this situation, the young project beneficiaries are less likely to follow the Protocol / protective provisions and will need continuous monitoring, training, motivation and enforcement to ensure protocols are abided by. Equal opportunity for potential females, the vulnerable and the disadvantaged should be given access to opportunities for employment. Provisions of this will be included in the POM. A Grievance Mechanism (GM) specifically addressing labor needs for raising concerns about the project will be developed and implemented throughout the project.

The project shall update the standalone Labor Management Procedure (LMP) and include it as part of the updated ESMF for the AF as well as a GM that is specific for addressing Community Worker’s complaints that is different from the project level GM. The procedure includes requirements for occupational health and safety, including for COVID-19 prevention, working conditions and terms of employment; non-discrimination and equal opportunity; worker’s organizations; child labor and minimum age; forced labor; grievance mechanisms; maintenance of training records and documentation and reporting of occupational accidents, safe transport conditions, diseases and incidents, emergency prevention and remedies for injuries, disability, and disease.

Sub-contractors and direct workers will be required to update and comply with these requirements during project implementation. This will ensure non-discrimination and promote gender sensitivity in the recruitment process of consultants or specialized workers needed during the implementation of identified sub-projects, including sensitization related to the availability of worker’s Grievance Mechanism and to abide by the code of conduct to prevent and address potential harassment, child labour, gender or GBV/SEA/SH issues during the implementation of the activities financed under this project. With the specific locations and interventions of the project yet to be identified, quantification of the labour force to be employed by the project is not possible at this stage.

### ESS3 Resource Efficiency and Pollution Prevention and Management

Given the nature of the project comprising smallholder agricultural supports, training/employability development, and provision of temporary jobs, it is likely that some of the project activities including public works and agriculture activities could generate pollution (air, water, land, and human,). To mitigate these risks, the parent project ESMF and its screening and eligibility mechanisms will be updated and adopted for the AF to ensure that no activity funded by the Project has negative impacts on the environment. The updated ESMF will include a negative list of interventions/businesses that will not be approved for funding. Potential environmental risks associated with the project will be further assessed and mitigation measures will be included in the updated ESMF. GHG emission estimation is not relevant to the project. Waste management will be addressed through a waste management system that addresses issues linked to waste minimization, generation, transport, disposal, and monitoring. The project will ensure that waste generated will follow the waste mitigation hierarchy, and after implementation of feasible waste prevention, reduction, reuse, recovery, and recycling measures, waste materials will be treated and disposed of, and



all measures would be taken to avoid potential impacts to human health and the environment. Selected management approaches will be consistent with the characteristics of the waste and national regulations, and may include on-site or off-site biological, chemical, or physical treatment of the waste material to render it nonhazardous prior to final disposal, treatment, or disposal at permitted facilities specially designed to receive the waste.

#### **ESS4 Community Health and Safety**

This standard is relevant. The GBV/SEA/SH risk assessment of the project indicates Moderate Risk. The updated ESMF for the AF has assessed community health and safety risks and proposed appropriate outlines and guidelines for site-specific ESIA/ESMP that will propose mitigation measures to address community health and safety issues. The project plans to reduce the gender gap and provide opportunities for women for training and work in close proximity to males, therefore, raising concerns for GBV/SEA. The implementation of project activities is likely to expose women to authorities and project workers who have a higher propensity to exploit women. Furthermore, the project activities are likely to bring people into close proximity and are likely to increase in personal interactions. Female beneficiaries may be targeted for GBV/SEA/SH by the implementing staff and public authorities. They may be kept away from selection, their inherent disproportionate risks and impacts because of their physical vulnerability which would require differentiated mitigation measures.

In addition, GBV/SEA/SH risks will be managed by i) increasing awareness of SEA/SH issues, ii) requiring the signing and adhering to the Code of Conduct (CoC) as mandatory for implementation staff and public authorities associated with the project, iii) regularly sensitizing, briefings/training/workshop to educate people about consequences/disciplinary action for violating the CoC and committing GBV/SEA/SH. To avoid any such happening, the MYS/LACE/MGCSP shall adopt a mitigation measures/management plan and retain the Social Safeguards Specialist position of the parent project. Similarly, relevant measures have been included in the project ESCP. The project shall identify and work with GBV service providers as required and recommended as part of the service provider mapping. Project GRM will include specific provisions to address issues related to SEA/SH. All Project workers including beneficiaries will undergo sensitization-building measures as well as training related to GBV/SEA/SH. Further information on project interventions, plan, locations, etc. will be required to conduct a comprehensive GBV risks assessment and develop a GBV action plan, if required.

The AF project will require continuous training and protocol to avoid the spread of COVID-19. These risks will be mitigated by adhering to physical distancing, mask-wearing, and hand-washing practices; consistent awareness raising on COVID-19 issues, and maintenance of WHO guidelines during project preparation and implementation phases.

#### **ESS5 Land Acquisition, Restrictions on Land Use and Involuntary Resettlement**

ESS5 not currently relevant to the parent project and the AF. The likelihood of component 5 requiring land acquisition or causing restrictions on land use and involuntary resettlement is minimal. Given the nature of the informality of many settlements in rural areas, the project shall screen the related risks and impacts and develop and implement the mitigation and management plan. The exclusion (negative list), to be developed, shall state that any activity involving the new land acquisition or involuntary resettlement will not be eligible and shall be excluded from funding by the sub-project activities.



Due to the small scale and nature of construction activities, economic and physical displacements are very unlikely. While we make a judgment call based on the project’s subcomponent descriptions made available to the team, upon identification of each subcomponent location, a site-specific screening will be conducted to determine or confirm that project social and economic impacts are unlikely or negligible.

Given that the locations of subprojects are not yet known at this stage of the project, the AP project will update the original project’s Resettlement Framework (RF) prior to Bank Board approval. The updated RF will facilitate ESS5 requirements under the AF activities. The purpose of the updated resettlement framework for AF is to clarify resettlement principles, organizational arrangements, and design criteria to be applied to subprojects or project components to be prepared during project implementation. Once the specific locations of subproject are identified and the necessary planning information becomes available, the framework will be expanded into Resettlement Action Plan (RAP) proportionate to potential risks and impacts of the AF. While the project is not expected to entail major land acquisition and displacement, its activities that will cause physical and/or economic displacement, if any, will not commence until such specific plans have been finalized, approved by the Bank and, prompt compensation and resettlement assistance payments are made to Project Affected Persons (PAPs).

The RPF/RAP will be prepared and submitted to the Bank for approval and prior to disclosure. The RAP, if applicable, shall be implemented, and the PIU shall submit a RAP implementation report to the Bank and No Objection is to be obtained before civil works commence.

### **ESS6 Biodiversity Conservation and Sustainable Management of Living Natural Resources**

The project is not anticipated to affect or involve activities with negative impacts on biodiversity or natural resources and won’t involve the development of any new agricultural lands. However, there is always a potential risk that some livelihood agriculture activities and associated value chains may lead to some impacts on natural habitats. The Project will avoid any subprojects that have impacts on natural and critical habitats through the application of the E&S screening tool developed as part of the ESMF

### **ESS7 Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities**

The project area does not have a population of Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities/ ethnic minorities meeting the criteria mentioned in ESS 7, who will be affected by the project.

### **ESS8 Cultural Heritage**

This standard is relevant. Liberia has very rich cultural resources and heritage. Most Liberians have great respect for their cultural properties, and cultural properties may be found at any place, so ESS8 is relevant in case the project finances activities that may potentially use tangible and non-tangible cultural heritage for commercial purposes. If a subproject intends to use the cultural heritage of any project-affected parties (including individuals and communities) for commercial purposes, it will inform the project-affected parties of (a) their rights under national law; (b) the



scope and nature of the commercial development and the potential impacts; and (c) the potential consequences of such development and impacts. The subproject will not proceed with such commercial use unless it: (a) carries out meaningful consultation with stakeholders; (b) provides for fair and equitable sharing of benefits from the commercial use of such cultural heritage, consistent with customs and traditions of the project affected parties; and (c) identifies mitigation measures according to the mitigation hierarchy. The AF project will be required to develop and adapt chance find procedures as and when needed.

**ESS9 Financial Intermediaries**

It is not relevant to the project at this stage

**B.3 Other Relevant Project Risks**

The Additional Financing project is likely to be implemented where the COVID-19 pandemic situation will exist. Thus, there is a need for the project to be implemented under specific protocols. Physical / Social distancing has been implemented by the government though, given the adverse impact on the national economy, the government has recently opened offices, markets and malls, and public transport system urging everyone to follow COVID-19 protocols. The pandemic has already given rise to the price hike of essentials, travel restrictions, social tension etc. In this emerging situation, training and skill development interventions need to be designed keeping WHO and Government guidelines in mind.

**C. Legal Operational Policies that Apply**

**OP 7.50 Projects on International Waterways** No

**OP 7.60 Projects in Disputed Areas** No

**B.3. Reliance on Borrower’s policy, legal and institutional framework, relevant to the Project risks and impacts**

**Is this project being prepared for use of Borrower Framework?** No

**Areas where “Use of Borrower Framework” is being considered:**

The project is using the Bank Framework.

**IV. CONTACT POINTS**

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**Borrower/Client/Recipient**

Borrower: Republic of Liberia

**Implementing Agency(ies)**

Implementing Agency: Ministry of Youth and Sports

Implementing Agency: Liberia Agency for Community Empowerment

Implementing Agency: Ministry of Gender, Children and Social Protection

**V. FOR MORE INFORMATION CONTACT**

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**VI. APPROVAL**

Task Team Leader(s): Mack Capehart Mulbah, Steisianasari Mileiva

Practice Manager (ENR/Social) Sanjay Srivastava Cleared on 12-Nov-2022 at 20:14:46 GMT-05:00