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INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED GRANT

IN THE AMOUNT OF SDR 5.0 MILLION
(US\$7.0 MILLION EQUIVALENT)

TO THE

REPUBLIC OF LIBERIA

FOR A

LIBERIA LAND ADMINISTRATION PROJECT

September 7, 2017

Social, Urban, Rural and Resilience Global Practice
Africa Region

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CURRENCY EQUIVALENTS

(Exchange Rate Effective July 31, 2017)

Currency Unit = United States Dollar (US\$)

SDR 1 = US\$1.40775

US\$1 = SDR 0.7103534

FISCAL YEAR

July 1 - June 30

Regional Vice President: Makhtar Diop

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Task Team Leaders: Victoria Stanley, Linus Pott

ABBREVIATIONS AND ACRONYMS

Aft	Agenda for Transformation
AMCU	Aid Management and Coordination Unit
CBA	Cost-Benefit Analysis
CNDRA	Center for National Documents and Records Agency
CPS	Country Partnership Strategy
CSO	Civil Society Organization
DA	Designated Account
DB	Doing Business
DLSC	Department of Lands, Surveys and Cartography
EPA	Liberia Environmental Protection Agency
ERR	Economic Rate of Return
ESMF	Environmental and Social Management Framework
EVD	Ebola Virus Disease
FAO	Food and Agriculture Organization
FM	Financial Management
FY	Fiscal Year
GCI	Global Competitiveness Index
GDP	Gross Domestic Product
GoL	Government of Liberia
GRM	Grievance Redress Mechanism
GRS	Grievance Redress Service
IBRD	International Bank for Reconstruction and Development
ICT	Information Communication Technologies
IDA	International Development Association
IFMIS	Integrated Financial Management Information System
IFR	Interim Unaudited Financial Reports
ILTF	Interim Land Task Force
IMF	International Monetary Fund
IPF	Investment Project Financing
IPSAS	International Public Sector Accounting Standards
ISA	International Standards on Auditing
ISM	Implementation Support Mission
LGSA	Land Governance Support Activity
LISGIS	Liberia Institute of Statistics and Geo-Information Services
LLA	Liberia Land Authority
LLAP	Liberia Land Administration Project
LLC	Liberia Land Commission
LRD	Liberian Dollar
LSSP	Land Sector Strategy Plan
M&E	Monitoring and Evaluation
MFDP	Ministry of Finance and Development Planning
MLME	Ministry of Lands, Mines and Energy
MoU	Memorandum of Understanding
MTR	Mid-Term Review
NGO	Non-Governmental Organization
NPV	Net Present Value

O&M	Operation and Maintenance
OECD	Organization for Economic Co-operation and Development
OP	Operational Policy
PAD	Project Appraisal Document
PDO	Project Development Objective
PFMU	Project Financial Management Unit
PIM	Project Implementation Manual
PIU	Project Implementation Unit
PPA	Project Preparation Advance
PPCA	Public Procurement and Concessions Act
PPCC	Public Procurement and Concessions Commission
PPSD	Project Procurement Strategy for Development
RETT	Real Estate Transfer Tax
RFQ	Request for Quotation
SDR	Special Drawing Rights
SIDA	Swedish International Development Agency
SOE	Statement of Expenditures
SPN	Specific Procurement Notices
TC	Tribal (Land) Certificate
ToR	Terms of Reference
TTL	Task Team Leader
UN	United Nations
UNDP	United Nations Development Program
UNECA	United Nations Economic Commission for Africa
UNMIL	United Nations Mission in Liberia
US	United States
USAID	United States Agency for International Development
VfM	Value for Money
VGGT	Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests
WB	World Bank



BASIC INFORMATION

Is this a regionally tagged project? No	Country(ies)	Financing Instrument Investment Project Financing
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Situations of Urgent Need of Assistance or Capacity Constraints

Financial Intermediaries

Series of Projects

Approval Date 28-Sep-2017	Closing Date 31-Oct-2022	Environmental Assessment Category B - Partial Assessment
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Bank/IFC Collaboration No

Proposed Development Objective(s)

The Project Development Objective is to strengthen the institutional capacity of the Liberia Land Authority and establish a land administration system.

Components

Component Name	Cost (US\$, millions)
Support to the Liberia Land Authority	2.29
Support for inventory and analysis of tribal land certificates	1.12
Development of a land administration system	1.57
Project Coordination, Monitoring and Evaluation	2.02

Organizations

Borrower : Ministry of Finance and Development Planning



Implementing Agency : Liberia Land Authority

PROJECT FINANCING DATA (US\$, Millions)

<input type="checkbox"/> Counterpart Funding	<input type="checkbox"/> IBRD	<input type="checkbox"/> IDA Credit	<input checked="" type="checkbox"/> IDA Grant	<input type="checkbox"/> Trust Funds	<input type="checkbox"/> Parallel Financing
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Total Project Cost:
7.00

Total Financing:
7.00

Financing Gap:
0.00

Of Which Bank Financing (IBRD/IDA):
7.00

Financing (in US\$, millions)

Financing Source	Amount
IDA Grant	7.00
Total	7.00

Expected Disbursements (in US\$, millions)

Fiscal Year	2018	2019	2020	2021	2022	2023
Annual	0.23	0.69	1.22	1.87	1.96	1.02
Cumulative	0.23	0.92	2.14	4.01	5.98	7.00

INSTITUTIONAL DATA

Practice Area (Lead)

Social, Urban, Rural and Resilience Global Practice



Contributing Practice Areas

Climate Change and Disaster Screening

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

Gender Tag

Does the project plan to undertake any of the following?

a. Analysis to identify Project-relevant gaps between males and females, especially in light of country gaps identified through SCD and CPF

Yes

b. Specific action(s) to address the gender gaps identified in (a) and/or to improve women or men's empowerment

Yes

c. Include Indicators in results framework to monitor outcomes from actions identified in (b)

No

SYSTEMATIC OPERATIONS RISK-RATING TOOL (SORT)

Risk Category	Rating
1. Political and Governance	● High
2. Macroeconomic	● Substantial
3. Sector Strategies and Policies	● Substantial
4. Technical Design of Project or Program	● Substantial
5. Institutional Capacity for Implementation and Sustainability	● High
6. Fiduciary	● Substantial
7. Environment and Social	● Moderate
8. Stakeholders	● Substantial
9. Other	
10. Overall	● High



COMPLIANCE

Policy

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

Yes No

Does the project require any waivers of Bank policies?

Yes No

Safeguard Policies Triggered by the Project

Yes

No

Environmental Assessment OP/BP 4.01

✓

Natural Habitats OP/BP 4.04

✓

Forests OP/BP 4.36

✓

Pest Management OP 4.09

✓

Physical Cultural Resources OP/BP 4.11

✓

Indigenous Peoples OP/BP 4.10

✓

Involuntary Resettlement OP/BP 4.12

✓

Safety of Dams OP/BP 4.37

✓

Projects on International Waterways OP/BP 7.50

✓

Projects in Disputed Areas OP/BP 7.60

✓

Legal Covenants

Sections and Description

The Recipient shall ensure that not later than three (3) months from the Effectiveness Date, the LLA enters into an MOU with the PFMU setting out the obligations of both parties in carrying out the Project satisfactory to the Association (Schedule 2, Section 1.B, 2 (a) of the FA)

Sections and Description

The Recipient shall ensure that not later than eighteen months (18) from the Effective Date, all LLA staff involved in Project procurement, have received training in procurement and contract management at an institution satisfactory to the Association (Schedule 2, Section IV of the FA)

Sections and Description

The Recipient shall ensure that not later than three (3) months from the Effective Date, the LLA recruits the



remaining Project Implementation Unit (PIU) staff, comprising, a financial management assistant, and monitoring and evaluation specialist all with qualifications, experience and terms of reference acceptable to the Association (Schedule 2, Section 1.A, 2 (a) of the FA)

Conditions

Type	Description
Effectiveness	The Recipient through the LLA has prepared and adopted a Project Implementation Manual in form and substance satisfactory to the Association and prepared in accordance with Section I.B.1(a) of Schedule 2 to the Financing Agreement (Article 4.01 (a) of the FA)
Effectiveness	The Recipient through the LLA has recruited a procurement specialist and appointed a project director, all with qualifications, experience and terms of reference satisfactory to the Association (Article 4.10 (b) of the FA)

PROJECT TEAM**Bank Staff**

Name	Role	Specialization	Unit
Victoria Stanley	Team Leader(ADM Responsible)	Land Administration	GSULN
Linus Benedikt Pott	Team Leader	Land Administration	GSULN
Komana Rejoice Lubinda	Procurement Specialist(ADM Responsible)	Procurement	GGO01
Saidu Dani Goje	Financial Management Specialist	Financial Management	GGO31
Charles Ankisiba	Social Safeguards Specialist	Social Safeguards	GSU01
Faly Diallo	Team Member	Finance Officer	WFALA
George Ferreira Da Silva	Team Member	Finance Officer	WFALA
Ivo G.P. Imparato	Team Member	Program Leader	AFCW1
Nightingale Rukuba-Ngaiza	Counsel	Country Lawyer	LEGAM
Sekou Abou Kamara	Environmental Safeguards Specialist	Environmental Safeguards	GEN01



Zoe Quoi Diggs Duncan	Team Member	Team Assistant	AFMLR
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Extended Team

Name	Title	Organization	Location
Suha Satana	Economic/Financial Analyst		Ankara, Turkey



LIBERIA
LIBERIA LAND ADMINISTRATION PROJECT

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I. STRATEGIC CONTEXT

A. Country Context

1. Liberia has made considerable progress in the face of daunting challenges since the return to democratic governance in 2006. Fourteen years of civil conflict (1989-2003) destroyed key institutions, infrastructure and the economy. The return to multi-party democracy in 2006 created the environment for long term reconstruction. Between 2006 and 2013, gross domestic product (GDP) growth averaged 7 percent with a strong boost from the resumption of iron mining since 2010. The incidence of poverty at the national level fell to 56 percent in 2010 from 64 percent in 2007 due mainly to the decline in rural poverty. The comparable data for 2007 and 2010 showed that inequality, as measured by the Gini coefficient was marginally lower in 2010 than in 2007, falling from 0.36 in 2007 to 0.35 in 2010. The overall drop in poverty has reflected economic growth, the sharp fall in inflation, particularly since 2008, as well as steps taken by the Government to provide income support to the poor and vulnerable.
2. In 2012, Liberia launched the Agenda for Transformation (AfT) as a first step towards its vision of achieving middle income country status by 2030. Liberia was in the second year of the implementation of the AfT when the Ebola Virus Disease (EVD) struck in March 2014. The EVD, lasted nearly 16 months and resulted in about 4,000 deaths. The Ebola crisis not only impaired the Government's capacity to deliver basic services including critical health services, but also brought about a sharp disruption of economic activities across all sectors and heightened social and political tensions. The EVD outbreak coupled with declining global commodity prices led to a considerable decline in Liberia's economic performance, which has led to job losses and a decline in welfare.
3. Liberia is at a critical stage in its peace building and development process, given the multiple challenges the country has currently to grapple with: Post-Ebola economic recovery, United Nations Mission in Liberia (UNMIL) drawdown, the decline in global commodity prices, and upcoming presidential elections in October 2017. Total government revenue declined by one percentage point from 23.5 percent of GDP in FY2014 to 22.5 percent in FY2015; largely because of the slowdown in economic activities, particularly in the mining sector. While tax revenue from international trade remained on target, direct tax revenue and non-tax revenue fell below target. Non-tax revenue fell short of budget forecast by 29.4 percent; largely because of lower than expected dividends from State Owned Enterprises (SOEs) and reduction in royalties from concession companies, arising from the lull in mining activities.
4. Despite the declining share of primary agriculture and fisheries in Liberia's economy, these sectors continue to play an important role in economic growth, export and employment. The sectors account for over one quarter of the GDP and provide employment to almost half of the population. Rice, cassava, rubber, cocoa and palm oil have been the main agricultural products. Between 2006-2010, agriculture attracted US\$2.7 billion in foreign investment, and through rubber and cocoa, contributes to about 61 percent of total exports value. However, the 14-year period civil conflict resulted in chronic food insecurity and nutritional deficiencies. Given the important role of agriculture, land access rights and administration of those rights are critically important.
5. Liberia's urbanization rate is high relative to the country's level of development. The share of population



living in urban areas has steadily increased in the post-war era, reaching 50 percent of the total population in 2015. Urban areas, particularly Monrovia, tend to attract more migrants—those displaced due to the civil war and those seeking new economic opportunities. However, the unemployment rate in urban areas is more than two times higher than in rural areas. The difference is even larger for youth, who face a three-fold higher unemployment rate. The growth of slums and the expansion of urban areas require land administration reforms to ensure tenure security in urban and peri-urban areas.

6. Liberia is experiencing a youth bulge and high fertility rate, which puts an increasing pressure on the labor market and on demand for services. In 2014, 40 percent of Liberia’s population was under age 15 and another one third was between the ages of 15-35. High fertility rates (five children per woman) and large youth cohort entail growing demand for jobs, cultivable land, infrastructure and public services. Liberia is also experiencing an acute shortage of literate and skilled labor, which is hindering employment opportunities in formal sector and productivity improvement. More than half of those in the labor force have not completed primary school, and literacy rates are well below regional averages. In 2010, only 56 percent of the working age population was literate, compared to an average of 62 percent in Sub-Saharan Africa. The female literacy rate in Liberia was even further behind, at 44.8 percent, compared to a 53 percent average in Sub-Saharan Africa.
7. Liberia is at a high risk of impacts of climate change. The key climatic hazards that Liberia currently faces are coastal flooding and sea level rise. Coastal flooding can result in forced migration or displacement to higher lands, loss of life, crops, livestock, and damage to infrastructure and settlements; while sea level rise leads to direct inundation of lowlands, beach erosion, salinization of land, rivers and aquifers, coastal water table effects and disruption of socio-economic activities. Secure land rights can provide incentives for long-term investments and improvements of smallholders in their land, fostering environmental resilience. Smallholders with secure rights to land tend to prevent soil erosion, invest in tree planting and preserve forests more than landholders without secure rights.

B. Sectoral and Institutional Context

8. The history of land rights in Liberia and its relationship to fragility and development constraints has been well covered in literature.¹ One of the main triggers of the civil conflict and a critical constraint to Liberia’s sustained and inclusive growth is its land tenure system. Liberia faces unique land tenure challenges mainly related to its specific historical and political context. Liberia was founded by former slaves coming from the United States (US) who attempted to create a Western statutory system of land ownership. The majority of the rural population however use customary systems, which are based on community or collective ownership of discrete territories. The fragile land tenure situation in Liberia is made more insecure by contradictory natural resource policies, an unclear legal framework and low professional and technical capacity in core land administration and land management disciplines to

¹ See for example: Blore, S. (2007): Land Grabbing and Land Reform: Diamonds, Rubber and Forests in the New Liberia; GoL (2007): The Way Forward: Land and Property Rights Issues in the Republic of Liberia. Governance Reform Commission Concept Paper; McCarthy, N. (2007): Customary Land Use in Liberia. A Review of Supreme Court Decisions; Scalise, E. and Hannay, L. (2013): Land Policy Reform for Women in Liberia; Unruh, J. (2007): Land Tenure – Liberia; USAID (2009): Property Rights and Resource Governance. Liberia; Wiley, L. A. (2007): An Interim Comment on Customary Land Tenure in Post-Conflict Liberia; World Bank (2008): Insecurity of Land Tenure, Land Law and Land Registration in Liberia.



develop and administer policy and law.² It is claimed that more than 50 percent of the country is covered by land concessions, which often overlap with other private and customary rights.³ This is a major area of concern as it may be a significant driver for new rounds of conflict. A moratorium on new land concessions issued by the President in 2012 provided some space for re-considering policy.

9. Currently, there is no cadaster and no effective and reliable land information system in Liberia. The records under the long-standing deed registration system have been scattered, damaged and in many cases destroyed, and this is encouraging widespread fraud and malpractice in land transactions. A more recent Land Registration System is supported by a law enacted in 1974 but incompletely piloted in Monrovia. Customary rights and statutory rights of traditional communities have often been undermined by state action and claims to public ownership.
10. In the 2017 Doing Business indicators, Liberia is ranked 179 out of 189 countries in terms of ease and cost of registering property. Private investors are reluctant to invest when property rights are weak, and it is unclear who has which rights to which resources. Private investors often complain that the transaction costs of investing in these environments are too high.⁴
11. Insecure tenure also undermines smallholder investment in agriculture, mining, forestry and other sectors. Weak institutions affect women disproportionately. In Liberia's statutory and customary tenure regimes, women and men have property rights in land but women often are not able to exercise their rights due to social norms related to marriage and other family relationships.⁵ Given the dominance of women in land-based livelihood systems, lack of clear tenure security for women undermines the livelihood security for many rural Liberians.
12. In 2006, the Governance Commission recommended creation of the Liberia Land Commission (LLC). With the support of the President and the Legislature, and funding from donors, the LLC was established in 2009. The core mandate of the LLC was to explore and analyze Liberia's land tenure challenges and propose policy and legal reform. The LLC produced studies as well as policy and legal recommendations. The term of the LLC ended in January 2016.
13. The Liberia Land Authority (LLA) was established with the passage of the LLA Act⁶ by the Legislature in October 2016. The LLA has the legal mandate for land administration in Liberia. The LLA will subsume the Department of Lands, Surveys and Cartography (DLSC) under the former Ministry of Land, Mines and Energy (now Ministry for Mines and Energy), the Deeds Registry currently within the Center for National

² The last formal training of surveyors took for example place between mid-1970s and early 1980s (USAID (2016): Institutional Audit of the Key Liberian Land Governance Institutions)

³ USAID (2013): Good Laws, Weak Implementation and Rights; and Resources Initiative (2015): Who owns the World's Land? A global baseline of formally recognized indigenous and community land rights; Data from 557 natural resource concessions (2001-2015) is available at <http://aiddata.org/liberia-concessions>; Government agencies are currently undertaking a data validation exercise of all concessions in Liberia, which will be published on the Liberia National Concession Portal (<http://portals.flexicadastre.com/liberia/>)

⁴ The Munden Project (2012): The Financial Risks of Insecure Land Tenure.

⁵ Elisa Scalise and Leslie Hannay (2013): Land Policy Reform for Women in Liberia; World Bank (2010): Liberia: Gender-aware programs and women's roles in agricultural value chains.

⁶ GoL (2016): An Act to Amend Title 12, Executive Law of the Liberian Codes of Law Revised and to Add Thereto a New Chapter Creating the Liberia Land Authority.



Documents and Records Agency (CNDRA), and relevant functions from the Ministry of Internal Affairs (e.g. County Land Commissioners). A Transition Committee was appointed in June 2017 by the President to implement a one-year transition period which will allow LLA time to develop transition strategies.⁷ The LLA's main activities will focus on a) land policy and planning; b) provision of land survey, registration and mapping services; c) provision of land valuation services; d) creation of a national Land Information System; e) alternative land dispute resolution services; f) coordination of access to government and public land for investment and conservation projects; g) promotion of land use planning and zoning by local governments; and h) demarcation and titling of the customary land rights of local communities.

14. A Land Rights Policy was endorsed by Government in 2013. The Policy provides recommendations for land rights in Liberia, based on four land rights categories: Public Land, Government Land, Customary Land and Private Land. The Policy recommends the full legal recognition of customary land rights by protecting customary and private land equally.
15. In 2014, the LLC drafted a Land Rights Act, which is currently pending approval of the Legislature. The Land Rights Act draft is based on the recommendations from the Land Rights Policy and reflects the four categories of land ownership as outlined above. The Land Rights Act draft seeks to ensure that customary land is given protection equal to private land for all Liberians. Further, the Land Rights Act draft prescribes how land may be acquired, used, transferred and otherwise managed.

C. Higher Level Objectives to which the Project Contributes

16. The project supports pillar 4 of the Country Partnership Strategy (CPS) FY13-17 (Report No. 74618-LR), namely strengthening governance and state institutions.⁸ The CPS states that the need for land reform and improved land governance mechanisms are among the most sensitive and important constraints to achieving inclusive growth and reducing sources of conflict in Liberia. The Liberia Systematic Country Diagnostics (SCD) Concept Note draft (March 2017) states that reforms in the land sector are needed to grow the economy, create jobs, and lower the risk of conflict. Further, Liberia's long-term development strategy – the Agenda for Transformation (“Steps towards Liberia Rising 2030”), the World Bank's Africa Strategy and the World Bank Agriculture Sector Strategy all consider land as a key factor to achieve poverty reduction and promote shared prosperity in Liberia. Key issues identified in these documents include: (i) insecurity of land tenure, undermining investment; (ii) predominance of land disputes, also undermining investment and fostering violence; and (iii) inefficient land administration and management systems and institutions.
17. Land governance has become a global priority. In 2012 the Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests (VGGT) were endorsed by the Committee on World Food Security (CFS). Their implementation has been encouraged by G20, Rio+ 20, and the United Nations General Assembly. The VGGTs formulate rights-based and citizen centered principles for land governance, underlining the importance of vulnerable groups, women's land rights and the protection

⁷ USAID (2016): Draft Transition Plan for Implementation of the Liberia Land Authority.

⁸ A Country Partnership Framework has not been developed at this point, wherefore the CPS is used as a reference in this document.



of customary land rights. Furthermore, the Sustainable Development Goals (SDGs) include specific targets on land tenure under SDG1 on Poverty and SDG5 on Gender. The project will contribute to addressing land challenges, and be implemented in accordance with these new global initiatives. Importantly, the project will assist the Government of Liberia (GoL) to implement its Land Rights Policy and develop the plans and processes for addressing land rights challenges in Liberia.

18. The project could contribute to climate change adaptation and mitigation in the long term. The project seeks to support a land administration reform that is expected to result in increased tenure security in the future. This in turn would provide incentives for long-term investments and improvements of smallholders on their land, fostering environmental resilience. Smallholders with secure rights to land tend to prevent soil erosion, invest in tree planting and preserve forests more than landholders without secure rights. However, the project seeks to lay the foundation for these developments only, wherefore direct impacts on climate change adaptation and mitigation are not expected in this phase.

II. PROJECT DEVELOPMENT OBJECTIVES

A. PDO

19. The Project Development Objective (PDO) is to strengthen the institutional capacity of the Liberia Land Authority and establish a land administration system.

B. Project Beneficiaries

20. The direct beneficiary of the project will be the LLA. Capacity building activities, the development of business plans, and provision of equipment will benefit the LLA staff to execute their duties. The establishment of an inventory of tribal land certificates will benefit the LLA by providing a clearer picture on the land rights situation in the country. The establishment of a geodetic network will benefit other government entities as well. The indirect beneficiaries are customary and private land rights holders. The project will develop key land laws, regulations and plans which will benefit customary and private land rights holders in Liberia, including individuals and communities, as well as the public and private sectors. Communities in rural areas, including women and vulnerable groups (e.g. youths and elderly), will benefit from awareness raising campaigns focusing on land rights and the decentralization of LLA's services. The analysis of the tribal land certificates inventory will benefit land rights holders in the long term to better understand the legal implications of tribal land certificates.

C. PDO-Level Results Indicators

21. The PDO-Level Results Indicators are as follows:
 - i. LLA departments are functional, with managers and minimum technical staff in place.
 - ii. Policy and processes for identification and recording of customary land rights are developed and adopted.
 - iii. System for recording and managing land rights information is established.



III. PROJECT DESCRIPTION

A. Project Components

22. The PDO will be achieved through four components. The project seeks to establish a land administration system, which includes the processes and infrastructure required to implement land policies and laws focusing on identification, ownership, use, and valuation of land.⁹ Component 1 will contribute to this objective by developing the respective land laws and regulations, and conducting awareness raising campaigns on the subject matter. Component 2 will contribute to the establishment of a land administration system by analyzing tribal land certificates, based on an inventory of existing tribal land certificates and analysis of this data. Component 3 will support the establishment of a geodetic network as well as assessments and pilots that will inform procedures for the establishment of a land administration system to secure land rights and deliver land services to citizens, and the public and private sectors. The project also seeks to strengthen the capacities of the LLA. Component 1 will strengthen the LLA's institutional capacities through the development of business plans and administrative procedures, trainings and logistical support. Component 2 and 3 will contribute to the institutional capacity building by increasing LLA's knowledge and supporting the necessary analysis for the establishment of the land administration system.
23. **Component 1: Support to the Liberia Land Authority (US\$ 2.29 million):** With the passage of the LLA Act by the Legislature in October 2016, the LLA has the legal mandate for land administration in Liberia. Even though the LLA has been legally established, and the Transition Committee has been appointed by the President, the LLA will need support in key areas to become operational.¹⁰ Activities will focus on support to the operationalization of the LLA and its core responsibilities, including but not limited to: developing land laws/regulations (including land use planning, policy and management) and administrative procedures; developing business systems, plans and processes, and a strategic investment strategy for financial sustainability; capacity building¹¹; communication and awareness raising¹²; and acquisition of office equipment, furniture, supplies and vehicles necessary for conducting the work of the LLA and the project, as well as minor renovation of LLA's offices. Work on legislation will be informed by the social assessment and other consultations and will be sensitive to vulnerable or disenfranchised groups.
24. **Component 2: Support for inventory and analysis of tribal land certificates (US\$1.12 million):** Tribal land certificates refer to a legal document signed by the Tribal Authority and issued by the County Land Commissioner under the 1956 and 1973 Public Lands Laws certifying that the local community consents to the land being sold as public land and that the land is not part of a Tribal Reserve and not otherwise

⁹ GoL (2015): Land Administration Policy.

¹⁰ For details, see: USAID (2016): Draft Transition Plan for Implementation of the Liberia Land Authority.

¹¹ Including lessons from: Jafain Consortium, Inc. (2015): Training Needs Assessment and Capacity Building Plan for the Land Sector in Liberia; USAID (2016): Institutional Audit of the Key Liberian Land Governance Institutions.

¹² Including lessons from previously conducted awareness raising activities: Governance Commission (2008): Regional Consultative Meetings on Land; LLA (2017): Workshop Report. Consultation with Traditional Leaders, Legal professionals and Civil Society Organizations (CSOs) on the Land Rights Bill; LLA & UNMIL (2017): Report. Regional Awareness Workshops on the Liberia Land Authority and The Land Rights Bill.



owned or occupied. While the Government introduced tribal certificates initially as a tool to enable customary land to be sold, many local Chiefs issued tribal certificates to community members under the assumption that the certificate guarantees their tenure security. The different understanding of the Government and the communities about the rights the certificates provide, has led to conflicts and undermined investment. Large, but unknown numbers of tribal certificates exist, but the total extent of areas covered by them is unclear. Inventories were completed in four out of 15 counties and piloted in three other counties with support from United States Agency for International Development (USAID) and Swedish International Development Agency (SIDA). A full inventory process is necessary to provide a broader basis for the analysis of the extent and understanding of tribal certificates, the amount of customary land intended to be transferred to private land, and the overlap of the certificates with other forms of land rights. This component will establish a central database and will support completion of the inventory of tribal land certificates in additional counties, integration of all inventory data, including new and old, in one database, and analysis of the data.

25. **Component 3: Development of a land administration system (US\$1.57 million):** Liberia does not have an organized or efficient system to record and manage land rights information. Further support and analysis to establish a land administration system is required, specifically regarding customary land rights.¹³ The activities under this component will support assessments and pilots in key areas of the 2015 Land Administration Policy: survey and mapping; recording of land rights; valuation of land; land use planning; and management of government and public land. It will support assessments and pilots to determine best methods for collecting, recording and managing land rights information. Under this component, the project will support the development of strategies and options, leading to the establishment of a land administration system in Liberia (deed or title based). Project support will also focus on necessary steps to establish a geodetic network¹⁴ as well as the plan for decentralization of land related services. Activities to support land valuation could include the development of regulations, guidelines, standards and procedures for the valuation of land and property. Further, a coordinated institutional framework for the management of both government and public Land could be supported under this component.
26. **Component 4: Project coordination, monitoring and evaluation (US\$1.60 million¹⁵):** The project will be implemented through a PIU under the LLA. There is a need to ensure that the LLA has adequate capacity to provide effective project management, fiduciary support (financial management and procurement), monitoring and evaluation of project activities and the establishment of a solid Monitoring and Evaluation (M&E) framework, and support for field supervision of project activities by the Aid Management and Coordination Unit (AMCU) of the Ministry of Finance and Development Planning (MFDP). This component will support operational costs required for project implementation within the framework of the LLA. The project will also undertake the baseline study and social assessment, and the mid-term and end-of-project evaluations to assess performance and document important lessons to

¹³ For details, see: Marquardt, M. & M.A. Pay-Bayee (2011): Study on Assessing the Potential Role of Land Title Registration in Liberia; Thomson Reuters (2012): Implementing an Affordable, Rapid Deployment Land Records Management Solution for Liberia; USAID (2012): Customary Land Tenure in Liberia: Findings and Implications Drawn from 11 Case Studies.

¹⁴ Based on previously conducted work. See USAID, MCC (2012): *Strategy for Modernizing the Geodetic Infrastructure of Liberia*

¹⁵ An additional US\$ 0.42 million to refinance a Project Preparation Advance (PPA) will be covered by this component as well, making the total for this component US\$2.02 million.



inform adjustments during project implementation and the design of future operations.

B. Project Cost and Financing

27. The total project cost will be financed from International Development Association (IDA) in a form of Grant.

Project Components	Project cost US\$ millions	Trust Funds ¹⁶
Component 1: Support to the Liberia Land Authority	2.29	0
Component 2: Support for inventory and analysis of tribal land certificates	1.12	0
Component 3: Development of a land administration system	1.57	0
Component 4: Project Coordination, Monitoring and Evaluation	1.60 ¹⁷	0
Total Costs	6.58	0
Total Project Costs		0
Front End Fees		0
Project Preparation Advance (PPA) refinancing	0.42	
Total Financing Required	7.00	0

C. Lessons Learned and Reflected in the Project Design

28. Numerous studies, including a key World Bank report,¹⁸ have shown that Liberia's land tenure issues are complex as they stem from the longstanding linkages among land, fragility, and broader development

¹⁶ The table does not yet include potential funds from SIDA in the approximate amount of US\$1.2 million as these have not yet been approved.

¹⁷ The overall amount for component 4 is US\$2.02 million as reflected elsewhere in this document. This amount consists of US\$1.60 million to support the component's activities and US\$0.42 million to refinance the PPA as reflected in the project cost and financing table.

¹⁸ World Bank (2008): Insecurity of Land Tenure, Land Law and Land Registration in Liberia.



challenges. The land sector issues and deficiencies in Liberia affect the policy-making and development effectiveness. The intersection of land tenure and land use and management practices, with the commoditization of the country's resources is a central underlying tension for land administration reforms, with overlapping concessions and interests among communities, agribusinesses, mining areas and forestry. This has led to land tenure insecurity among the rural population, including youth, women, and other vulnerable groups, which raises great concern for the sustainable livelihoods of the majority of the Liberian population. As such, interventions to address land tenure issues should consider Liberia's specific historical context and perspectives. The LLA is already doing extensive outreach to the public to introduce its mandate and role. The project will continue to support this outreach and finance specific public awareness and education campaigns on land issues, the LLA, land administration and the like.

29. The World Bank's Rehabilitation of Reform of Land Rights and Related Land Matters Project (P117010) in Liberia has shown that most of the institutions with mandates over land have capacity related challenges that affect the efficiency with which land sector services are provided. A key lesson learned from this land project in Liberia, but also land projects globally, is the importance of strong coordination and streamlining of responsibilities and mandates for the land sector. The establishment of a land authority, such as the LLA, will support this overall leadership and coordination in the land sector. The project will support the LLA to develop the necessary protocols and other coordination mechanisms with other relevant entities to support its key role in managing land issues.
30. Global lessons from World Bank Land Administration Projects have shown that interventions need to be tailored to the local capacity and that measures to enhance capacity should be factored into design when needed.¹⁹ The World Bank's experience shows that professionalization of land agency staff is important to improving the population's confidence in the transparency and effectiveness of land agencies and the demand for the services. The World Bank's Land Administration Project in Ghana (P071157) has however shown that consolidating land agencies does not in itself ensure that their efficiency will improve and that there is a risk that the previous agencies will continue to operate as separate entities. The project has taken these lessons into account by including capacity building of the LLA. The activities will include team building efforts to ensure that the previous agencies operate as a joint entity.
31. The World Bank's global experience with Land Administration Projects has also shown that these require medium - to long-term support.²⁰ Taking this long-term nature into account, the project's expectations were set in terms of what is realistic to achieve within a single project period. This has been factored into the project's design as the project aims to lay the foundation for potential follow-up projects, which could build on the achievements of this project, e.g. through country-wide demarcation, adjudication and recording of land rights.

IV. IMPLEMENTATION

¹⁹ World Bank/IEG (2016): Lessons from Land Administration Projects: A Review of Project Performance Assessments.

²⁰ Ibid.



A. Institutional and Implementation Arrangements

32. The LLA will be responsible for project implementation. With the passing of the LLA Act by the Legislature, the LLA has the legal mandate for land administration in Liberia. The Commissioners (four of five) have been nominated and three, including the Chairperson, were confirmed by the Senate, and have been appointed by Government. The Transition Committee has been appointed by the President of Liberia and will be responsible for the implementation of the one-year transition plan for the LLA. The MFDP has approved a budget for a one year transition period. The Transition Committee will have representatives from the Department of Lands, Surveys and Cartography (DLSC), the Center for National Documents and Records Agency (CNDRA), the Ministry of Internal Affairs, the MFDP, and the Civil Service Agency, among others, and will support LLA to transfer and hire staff and fully establish itself.
33. To support the LLA to implement its first World Bank financed project, a PIU will be established within LLA to be staffed by experienced consultants and to support the LLA staff in key project functions – project management, procurement, financial management, safeguards supervision, and monitoring and evaluation. A Project Coordinator will be hired under the project to coordinate and manage project activities – full time. The technical staff of LLA will be involved in preparing technical specifications and terms of reference (ToR) as needed for the project. The Project Coordinator will be responsible for: (i) preparing Annual Work Plans and Budgets and the annual procurement plan; (ii) aggregating demand from LLA departments to be approved by the LLA senior management; and (iii) facilitating effective coordination and implementation of the work plan through regular review meetings with relevant LLA departments. The Project Coordinator will report regularly to the LLA Project Director – a staff member appointed by the LLA before the effectiveness of the project, to manage all externally financed projects.
34. The PIU will consist of at minimum a Project Coordinator, Procurement Specialist, FM Assistant, Monitoring and Evaluation Specialist and an Administrative Assistant, all financed by the Project with TORs acceptable to IDA. Other specialists may be hired on an as needed basis to supplement LLA's capacity, e.g. Safeguard Specialists or technical staff to provide more support for preparation of TORs and technical specifications. An international procurement consultant, with significant experience in World Bank procedures, will be hired for the first year of the project, and then on an as-needed basis, to provide additional support to the LLA and capacity building for the PIU and LLA staff. The PIU will perform the following specific functions: (i) provide support to the Project Coordinator to prepare annual work plans and budgets; (ii) carry out all procurement work related to the project as per approved procurement plans; (iii) prepare regular monitoring reports on World Bank safeguards implementation; (iv) prepare quarterly, semi-annual and annual project progress and M&E reports; and (v) plan and organize all M&E activities, including baseline studies, the social assessment, and thematic impact assessment studies.
35. The PIU specialists will all work with similar specialists in the LLA – for example the PIU Procurement Specialist with the procurement staff in LLA – to train and transfer skills to the LLA staff with the goal that the LLA staff are able to take over the PIU functions within years 3 or 4 of the start of the project. This will be assessed annually by the LLA management and the World Bank team to determine what PIU tasks could be taken on fully by LLA and what should remain.
36. The Project Financial Management Unit (PFMU) in the MFDP is currently managing the fiduciary services



for all World Bank financed projects in Liberia, and the Liberia Land Administration Project (LLAP) will be implemented in the same way. Accounting functions will be undertaken by the PFMU for the project according to the standard Memorandum of Understanding (MoU) to be signed between the LLA and MFDP. The PFMU is being managed by a qualified professional accountant and is well experienced in World Bank assisted projects. The PFMU is adequately staffed with qualified project accountants. An experienced qualified accountant will be identified at the PFMU and designated for the project. LLA will provide a financial management officer or financial management assistant from LLA staff to liaise with the PFMU and for capacity building/skills transfer.

B. Results Monitoring and Evaluation

37. The PIU will be responsible for results monitoring and evaluation. The PIU will prepare a monthly monitoring table and quarterly progress reports. The results framework, including the Annual Work Plan and Budget, Financial Management Plan and overall Procurement Plan have been designed during project preparation and form part of the Project Implementation Manual (PIM). The PIM will include all periodic reporting, monitoring and evaluation arrangements throughout the project cycle. The PIU in coordination with the LLA will collect data on outcome and intermediate outcome, output and input data as described in the Results Framework (Chapter VII of this document).
38. Apart from quarterly reports and standard monitoring arrangements, the PIM will specify the independent operational assessment at mid-term and at the end of the project, which will identify ways to improve project implementation (mid-term) and provide an impact assessment (at project end). To strengthen the project monitoring and evaluation related outcomes, baseline data will be collected from participating agencies and communities during year 1 of project implementation. The PIU will prepare and submit progress reports to the World Bank on a quarterly basis.

C. Sustainability

39. The whole project is designed to build sustainability of the LLA and the land administration system in Liberia. Key project outputs will strengthen LLA, establish the land administration system and build the capacity of LLA to deliver services.
40. A critical factor affecting sustainability is the challenge related to the attitude of key public service agencies and their staff, which are now required to perform a new role under the LLA, moving from gatekeeper to service provider or facilitator. This will be particularly critical in rural areas, where the local community's perceptions of the Government may be less certain than in urban centers. To address this issue, the project has built in public awareness and staff sensitization activities to be carried out by the LLA through the PIU.
41. In terms of financial sustainability, CNDRA is generating revenues through the registration of deeds. As the deeds register of CNDRA will be subsumed by the LLA, the generated revenues will form part of LLA's budget. The business plans that will be supported under Component 1 will include a review of this source of income and explore further possibilities to ensure that the LLA becomes a financially sustainable institution in the long term.



42. The political support for the project has been high throughout project preparation. The elections in October 2017 could impact this political support for the project and land administration reforms under a new Government. However, the LLA has been established by law as an independent authority so even if the Government changes its position on land, the LLA and its Commissioners will continue their work.²¹

D. Role of Partners

43. The project will be implemented in collaboration with the development partners that have been supporting the land sector in Liberia.²² The collaboration will build upon the current arrangements where key development partners such as the European Union (EU), Food and Agriculture Organization (FAO), United Nations Development Program (UNDP), UNMIL, United Nations Economic Commission for Africa (UNECA), USAID, and SIDA have been closely working together with the World Bank through the Land Donor Working Group to ensure coordinated support to the land sector. The regular donor coordination process will be supported and continued under the project to avoid duplication of work and ensure that the LLA is informed about all land related support activities.
44. The Embassy of Sweden in Monrovia/SIDA has expressed interest to provide funding to the LLA. The funding amount of approximately US\$1.2 million is expected to be used for additional support for capacity building, trainings, establishment of business procedures and other activities supporting the LLA that are yet to be determined in detail. The planned but not yet operational Swedish support would remain separate and run parallel to the LLAP.
45. Since 2015, USAID has financed the Land Governance Support Activity (LGSA), which supports the strengthening of land governance; human and institutional capacity; development of a customary land rights recognition model based on the Land Rights Policy; and stakeholder engagement in land governance. This has been done through communications and outreach activities, capacity building, and support for policy. The project has been planned in close cooperation with the LGSA to ensure synergies and avoid duplication of work.
46. The EU through the Sustainable Development Institute, Catholic Agency for Overseas Development and Welthungerhilfe has launched a three-year Land Rights for Liberia Project. The project focuses on efforts to encourage the passage of the Land Rights Act, and improve the advocacy and organizational capacities of Civil Society Organizations (CSOs), with a special focus on the Civil Society Organization Working Group on Land Rights. The project will ensure an ongoing dialogue with the involved donors and Civil Society Organizations.
47. In April 2016, the World Bank approved the Liberia Forest Sector Project (P154114), which seeks to

²¹ Per section 17.1 of the Liberia Land Authority Act the Chair and Commissioner for Land Administration are appointed for five years, the Vice Chair and Commissioner for Land Use and Management for four years and the Commissioner for Land Policy and Planning for three years. Section 28.1 of the Act provides that all commissioner, including the Chairman, hold office for five years and be reappointed for not more than two terms. In either case the LLA can continue their work even if the elections have an influence on the Government's commitment to land tenure reform.

²² See for example LLC & EU (2011): *Support to the Land Commission to elaborate the land inventory of Liberia and to create a model for participatory territorial planning*; and Agwanda, T. (2016): *"Support to the Liberia Land Commission" Project Phase II. Evaluation Report Submitted to UNHABITAT Liberia.*



improve the management of, and increase benefit-sharing in, targeted forest landscapes. Under Component 2 (Strengthened Capacity for Management of Targeted Forest Landscapes) the project seeks to improve land use planning in Liberia by strengthening land use planning capacities and preparing land use maps at the sub-national and national level. These activities will be funded with US\$1.3 million and are expected to be implemented by the LLA once it is fully functional. An MoU between the project's implementing entity and the LLA has been signed.

V. KEY RISKS

A. Overall Risk Rating and Explanation of Key Risks

48. Given the complexities of the sector and the weak government capacity, the overall risk of the proposed project is rated as **High**. However, the implementation of the project is essential for the economic growth and development of Liberia and the project design seeks to mitigate the risks to the extent possible.
- i. **Political and Governance:** The risk is rated as high. Elections in October 2017 could potentially lead to changes in policy and priorities with the new Government not as committed to addressing land challenges. However, the LLA is an independent authority so even if the Government changes its position on land, the LLA and its Commissioners will continue their work.
 - ii. **Macroeconomic:** The risk is rated as substantial. The Liberian economy has alternated between impressive growth performance dating back to the 1950s and a devastating growth collapse due to the conflict in 1990s. Due to the Ebola outbreak in 2014, the economy went into the lasting recession after a decade of high growth rates. Given that the predecessor organizations of the LLA are generating revenues and that the LLA is expected to generate revenues in the long term, macroeconomic risks also affect revenue generation in the land sector and therefore the LLA's sustainability. The project team will monitor macroeconomic developments with the CMU.
 - iii. **Sector Strategies and Policies:** The risk is rated as substantial. The LLA Act was passed by the Senate but the process was cumbersome and time consuming. The same is true for the confirmation process of the LLA Commissioners. The passing of the Liberia Land Rights Act is still pending and it is unclear if the Act will be passed before the elections in October 2017. The support of a new administration for land sector reforms cannot be predicted and therefore the passing of the Land Rights Act could be prolonged. However, the project activities could still go forward even if the Land Rights Act is not passed.
 - iv. **Technical Design of Project:** The risk is rated as substantial. The project design envisages an administrative reform in the land sector, which involves the transition from at least three other government entities to the LLA. The establishment of tribal certificate inventories will build on lessons learned and best practices from tribal certificate inventories already conducted. The project design is intended to be flexible to allow for changing circumstance, and potential complementary support from other development partners.
 - v. **Institutional Capacity for Implementation and Sustainability:** The risk is rated as high. Professional and technical capacity in land administration and land management is low. The LLA is a new government body, which needs to establish its own processes and procedures. The project will help to build the LLA's capacities and will ensure through close supervision that a



- sustainable implementation approach is followed.
- vi. **Fiduciary:** The risk is rated as substantial. The project is the LLA's first World Bank financed project and therefore capacities are low, and understanding of government responsibility in management of the activity is limited. The PFMU in the MFD is currently managing the fiduciary services for all World Bank financed projects in Liberia but the LLA needs to develop its own capacities. To mitigate the risks, the LLA will hire experienced consultants to conduct the fiduciary work and build the capacities of the LLA.
 - vii. **Environmental and Social:** The risk is rated as moderate. The environmental footprint of the project is expected to be minimal. Though some activities envisaged under the project, including minor renovation of office infrastructures, may pose negative impacts on the environment, overall, potential negative impacts associated with these activities are expected to be minimal, reversible and manageable. The environmental risk is therefore low. The project activities would not require land acquisition. Displacement (physical or economic) is therefore not anticipated and OP 4.12 is not triggered. A social assessment study has been planned as part of initial activities during project implementation. This would inform the extent of likely social impacts and risks of the project. Given that there are potential issues around land the risk is assessed as moderate.
 - viii. **Stakeholders:** The risk is rated as substantial. Some stakeholders might object to the project's objectives as they benefit from the status quo. Within this group are powerful landowners who benefit from an opaque land administration. Development partners, especially USAID, are very supportive of the land sector reforms and have funded or are funding supportive activities. The project will support information and awareness raising campaigns and engage internal and external stakeholders in an ongoing dialogue about the land sector reforms to minimize the impact of those opposed to the objectives of the project.
49. The project has been screened for climate and disaster risks through the World Bank's Climate and Disaster Risks Screening Tool. The PDO and project activities are not expected to be negatively affected by an increase of extreme temperatures, droughts or strong winds. Extreme precipitation and flooding as well as sea level rise are not expected to affect the project as such but could potentially affect office buildings of the LLA, which might be supported through minor renovations under Component 1.

VI. APPRAISAL SUMMARY

A. Economic and Financial Analysis

50. **Rationale for Public Sector Financing.** The land sector is a public sector, managed by public institutions. The project investment will result in public goods of global, national and local importance that justify the allocation of public services and financing. The project will strengthen the enabling environment (including legal and regulatory reform and institutional capacities) for improved land administration. With the establishment of a land administration system, the long-term vision is for LLA to become a revenue generating agency with funding to sustain and upscale land administration services.
51. **The World Bank's Comparative Advantage and Value Added.** The World Bank has been involved in the land sector in Liberia since 2009 through the Rehabilitation and Reform of Land Rights and Related Land Matters Trust Fund (TF094864). Through this trust fund the World Bank supported Liberia's new Land



Rights Policy as well as drafts of the Land Rights Law, Land Administration Policy and Urban Land Use Policy. Capacities of the Liberia Land Commission were strengthened and more than 50,000 land deeds were digitized. In addition, the World Bank has an extensive global experience in the land sector, including the design and implementation of land administration projects as well as analytical work on land in Sub-Saharan Africa, including countries from the region such as Ghana.

52. **Cost Benefit Analysis:** The estimated economic rate of return for the project is 25 percent with a benefit cost ratio of 1.96 and a discounted net present value (NPV) estimated at US\$72.6 million. This is a somewhat lower-bound estimate due to the very conservative assumptions adopted to perform the analysis.
53. **Financial Analysis:** The financial analysis considers two key aspects. The first aspect pertains to the expected budgetary allocations for the LLA which has just been formed. It is estimated that the LLA would be funded at about US\$2.0 million annually to be able to cover its operating costs. The second aspect pertains to the ability of the newly created LLA to sustain itself through revenues generated from its services, both current as well as future. This analysis is largely inconclusive due to the lack of data. However, the LLA is not expected to be self-sustaining in the short to medium term.
54. **Fiscal Impact:** The project's narrative fiscal impact analysis is based on a cursory review of the (a) real estate transfer tax (abbreviated as RETT – revenues collected from deeds registration by CNDRA on behalf of the Ministry of Finance); and (b) property tax (as enforced by the Liberia Revenue Authority). It is expected that there will be important fiscal benefits accruing to the project's investments.

B. Technical

55. **Legal assessment:** The project seeks to support a land administration system and increase the institutional capacities of the LLA. The LLA Act was passed by the Legislature in 2016 and established the LLA as an autonomous agency. The Act defines the LLA's mandate as to develop policies on a continuous basis, and undertake actions and implement programs in support of land governance, including land administration and management. Land is currently governed by several laws, including: (i) the Aborigines Law of 1956; (ii) the Public Lands Law of 1956 and 1973; (iii) the Property Law; (iv) the Zoning Act of 1958; and others. The land law in Liberia is pluralistic and consists of a) a common law on land derived from American common law; and b) a customary law on land based on the practices of traditional communities and recognized by the Constitution as governing land not brought under the common law. The legal interface and interactions between these systems is vague. The Liberia Land Commission has taken these shortcomings into account when it developed the Land Rights Act, which is pending approval before the Legislature. The current project design does not depend on the passing of the Land Rights Act but could expand its activities if the Act is passed during the project's lifetime. The project will support the LLA to develop further policies, laws and regulations on land issues.
56. **Institutional assessment:** The LLA has the mandate for all key functions necessary to implement the Project. The LLA now has three of five Commissioners appointed and this is a quorum and the LLA is considered operational. The President has nominated the Transition Committee to begin the one-year transition process. The LLA will subsume the functions of the Department of Lands, Surveys and Cartography (DLSC) from the Ministry of Mines and Energy, the Deeds Registry currently within CNDRA,



and relevant functions from the Ministry of Internal Affairs (e.g. County Land Commissioners). The Transition Committee will support the LLA to transfer the staff, assets and records that are now part of LLA's mandate. A transition strategy and draft organizational chart have been prepared and will serve as key working documents for this transition period. The project has been designed to further support this transition process and to build the capacity needed to implement the project incrementally.

57. **Capacity assessment:** The capacities of the predecessor institutions that the LLA will subsume (DLSC, CNDRA etc.) are low. According to the Institutional Audit prepared by the USAID LGSA, of the 132 "surveyors" currently employed by DLSC, only 28 are licensed and of those only six have a college degree. The levels of educational attainment are better at CNDRA, however even there it is mixed, with some staff with BAs, BSc, and others with only basic schooling. CNDRA has had more capacity building and training and has a well-functioning scanning center (though in need of new equipment). It is not clear how many staff and what equipment will transfer to the LLA, though it is clear that capacity needs will remain significant. There are a number of other functions of the LLA – dispute resolution, land use planning, and state land management – for which there are only minimal skilled persons available in Liberia. Other concerns relate to capacities for IT and conservation of records. The project will support trainings, and finance study tours, workshops and conferences to increase the capacities of the LLA. Other donors are also providing capacity building support and the PIU M&E specialist will maintain a record of all trainings/capacity building provided to ensure no duplication. The specific capacity building activities will be based on a Training Needs Assessment carried out in 2015 to be updated during year one of project implementation and on annual training plans agreed between LLA and the Association.

C. Financial Management

58. Given that the PFMU in the MFDP is currently managing the fiduciary services for World Bank financed projects in Liberia, the project will build on existing FM arrangements which have been assessed as adequate for ensuring that: (1) the funds are used only for the intended purposes in an efficient and economical way; (2) the preparation of accurate, reliable and timely periodic financial reports; (3) the safeguarding of the entity's assets; and (4) adequate fiduciary assurances are provided through an independent audit of the project. The LLA and the PMFU/MFDP will sign an MoU stipulating the role of the 'Parties' including the financial management services to be provided by the PFMU during project implementation.
59. **Accounting** functions will be undertaken by the PFMU for the project. The PFMU is being managed by a manager who is a qualified professional accountant and well experienced in World Bank assisted projects. The PFMU is adequately staffed with qualified project accountants. An experienced qualified accountant will be identified at the PFMU and designated for the project. The project accountant would be supported by a finance officer assigned to the project. The details for the assessment for the FM elements are as below:
60. **Budgeting.** The PIU in the LLA, supported by the accountant in the PFMU, will be responsible for preparing the project annual work plan and budget. The work planning and budget will equally be based upon the agreed program to be financed. The key components would be included in the project annual work plan and budgets. The annual work plan and budget will be reviewed and agreed with the World Bank, and No objections will be issued by the World Bank Task Team Leader (TTL). The implementation



of the budget will be monitored through quarterly Interim Unaudited Financial Reports (IFRs). The budget amounts will be incorporated and compared with the actual in the IFRs and any significant variances established. The project accountant will include in the IFRs the explanations for significant variance.

61. **Internal Controls and Audit.** PFMU has laid down internal control procedures and processes as enshrined in the financial practice manual. The manual provides for the financial transactions to be initiated, authorized and approved by appropriate personnel. The internal control procedures adequately provide for the proper segregation of duties between approval, execution, accounting and reporting functions. The PFMU has a centralized Internal Audit Unit with qualified Internal Auditors who conduct internal audit reviews of World Bank assisted projects. This unit which is headed by a Certified Fraud Examiner will be responsible for the internal audit functions of the project. Periodic internal control reviews will be conducted by the PFMU manager. The internal audit unit will generate and furnish internal audit reports to the World Bank and other relevant stake holders, 45 days after the end of each quarter. In addition, the project will provide, as an annex to the financial statements, an inventory of fixed assets acquired, according to asset classes, dates of purchase, location, and cost.
62. **Accounting and maintenance of accounting records.** Accounting for the use of the project funds, using International Public Sector Accounting Standards (IPSAS) cash basis of accounting, will be carried out by using the SUN accounting system. The system is capable of recording and generating adequate accounting information for the project. The accounting services of donor funded projects are being configured into the Integrated Financial Management Information System (IFMIS). The project will, upon the satisfactory configuration of the donor projects into the IFMIS, also be migrated to the IFMIS. The project will be trained on the IFMIS application and the transitioning will not impact negatively on the project.
63. **Periodic Financial Reporting.** The PFMU will be responsible for preparing the IFRs. The IFRs will be submitted to the World Bank within 45 days after each fiscal calendar quarter. The PIU, prior to submitting the IFR to the World Bank, will equally submit the IFRs to the project coordinator for review. The existing IFR format currently used by the PFMU will be modified consistent with the project categories/components and will be used for the IFRs reporting. The PFMU will also prepare the annual project financial statements two months after the end of each of GoL's fiscal year, ready for submission to the auditor for the annual audit. The project financial statements will be prepared in accordance with IPSAS – cash basis. The financial statements will comprise, at a minimum, of: (a) Sources and uses of funds (summary of Expenditures shown under the main program headings and by main categories of expenditures for the period); and (b) Notes to the financial statements, including background information on the project, the accounting policies, detailed analysis and relevant explanation of the main accounts/major balances, etc.
64. **External Audit Arrangements.** Audited financial statements would be submitted to the World Bank six months at the end of the GoL's Fiscal Year. The independent and qualified auditor, acceptable to the World Bank, will be selected to carry out the audit of the project. The selection of auditors will be on competitive basis and in accordance with the World Bank's Procurement Regulations. The project will select the external auditor four months into project effectiveness. The project financial statements including the cash movements in the designated accounts will be audited in accordance with



International Standards on Auditing (ISA) 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 in respect on the financial statements, including the management letter, will be furnished to the World Bank within six months after each end of the GoL's fiscal year.

65. The description of the project's financial management arrangements above indicates that they satisfy the World Bank's minimum requirements of the World Bank Directive: Financial Management Manual for World Bank Investment Project Financing (IPF) Operations (Catalogue Number OPCS5.05-DIR.01) Issued (Retrofitted): February 4, 2015 and Effective from March 1, 2010 and; World Bank Guidance: Reference material - Financial Management in World Bank IPF Operations (Catalogue Number OPCS5.05- ID.02) Issued and effective February 24, 2015. The Control Risk is as assessed as Moderate, and the overall FM risk is assessed as Substantial.
66. Consistent with the risk rating an annual FM implementation support mission will be carried at PFMU for the project. The FM supervision missions' objectives will include reviewing the financial management systems maintained for the project.
67. **Disbursements.** Funds will be disbursed directly into a Designated Account (DA) to be set up and managed by the PFMU. The DA will be established in US Dollars at the Central Bank or a commercial bank in Liberia, acceptable to the Association. The project provides for the use of advances, reimbursements, special commitments and direct payments as applicable disbursement methods, and these will be specified in the disbursement letter. An initial advance as per Disbursement Letter will be provided to the project and the project accountant will submit promptly the withdrawal application for the initial deposit upon project effectiveness in the amount, as per the agreed upon DA ceiling. Replenishments, through fresh withdrawal applications to the World Bank, into the designated account will be made subsequently, at minimum of monthly intervals, but such withdrawals will equally be based upon documentation of prior funds received in the DA through a Statement of Expenditures (SOE). Supporting documentation will be retained by the implementing agencies for review by the IDA missions and external auditors. Any advances made for contracts will be secured against a bank guarantee or performance-based bonds.

D. Procurement

68. The LLA will carry out procurement for the project in accordance with the World Bank's "Procurement Regulations for IPF Borrowers" (Procurement Regulations) dated July 1, 2016 under the "New Procurement Framework (NPF), and the "Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants", dated October 15, 2006 and revised in January 2011 and as of July 1, 2016, and other provisions stipulated in the Financing Agreement.
69. Procurement under this project will be carried out by the LLA's PIU.
70. The LLA, as well as bidders, and service providers, i.e. suppliers, contractors and consultants will observe the highest standard of ethics during the procurement and execution of contracts financed under the Project in accordance with paragraph 3.32 and Annex IV of the Procurement Regulations.



71. As part of the preparation of the project, the LLA (with technical assistance from the World Bank) has prepared their Project Procurement Strategy for Development (PPSD) which describes how procurement activities will support project operations for the achievement of project development objectives and deliver Value for Money (VfM). The procurement strategy is linked to the project implementation strategy, ensuring proper sequencing of the activities. The PPSD considers institutional arrangements for procurement; roles and responsibilities; thresholds, procurement methods, and prior review, and the requirements for carrying out procurement. It also includes a detailed assessment and description of LLA capacity for carrying out procurement and managing contract implementation, within an acceptable governance structure and accountability framework. Other issues considered include, the behaviors, trends and capabilities of the market (i.e. Market Analysis) to respond to the procurement plan. The market analysis shows that the supply market in Liberia is externally driven as there is no manufacturing industry. Land professionals (e.g. urban planners, surveyors, demographers, property lawyers) are also limited in Liberia. Most of the procurement will be technical assistance and consultancies and are likely to attract the external market. The LLA will endeavor to understand the supply market for the land sector and its progress. Opportunities will be explored to maximize the involvement of local contractors, suppliers and consultants in the delivery of the project outputs.
72. A detailed procurement description and institutional arrangements can be found in Annex 2, Implementation Arrangements.

E. Social (including Safeguards)

73. Several assessments in the land sector have highlighted issues regarding the legal and social context of land and land administration activities. Issues include those related to gender and land use rights, for example, exclusion of women from land related decision-making processes and lower access than men to information on land issues. A desk review of legal, social and institutional issues around land have revealed the following: women are at risk of not having access to land/loosing access based on customary norms and even under statutory law, the marital regime is unclear on joint property rights in marriage; women and men in informal settlements and Internally Displaced Persons (IDPs) have little tenure security and laws and policies are lacking to improve their tenure situation.
74. The project does not trigger any social safeguards but the baseline survey and social assessment to be prepared by the project in year one will provide additional quantitative data on vulnerable groups and others. Given the challenges related to women's land rights, the project will ensure that all laws, regulations, and plans will be drafted in a gender sensitive way. Further, the project will include public awareness activities to improve men's and women's understanding of their rights to land as a result of the on-going land reform agenda and related interventions including this project.
75. The LLA has a mechanism in place for consultation with civil society - the Civil Society Working Group on Land Rights Reform. This mechanism has been used for consultations on the land policy and the land law and will continue under project implementation for consultations on policy changes, regulations and procedures to implement the land policy and the land law.
76. The project will support the development of an effective communication/ stakeholder consultation strategy, Borrower capacity assessment and setting up a project level Grievance Redress Mechanism to



facilitate timely recording of complaints and resolution of likely concerns during project implementation (see Annex 1 for additional information on Grievance Redress Mechanism (GRM)).

F. Environment (including Safeguards)

77. The Environmental Category assigned for the project is B (Partial), since it is expected that environmental and social impacts will be moderate, and in most cases, manageable. The project triggers OP 4.01 (Environmental Assessment) and OP 4.36 (Forests). Most project activities are office based, however some renovation works may be involved that have potential impacts but are manageable. The renovation works are not defined at this stage. OP 4.36 (Forests) has been triggered because Component 1 of the project will provide support to the LLA, and this will include, among other activities, “work on legislation”. It is not clear at this stage what “work on legislation” will entail, hence its impacts on access to, and use of, forest resources cannot be established. OP 4.36 has been triggered as a matter of precaution as work on land related legislation could have potential impacts on the health and quality of forest, affect the rights and welfare of people dependent on forests, or bring about changes in the management, protection and utilization of forest resources, e.g. through forest boundary demarcation provisions. The likely environmental and social impacts as well as the mitigation measures have been developed through the detailed Environmental and Social Management Framework (ESMF), which was undertaken as part of project preparation.²³ Where required after further assessments, other safeguard instruments with mitigation measures will be put in place to address any potential or real negative social and environmental impacts.

G. Other Safeguard Policies (if applicable)

78. N/A

H. World Bank Grievance Redress

79. Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance redress mechanisms or the WB’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 WB’s independent Inspection Panel which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank’s attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank’s corporate Grievance Redress Service (GRS), please visit:
<http://www.worldbank.org/en/projects-operations/products-and-services/grievance-redress-service>

²³ The ESMF document entitled “*Environmental & Social Management Framework (ESMF), Liberia Land Administration Project (LLAP)*”, dated June 2017 was disclosed locally in ‘The Inquirer’ newspaper and the ‘Executive Mansion’ website (<http://www.emansion.gov.lr>) on June 23, 2017. The ESMF document was disclosed on the external World Bank website on June 27, 2017.



For information on how to submit complaints to the World Bank Inspection Panel, please visit:
www.inspectionpanel.org



VII. RESULTS FRAMEWORK AND MONITORING

Results Framework

COUNTRY : Liberia

Liberia Land Administration Project

Project Development Objectives

The Project Development Objective is to strengthen the institutional capacity of the Liberia Land Authority and establish a land administration system.

Project Development Objective Indicators

Indicator Name	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source/Methodology	Responsibility for Data Collection
Name: LLA departments are functional, with managers and minimum technical staff in place		Text	No	Yes	Quarterly	Individual department reports and Human Resources department reports, including staff ToRs	LLA
Description: The following steps are required to achieve this indicator: Final LLA structure in place; heads of all departments appointed; key staff identified and hired							
Name: Policy and processes for identification and recording of customary land rights developed and adopted		Text	No	Yes	Quarterly	Drafts of laws, policies and regulations; LLA assessment reports	LLA



Indicator Name	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source/Methodology	Responsibility for Data Collection
Description: The following steps are required to achieve this indicator: Land Rights Act passed; regulations of Land Rights Act developed; process guidelines for identification, recording and managing of customary land rights developed and piloted							
Name: System for recording and managing land rights information established		Text	No	Yes	Quarterly	Drafts of laws, policies and regulations; LLA Department reports; Road map for land administration system	LLA
Description: The following steps are required to achieve this indicator: Policy and processes for identification and recording of customary land rights in place; information on country-wide distribution of tribal land certificates available, and analyzed; geodetic network for surveying and mapping processes in place; land dispute resolution processes determined and piloted; land valuation processes determined and piloted							

Intermediate Results Indicators

Indicator Name	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source/Methodology	Responsibility for Data Collection
Name: Number of business plans developed and administrative procedures adopted		Text	0	5 (1 business plan; 4 administrative procedures)	Quarterly	Business plan and administrative procedure drafts	LLA



Indicator Name	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source/Methodology	Responsibility for Data Collection
<p>Description: The following steps are required to achieve this indicator: Analysis of required business plans and administrative procedures; consultations with relevant stakeholders; drafting, reviewing and finalization of business plans and administrative procedures; dissemination of business plans and administrative procedures</p>							
Name: Number of national land laws developed and regulations adopted		Text	0	-	Quarterly	Land law and regulation drafts	LLA
<p>Description: A target cannot be set because it is unknown at this time how many laws and regulations will be prepared. The following steps are required to achieve this indicator: Analysis of land laws and regulations to be developed; consultation with relevant stakeholders; drafting and reviewing of land laws and regulations; finalization of land laws and regulations if possible; dissemination of land laws and regulations if possible</p>							
Name: Number of staff trained in land related disciplines, disaggregated by gender		Text	0	400	Quarterly	Training reports, including participant lists	LLA
Number of total training days		Text	0	1200	Quarterly	Training reports	LLA
Number of training certificates issued, disaggregated by gender		Text	0	-			
<p>Description: The following steps are required to achieve this indicator: Existing training needs assessment reviewed and updated; LLA capacity building strategy developed; trainings delivered and followed up; training on the job conducted</p>							
Name: Increase of capacities		Text	tbd	baseline +	Quarterly	Skill level assessment of LLA	LLA; Civil Service



Indicator Name	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source/Methodology	Responsibility for Data Collection
of LLA staff in land related disciplines				30%		staff from Civil Service Agency compared to mid-term and end-of project assessments	Agency

Description: The following steps are required to achieve this indicator: Existing training needs assessment reviewed and updated; LLA capacity building strategy developed; trainings delivered and followed up; training on the job conducted.

Name: Increase of awareness of general public and Government entities about LLA and its mandates		Text	tbd	baseline + 25%	Quarterly	Awareness levels from baseline study compared to mid-term and end of project evaluation.	LLA
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Description: The following steps are required to achieve this indicator: Communication and awareness raising strategy developed; key messages disseminated through appropriate communication tools; documentation of reached target groups

Name: Number of counties with a complete tribal land certificate inventory		Text	4	9	Quarterly	Field reports and tribal land certificate inventory database	LLA
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Description: The following steps are required to achieve this indicator: Standardized procedure finalized; field staff trained in procedure; tribal land certificate information collected, scanned and entered in database



Indicator Name	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source/Methodology	Responsibility for Data Collection
Name: Tribal land certificate inventory database established and used for analysis		Text	No	Yes	Quarterly	Tribal land certificate database and analysis reports	LLA
<i>Description:</i> The following steps are required to achieve this indicator: Appropriate database developed; previously collected tribal land certificate data entered in database; tribal land certificate data collected under this Project entered in database; analysis report of tribal land certificate data drafted							
Name: Network of geodetic and survey control points established and functional		Text	No	Yes	Quarterly	Field reports	LLA
<i>Description:</i> The following steps are required to achieve this indicator: Measurement campaign for first order network monuments conducted; final coordinates for monuments provided; geodetic survey report with further provision of coordinate results drafted							
Name: System, capacities and budget for maintenance of geodetic network in place		Text	No	Yes	Quarterly	Confirmed budget reports; training reports	LLA
<i>Description:</i> The following steps are required to achieve this indicator: Analysis of capacities and budget to maintain geodetic network conducted; system for maintaining geodetic network established under the LLA							
Name: Number of decentralized LLA offices established and operational		Text	0	10	Quarterly	LLA strategy; decentralized office reports	LLA



Indicator Name	Core	Unit of Measure	Baseline	End Target	Frequency	Data Source/Methodology	Responsibility for Data Collection
Description: The following steps are required to achieve this indicator: Strategy for establishing decentralized LLA offices developed; decentralized offices established and staffed							

Name: Decision on system of recording of land rights made (deed or title registration)		Text	No	Yes	Quarterly	LLA reports	LLA
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Description: The following steps are required to achieve this indicator: Establishment of a task force within the LLA to develop a long term vision related to land records; costs, benefits, relevance, and appropriateness of each system (title and deed), analyzed

Name: Project M&E system developed and functional		Text	No	Yes	Quarterly	M&E strategy and documentation	LLA
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Description: The following steps are required to achieve this indicator: Baseline conducted; Mid-Term Review conducted; end-of-project evaluation conducted; quarterly monitoring reports submitted to the World Bank; M&E data used to adjust Project implementation as necessary

Name: Grievance Redress Mechanism established and reported on regularly		Text	No	Yes	Quarterly	Consolidated GRM documentation (including data from local LLA offices)	LLA
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Description: This is the citizen engagement indicator for this project. The following steps are required to achieve this indicator: Development of a Grievance Redress Mechanism (GRM); training of staff in use of GRM; regular reporting from decentralized offices to LLA headquarter



Target Values

Project Development Objective Indicators

Indicator Name	Baseline	End Target
LLA departments are functional, with managers and minimum technical staff in place	No	Yes
Policy and processes for identification and recording of customary land rights developed and adopted	No	Yes
System for recording and managing land rights information established	No	Yes

Intermediate Results Indicators

Indicator Name	Baseline	End Target
Number of business plans developed and administrative procedures adopted	0	5 (1 business plan; 4 administrative procedures)
Number of national land laws developed and regulations adopted	0	-
Number of staff trained in land related disciplines, disaggregated by gender	0	400
Number of total training days	0	1200
Number of training certificates issued, disaggregated by gender	0	-
Increase of capacities of LLA staff in land related disciplines	tbd	baseline + 30%



Indicator Name	Baseline	End Target
Increase of awareness of general public and Government entities about LLA and its mandates	tbd	baseline + 25%
Number of counties with a complete tribal land certificate inventory	4	9
Tribal land certificate inventory database established and used for analysis	No	Yes
Network of geodetic and survey control points established and functional	No	Yes
System, capacities and budget for maintenance of geodetic network in place	No	Yes
Number of decentralized LLA offices established and operational	0	10
Decision on system of recording of land rights made (deed or title registration)	No	Yes
Project M&E system developed and functional	No	Yes
Grievance Redress Mechanism established and reported on regularly	No	Yes



ANNEX 1: DETAILED PROJECT DESCRIPTION

COUNTRY: Liberia

Liberia Land Administration Project

A. **Project Description.** This project will have four components:

- a) **Component 1: Support to the Liberia Land Authority:** The GoL created a national Land Commission in the post-war period in 2009 to explore and analyze Liberia's land tenure challenges and propose policy and legal reform. The term of the Land Commission ended in January 2016 and led to the creation of a new body, the Liberia Land Authority (LLA). With the passing of the LLA Act by the Legislature in October 2016, the LLA has the legal mandate for land administration in Liberia. The LLA will subsume the Department of Lands, Surveys and Cartography (DLSC) under the former Ministry of Land, Mines and Energy (now Ministry for Mines and Energy), the Deeds Registry currently within the Center for National Documents and Records Agency (CNDRA), and relevant functions from the Ministry of Internal Affairs (e.g. County Land Commissioners). The President has nominated the Transition Committee to begin the one-year transition process. A transition strategy and draft organizational chart have been prepared and will serve as key working documents for this transition period. This component will further support this transition process and build the capacity needed to implement the project incrementally. Activities will focus on support to the operationalization of the LLA and its core responsibilities, including but not limited to: land laws/regulations and administrative procedures; business systems, plans and processes as well as a strategic investment strategy for financial sustainability; capacity building; communication and awareness raising; and acquisition of office equipment, furniture, supplies and vehicles necessary for conducting the work of the project. Work on legislation will be informed by the social assessment and other consultations and will be sensitive to vulnerable or disenfranchised groups. project activities could include but are not limited to:
- i) Support to the development of Land Laws/Regulations and Administrative Procedures could include but is not limited to:
- Regulations to implement the Land Authority Law
 - Land Rights Act regulations
 - Survey and Mapping regulations and standards
 - Public Land Management regulations
 - Land Use Planning Policy and Bill
 - Regulations for County Land Boards
 - Non-Judicial Land Dispute Resolution Policy, Bill and regulations
- ii) The development of key business and investment plans and processes, could include but is not limited to:
- Regulatory procedures to enable transfer of existing land administration functions from CNDRA, Ministry of Internal Affairs (MIA) (County and Land Commissioners), and Ministry of Mines and Energy (MME) to the LLA
 - Business plans for land service delivery and processes



- Land Sector Strategy Plan (LSSP) – 10 Year Plan
 - LSSP Investment Plan
- iii) Capacity building for relevant staff of the LLA will be based on a Training Needs Assessment conducted in 2015²⁴ and an institutional audit from 2016²⁵, which will be updated as necessary. The revised training needs assessment (which will include a training plan) will determine which trainings will be conducted inside or outside the country. Capacity building could include but is not limited to:
- Customized GIS training
 - Customized training on electronic records management and database maintenance
 - Training on relevant legal framework
 - Training on alternative dispute resolution
 - Training on Surveying (for LLA surveyors and private surveyors)
 - Study tours and conferences
- iv) Communications and awareness raising campaigns will inform public and other stakeholders (including communities, private surveyors, banks and microfinance institutions) of changes, opportunities and obligations related to new land policy, laws and institutions, as well as dispute resolution mechanisms and any other topic as required. Specific attention will be given to public awareness of land rights, institutions and systems for vulnerable or disenfranchised groups, as well as women, as defined in the social assessment and with messages tailored to them. Communication strategies will be based on previous experiences.²⁶
- v) Acquisition of office supplies, furniture and vehicles will enable the LLA to carry out the activities described in this PAD.
- vi) Minor renovation of LLA's offices.
- b) **Component 2: Support for inventory and analysis of tribal land certificates:** Tribal land certificates refer to a legal document signed by the Tribal Authority and issued by the County Land Commissioner under the 1956 and 1973 Public Lands Laws certifying that the local community consents to the land being sold as public land and that the land is not part of a Tribal Reserve and not otherwise owned or occupied. While the Government introduced tribal certificates initially as a tool to enable customary land to be sold, many local Chiefs issued tribal certificates to community members under the assumption that the certificates guarantees their tenure security. The different understandings of the Government and the communities about the rights that the certificates provide, have led to conflicts and undermined investment. Large, but unknown numbers of tribal certificates exist, but the total extent of areas covered by them is unclear. Inventories were completed for four counties and piloted in three other counties with support from USAID and SIDA. A continued inventory process is necessary to provide a broader

²⁴ Jafain Consortium, Inc. (2015): Training Needs Assessment and Capacity Building Plan for the Land Sector in Liberia.

²⁵ USAID (2016): Institutional Audit of the Key Liberian Land Governance Institutions.

²⁶ See for example: Governance Commission (2008): Regional Consultative Meetings on Land; LLA (2017): Workshop Report. Consultation with Traditional Leaders, Legal professionals and Civil Society Organizations (CSOs) on the Land Rights Bill; LLA & UNMIL (2017): Report. Regional Awareness Workshops On the Liberia Land Authority and The Land Rights Bill.



basis for the analysis of the extent and understanding of tribal certificates. Under this component, the LLA will gather information on the number and land coverage of tribal certificates and record the information in a database. This activity will not confer or confirm rights.

- i) A communication strategy will be developed to ensure that the beneficiaries and stakeholders, especially women, and vulnerable or disenfranchised groups, understand that this is purely a documentation exercise without any legal implications so that no false expectations are raised. Experiences from the existing inventories and the Field Operational Manual will be reviewed. All field staff will be trained to use standardized procedures as outlined in the Operational Manual.
 - ii) Based on the standardized procedure, the LLA will conduct an inventory and analysis of the tribal land certificates in at least five counties. The process will include recording and scanning of each certificate and establish the extent of all tribal land certificates available in the targeted counties.
 - iii) A central database will be developed to capture the inventories from each county. Existing data from counties already covered under previous projects will be incorporated into the database.
- c) Component 3: Development of a land administration system:** Liberia does not have an organized or efficient system to record and manage land rights information. Further support and analysis to establish a land administration system is required, specifically regarding customary land rights. A geodetic network is the prerequisite for gathering spatial information. Illustrative activities include: a measurement campaign to finalize the establishment of the geodetic network; and studies, assessments and pilots to determine best methods for collecting, recording and managing land rights information. This may include analysis of drones, satellite and other technologies to gather and manage geodetic data. The support will contribute to developing strategies and options for a land information and administration system, based on previous research.²⁷ The activities under this component would focus on key areas of the 2015 Land Administration Policy but are not limited to the below set of activities. Any activities under this component will be done in a highly consultative process.
- i) **Identification of land (survey and mapping):**
 - **Geodetic Network:** Project support will focus on necessary steps to establish a geodetic network as described in studies conducted earlier.²⁸ The geodetic network is meant to be a common referencing system for all surveys, mapping, engineering and construction projects, land use plans, and any other referencing of spatial data gathered throughout the country. In 2013, with funding from the US Millennium Challenge Corporation, an attempt was made to establish a geodetic network. However, only the network

²⁷ Marquardt, M. & M.A. Pay-Bayee (2011): Study on Assessing the Potential Role of Land Title Registration in Liberia.; Thomson Reuters (2012): Implementing an Affordable, Rapid Deployment Land Records Management Solution for Liberia.; USAID (2012): Customary Land Tenure in Liberia: Findings and Implications Drawn from 11 Case Studies.

²⁸ USAID, MCC (2012): Strategy for Modernizing the Geodetic Infrastructure of Liberia.



monuments were installed in 10 strategic locations but no measurement campaign took place and consequently, no coordinates have been obtained. Funds are available from the Liberia Forest Sector Project (P154114) for the measurement campaign but a final decision has not yet been made. In the case this funding option does not materialize, the project will finance the measurement campaign. This component will also support the densification of the network with the installation of second order points.

- **Base Mapping:** An inventory of maps and GIS data will be conducted to collect existing data (e.g. from DLSC, FAO, UNMIL, or the Liberia Institute of Statistics and Geo-Information Services). Depending on priorities, activities could also include the acquisition of spatial data to develop a base map of Liberia and a confirmatory survey. There has been no comprehensive government mapping of the territory of Liberia since the early 1980s. Base mapping is not only critical for the land administration system but also for the management of natural resources and of public and government land, land use planning, and all other land-based, development activities.
- ii) **Determination of land rights (adjudication):** The project will support assessments and pilots to determine best methods for collecting land rights information, including customary land rights as well as concessions.²⁹ Activities could include a review of deeds records to develop detailed deed adjudication procedures, including procedures to permit counter claims to be registered and for the claims and counterclaims to be resolved. Clear, transparent, and accessible methodologies for adjudication of customary land and procedures for appeal could also be developed, depending on the passage of the Land Rights Act. The development of these dispute resolution mechanisms will be based on existing experiences.³⁰
- iii) **Recording of land rights:** The individual ownership of land in Liberia has long been recognized and all such ownership stems from grants of land made to individuals and purchases from local people. Dealings in private lands are regulated by law and are recorded in a Deeds Registry. The current situation in the deeds registry has not improved from the late 1970's and there is currently limited trust in the system. Many records were destroyed during the conflict years. There exist seemingly valid yet conflicting documents, as well as many fraudulent documents registered with land-related government institutions. As people are dissatisfied with the existing deed registration system, discussion to replace the existing system with an alternative title registration system have evolved but a decision on whether Liberia will continue to use the deeds registry or will establish a title registry has not been made yet. How customary land rights will be recorded needs to be decided, depending on the passage of the Land Rights Act. Activities will support the LLA through pilots and assessments to develop a long-term vision of the Government's objectives related to land records that responds to the issues above.
- iv) **Valuation of land:** Activities to support land valuation in Liberia could include the development of standards and procedures for the valuation of land and property. This could

²⁹ For more information on concessions, see Lowenstein, A.K. et al. (2017): *Governance of Agricultural Concessions in Liberia: Analysis and Discussion of Possible Reforms*; and World Bank Justice for the Poor Program & UNDP (2016): *Citizen Engagement in Liberia's Natural Resource Concessions: improving equity and mitigating conflict*.

³⁰ See for example Norwegian Refugee Council (2011): *Norwegian Refugee Council's Land Dispute Resolution Process in Liberia*; and USAID (2014): *Final Evaluation of the Land Conflict Resolution Project in Liberia*.



- include the exploration of non-traditional methods of valuation of customary land.
- v) **Management of government and public land:** A coordinated institutional framework for the management of both government and public land is absent and could be supported under this component. This could include the development of procedures for negotiating solutions to overlapping commitments of public lands, and dealing with disaffected communities. The current management of government and public land is weak and highly centralized. Conflicts continue over the allocation of public land for both investment and conservation. Liberia has recently developed a policy framework for government and public land and will have a legal framework once the Land Rights Act is passed.
 - vi) **Decentralization of land related services:** County Land Boards are envisaged to replace the current system of County Land Commissioners. Support under this component will focus on establishing the strategy, policies and procedures for decentralized offices to provide land related services in a more transparent and accessible way.
- d) **Component 4: Project coordination, monitoring and evaluation:** The project is expected to be implemented through a PIU under the LLA. There is need to ensure that the LLA has adequate capacity to provide effective project management, fiduciary support (financial management and procurement), monitoring and evaluation of project activities and the establishment of a solid M&E framework, including the monitoring of safeguards, and support for field supervision of project activities by the Aid Management and Coordination Unit (AMCU) of the MFDP. As such, this component will be used to support operational costs required for project implementation among all the land sector agencies initially, and later within the framework of the LLA. The project will also undertake the baseline study, social assessment, the mid-term and end-of-project evaluations to assess performance and document important lessons to inform the design of future operations.



ANNEX 2: IMPLEMENTATION ARRANGEMENTS

COUNTRY: Liberia Liberia Land Administration Project

Project Institutional and Implementation Arrangements

1. The LLA will be responsible for project implementation. With the passing of the LLA Act by the Legislature, the LLA has the legal mandate for land administration in Liberia. The Commissioners (four of five) have been nominated and three, including the Chairperson, were confirmed by the Senate, and have been appointed by Government. The Transition Committee has been appointed by the President of Liberia and will be responsible for the implementation of the one-year transition plan for the LLA. The MFDP has assigned a budget to the Transition Committee. This Transition Committee will have representatives from the Department of Lands, Surveys and Cartography (DLSC), the Center for National Documents and Records Agency (CNDRA), the Ministry of Internal Affairs, the MFDP, and the Civil Service Agency, among others, and will support LLA to transfer and hire staff and fully establish itself.
2. To support the LLA to implement its first World Bank financed project, a PIU will be established within LLA to be staffed by experienced consultants and to support the LLA staff in key project functions – project management, procurement, financial management, safeguards supervision, and monitoring and evaluation. A Project Coordinator will be hired under the project to coordinate and manage project activities – full time. The technical staff of LLA will be involved in preparing technical specifications and ToR as needed for the project. The Project Coordinator will be responsible for: (i) preparing Annual Work Plans and Budgets and the annual procurement plan; (ii) aggregating demand from LLA departments to be approved by the LLA senior management; and (iii) facilitating effective coordination and implementation of the work plan through regular review meetings with relevant LLA departments. The Project Coordinator will report regularly to the LLA Project Director – a staff member appointed by the LLA before the effectiveness of the project, to manage all externally financed projects.
3. The PIU will consist of at a minimum a Project Coordinator, Procurement Specialist, FM Assistant, Monitoring and Evaluation Specialist and an Administrative Assistant, all financed by the project with TORs acceptable to IDA. Other specialists may be hired on an as-needed basis to supplement LLA's capacity, e.g. Safeguard Specialists or technical staff to provide more support for preparation of TORs and technical specifications. An international procurement consultant, with significant experience in World Bank procedures, will be hired for the first year of the project, and then on an as-needed basis, to provide additional support to the LLA and capacity building for the PIU and LLA staff. The PIU will perform the following specific functions: (i) provide support to the Project Coordinator to prepare annual work plans and budgets; (ii) carry out all procurement work related to the project as per approved procurement plans; (iii) prepare regular monitoring reports on World Bank safeguards implementation; (iv) prepare quarterly, semi-annual and annual project progress and monitoring and evaluation (M&E) reports; and (v) plan and organize all M&E activities, including baseline studies, the social assessment, and thematic impact assessment studies.
4. The PIU specialists will all work with similar specialists in the LLA – for example the PIU Procurement Specialist with the procurement staff in LLA – to train and transfer skills to the LLA staff with the goal



that the LLA staff are able to take over the PIU functions within years 3 or 4 of the start of the project. This will be assessed annually by the LLA management and the World Bank team to determine what PIU tasks could be taken on fully by LLA and what should remain.

Financial Management

5. Given that the PFMU in the MFDP is currently managing the fiduciary services for World Bank financed projects in Liberia, the project will build on existing FM arrangements which have been assessed as adequate for ensuring that: (1) the funds are used only for the intended purposes in an efficient and economical way; (2) the preparation of accurate, reliable and timely periodic financial reports; (3) the safeguarding of the entity's assets; and (4) adequate fiduciary assurances are provided through an independent audit of the project.
6. Accounting functions will be undertaken by the PFMU for the project. The PFMU is being managed by a manager who is a qualified professional accountant and well experienced in World Bank assisted projects. The PFMU is adequately staffed with qualified project accountants. An experienced qualified accountant will be identified at the PFMU and designated for the project. The project accountant would be supported by a finance officer assigned to the project. The details for the assessment for the FM elements are as below:
7. **Budgeting.** The Liberia Land Authority (LLA), supported by the accountant in the PFMU, will be responsible for preparing the project annual work plan and budget. The work planning and budget will equally be based upon the agreed program to be financed. The key components would be included in the project annual work plan budgets. The annual work plan and budget will be reviewed and agreed with the World Bank, and No objections will be issued by the World Bank TTL. The implementation of the budget will be monitored through quarterly IFRs. The budget amounts will be incorporated and compared with the actual in the IFRs and any significant variances established. The project accountant will include in the IFRs the explanations for significant variance.
8. **Internal Controls and Audit.** PFMU has laid down internal control procedures and processes as enshrined in the financial practice manual. The manual provides for the financial transactions to be initiated, authorized and approved by appropriate personnel. The internal control procedures adequately provide for the proper segregation of duties between approval, execution, accounting and reporting functions. The PFMU has a centralized Internal Audit Unit with qualified Internal Auditors who conduct internal audit reviews of World Bank assisted projects. This unit which is headed by a Certified Fraud Examiner will be responsible for the internal audit functions of the project. Periodic internal control reviews will be conducted by the PFMU manager. The internal audit unit will generate and furnish internal audit reports to the World Bank and other relevant stake holders, 45 days after the end of each quarter. In addition, the project will provide, as an annex to the financial statements, an inventory of fixed assets acquired according to asset classes, dates of purchase, location, and cost.
9. **Accounting and maintenance of accounting records.** Accounting for the use of the project funds, using IPSAS cash basis of accounting, will be carried out using the SUN accounting system. The system is capable of recording and generating adequate accounting information for the project. The accounting services of donor funded projects are being configured into the Integrated Financial Management



Information System (IFMIS). The project will, upon the satisfactory configuration of the donor projects into the IFMIS, also be migrated to the IFMIS. The project will be trained on the IFMIS application and the transitioning will not impact negatively on the project.

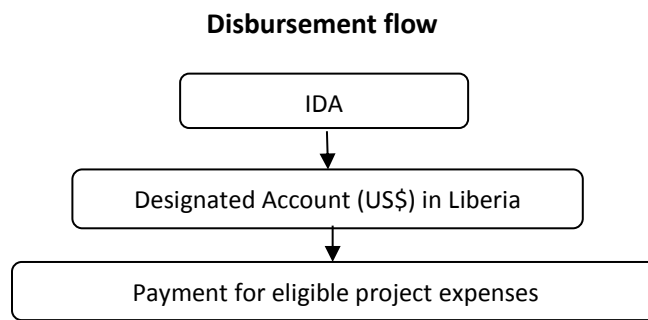
10. **Periodic Financial Reporting.** The PFMU will be responsible for preparing the quarterly interim unaudited financial reports (IFRs). The IFRs will be submitted to the World Bank within 45 days after each fiscal calendar quarter. The PIU, prior to submitting the IFR to the World Bank, will equally submit the IFRs to the project coordinator for review. The existing IFR format currently used by the PFMU will be modified consistent with the project categories/components and will be used for the IFRs reporting. The PFMU will also prepare the annual project financial statements two months after the end of each of GoL's fiscal year, ready for submission to the auditor for the annual audit. The project financial statements will be prepared in accordance with International Public Sector Accounting Standards (IPSAS) – cash basis. The financial statements will comprise, at a minimum, of: (a) Sources and uses of funds (summary of Expenditures shown under the main program headings and by main categories of expenditures for the period); and (b) Notes to the financial statements, including background information on the project, the accounting policies, detailed analysis and relevant explanation of the main accounts/major balances, etc.
11. **External Audit Arrangements.** Audited financial statements would be submitted to the World Bank six months at the end of the GoL's Fiscal Year. The independent and qualified auditor, acceptable to the Association, will be selected to carry out the audit of the project. The selection of auditors will be on competitive basis and in accordance with the World Bank's procurement guidelines. The project will select the external auditor four months into project effectiveness. The project financial statements including the cash movements in the designated accounts will be audited in accordance with International Standards on Auditing (ISA) 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 in respect on the financial statements, including the management letter, will be furnished to the World Bank within six months after each end of the GoL's fiscal year.
12. The description of the project's financial management arrangements above indicates that they satisfy the World Bank's minimum requirements of the World Bank Directive: Financial Management Manual for World Bank IPF Operations (Catalogue Number OPCS5.05-DIR.01) Issued (Retrofitted): February 4, 2015 and Effective from March 1, 2010; and World Bank Guidance: Reference material - Financial Management in World Bank IPF Operations (Catalogue Number OPCS5.05- ID.02) issued and effective February 24, 2015. The Control Risk is as assessed as Moderate, and the overall FM risk is assessed as Substantial.
13. Consistent with the risk rating, an annual FM implementation support mission will be carried out at PFMU for the project. The FM supervision missions' objectives will include reviewing the financial management systems maintained for the project

Disbursements

14. Funds will be disbursed directly into a DA to be set up and managed by the PFMU. The DA will be established in US Dollars at the Central Bank or a commercial bank in Liberia, acceptable to the World



Bank. The project provides for the use of advances, reimbursements, special commitments and direct payments as applicable disbursement methods, and these will be specified in the disbursement letter. An initial advance as per the Disbursement Letter will be provided to the project and the project accountant will submit promptly the withdrawal application for the initial deposit upon project effectiveness in the amount, as per the agreed upon DA ceiling. Replenishments, through fresh withdrawal applications to the World Bank, into the designated account will be made subsequently, at a minimum of monthly intervals, but such withdrawals will equally be based upon documentation of prior funds received in the DA through an SOE. Supporting documentation will be retained by the implementing agencies for review by the IDA missions and external auditors. Any advances made for contracts will be secured against a bank guarantee or performance-based bonds. The funds flow arrangement will be as follows:



Eligible Expenditures

Category	Amount of the Grant Allocated (Expressed in SDR)	Percentage of Expenditures to be Financed (inclusive of Taxes)
(1) Goods, Works, non-consulting services, consulting services, Operating Costs and Training	4,700,000	100%
(2) Refund of Preparation Advance	300,000	Amount payable pursuant to Section 2.07 of the General Conditions
TOTAL AMOUNT	5,000,000	

Procurement

- The LLA will carry out procurement under the project in accordance with the World Bank’s “Procurement Regulations for IPF Borrowers” (Procurement Regulations) dated July 2016 under the “New Procurement Framework (NPF), and the “Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants”, dated October 15, 2006 and revised in January 2011 and as of July 1, 2016, and other provisions stipulated in the Financing Agreement.



16. The LLA as well as bidders, and service providers, i.e. suppliers, contractors and consultants will observe the highest standard of ethics during the procurement and execution of contracts financed under the project in accordance with paragraph 3.32 and Annex IV of the Procurement Regulations.
17. The LLA will prepare and submit to the World Bank a General Procurement Notice (GPN) and the World Bank will arrange for publication of GPN in United Nations Development Business (UNDB) online and on the World Bank's external website. The LLA may also publish it in at least one national newspaper.
18. The LLA will publish the Specific Procurement Notices (SPN) for all goods, works, non-consulting services, and the Requests for Expressions of Interest (REOIs) on their free-access websites, if available, and in at least one newspaper of national circulation in the Borrower's country, and in the official gazette. For open international procurement selection of consultants using an international shortlist, the Borrower will also publish the SPN in UNDB online and, if possible, in an international newspaper of wide circulation; and the World Bank arranges for the simultaneous publication of the SPN on its external website.
19. The project design will provide a window to enable the Borrower to carry out Advance Contracting and Retroactive Financing in accordance with Section V (5.1 & 5.2) of the Procurement Regulations for IPF Borrowers. Withdrawals up to an aggregate amount not to exceed SDR 300,000 may be made for payments made twelve (12) months prior to the Signature Date of the Financing Agreement for eligible expenditures.

Institutional Arrangements for Procurement:

20. Procurement under this project will be carried out by the LLA. LLA will put in place a Project Implementation Unit which will include a Project Procurement Specialist to ensure that Liberia Land Administration Project (LLAP) procurement is done in line with the World Bank Procurement Regulations. LLA will develop a Procurement Procedures Manual prior to effectiveness as part of the PIM. The Procurement Manual will guide procurement implementation under this project.
21. The LLA, which is the procuring entity for the LLAP, is a newly established government agency with no prior procurement capacity. The agency is in the process of recruiting all relevant staff including procurement. Prior to the establishment of the LLA, land functions were spread across various agencies of government including the Lands Commission, Department of Lands, Survey and Cartography of the Ministry of Lands, Mines and Energy (MLME), Center for National Documents and Records/Archives (CNDRA), Ministry of Internal Affairs (MIA) and Ministry of Public Works (MPW). This arrangement resulted in poor coordination and inefficiency in the delivery of land services. To address this, the Government of Liberia in October 2016, passed into law the LLA Act, which established the LLA. The LLA consolidates the land functions previously performed by these agencies. To make the LLA operational, three of the five Commissioners have been confirmed and the recruitment process of relevant staff including procurement has commenced.
22. Because of being in its formative stage, the LLA as a procuring entity has no history of implementing World Bank funded projects. However, the former Lands Commission, MLME and CNDRA were involved



in the previous Rehabilitation of Reform of Land Rights and Related Land Matters Project (P117010) from 2009-2014, which was funded by the World Bank through the State and Peace Building Fund (TF094864). This project was implemented by the PIU which was under the Lands Commission. The capacity of LLA needs to be developed to effectively implement the LLAP, as currently, there is no procurement capacity at LLA for the implementation of LLAP.

Procurement approval process

23. Public procurement in Liberia is governed by the Public Procurement and Concessions Act (PPCA) amended and restated in September 2010, which established the Public Procurement and Concessions Commission (PPCC) as the oversight authority. The PPCC has published national SBDs and is mandated to prior review public contracts above set thresholds though it faces capacity constraints that affect its role to post review public contracts. National procurement procedures of Liberia are generally adequate except for areas of the national regulations that are inconsistent with World Bank procurement policy like the use of vendor registration and the preference of SMEs. In compliance with the PPCA, once operational, LLA, as the procuring entity, is expected to have a procurement unit and procurement committee. However, procurements under this project will not be subject to Procurement Committee approval as they are exempted under Section 3 (a) of the PPCA.
24. The capacity assessment of the LLA was conducted and updated by the World Bank team during the project preparation process (October 2016-March 2017). This assessment found that currently, the LLA as a procuring entity has no Procurement Unit and procurement staff because it is a newly established government agency. LLA also has no history of implementing World Bank funded procurements. LLA will therefore, put in place a PIU which will assume the project coordination and implementation functions that will also include overall procurement oversight, supervision of the procurement activities and ensuring compliance with the Financing Agreement provisions.
25. The abovementioned assessment rated the overall procurement risk High, given the procurement scope and associated risks identified. The main risks include the following:
 - (a) lack of procurement capacity.
 - (b) lack of capacity to effectively carryout contract management.
 - (c) lack of capacity to effectively undertake procurement planning.
 - (d) lack of effective record management system.
26. The risks and mitigation measures are provided in the table below. After these measures are implemented, it is expected that the residual risk will be Substantial.



Table 2.1: Procurement Risk Assessment and Mitigation Action Plan

Liberia Land Authority			
Risk	Action	Responsible Agency	Expected Completion Date
Lack of procurement capacity	LLA will recruit a National Project Procurement Specialist with qualifications and experience satisfactory to the World Bank Short-term International Procurement Consultant.	LLA	Within three months of project effectiveness Within Five months of project effectiveness
Lack of capacity to effectively carryout procurement planning	Capacity building will be provided by the World Bank on procurement planning.	World Bank and LLA	Throughout project implementation
Lack of contract management system	LLA staff involved with project procurement will be required to undertake training in procurement and Contract within at a training center approved by the World Bank.	LLA	Within 18 months of project effectiveness
The procurement procedures of this project will be reflected in the PIM	LLA will prepare a Procurement Manual which will be part of the PIM	LLA	Prior to effectiveness
Lack of good record management	LLA will put in place an effective and secure record management system and assign dedicated staff responsible for maintenance of records.	LLA	During project implementation

27. **Filing and record keeping:** The Procurement Procedures Manual will set out the detailed procedures for maintaining and providing readily available access to project procurement records, in compliance with the Grant Agreement. The LLA will assign one person responsible for maintaining the records. The logbook of the contracts with unique numbering system will be maintained.
28. The signed contracts as in the logbook will be reflected in the commitment control system of the LLA’s accounting system or books of accounts as commitments whose payments should be updated with reference made to the payment voucher. This will put in place a complete record system whereby the contracts and related payments can be corroborated.
29. **Project Procurement Strategy for Development:** As part of the preparation of the project, the LLA (with support from the World Bank) has prepared their Project Procurement Strategy for Development (PPSD) which describes how fit-for-purpose procurement activities will support project operations for the achievement of project development objectives and deliver value for money. The procurement strategy is linked to the project implementation strategy to ensure proper sequencing of the activities. It considers institutional arrangements for procurement; roles and responsibilities; thresholds, procurement methods, and prior review, and the requirements for carrying out procurement. It also



includes a detailed assessment and description of the Implementing Entity's capacity for carrying out procurement and managing contract implementation, within an acceptable governance structure and accountability framework. Other issues considered includes the behaviors, trends and capabilities of the market (i.e. market analysis) to inform preparation of the procurement plan. The activities also require strong technical capability to prepare proper technical specifications in order to avert lack of, or inadequate, market response. This capability or a plan to enhance it is considered in the strategy. Also, special arrangements like direct contracting, use of SOEs, UN Agencies, third party monitors, local NGOs, Force Account, or civil servants needs, results based arrangements, need for prequalification, if any, are addressed. The strategy includes a summary on: Procurement Risk, Mitigation Action Plan, Procurement Implementation Support and Supervision plan.

30. **PPSD Summary:** Liberia is fragile politically. The 2005 PPCA establishes the Public Procurement and Concessions Commission (PPCC) as the regulatory body with mandate to ensure compliance by the public service with the procurement law. With the establishment of a land administration system, with regulations, policies and tools necessary to implement land reforms, the long-term vision is for LLA to become a revenue generating agency with funding to sustain and upscale land administration services. There is no prior procurement capacity at the LLA, for the implementation of the Liberia Land Administration Project, because it is a newly established government agency. Mitigation measures for the identified risks including: lack of procurement capacity, lack of capacity to effectively carryout contract management, lack of capacity to effectively undertake procurement planning, lack of effective record management system, have been agreed. The supply market in Liberia is externally driven as there is no manufacturing industry. Land professionals (e.g. urban planners, surveyors, property lawyers) are also limited in Liberia. Most of the procurement will be technical assistance and consultancies and are likely to attract the external market. There is existing local capacity for procurement of motor vehicles and unspecialized general office equipment, and these will be purchased through local suppliers and dealers. Procurement of highly specialized land management and administration equipment will be purchased through UNOPS.
31. UN agencies may be hired by the Governments on sole-source basis for contracts for which they offer their unique roles and qualifications in responding to the emergency situations. Standard forms of agreement for UN agencies as acceptable to the World Bank will be adopted. For those UN agencies, if such forms have not been agreed with the World Bank, World Bank team will provide acceptable sample forms for use by the countries. For the UN agencies hired by the Government, certain quick-disbursing arrangements may be agreed upon to finance a positive list of imported or locally produced goods that are required for the project, further subject to the World Bank's prior agreement on the conditions for the release of the financial tranches and the required documentation and certifications, such as customs and tax certificates or invoices.
32. The recruitment of civil servants as individual consultants or as part of the team of consulting firms will abide by the provisions of paragraph 3.23 (d) of the Procurement Regulations.
33. **Special Considerations:** Liberia is on the harmonized list of Fragile and Conflict affected Situations (FCS) countries and therefore the project will trigger paragraph 12 of World Bank Policy for IPF to apply flexibilities and simplification to facilitate procurement implementation. These procurement arrangements therefore draw on the World Bank Guidance on Procurement Procedures in Situations of



Urgent need of Assistance or Capacity Constraints issued on July 1, 2016.

34. **Procurement Plan:** The Implementing Agency has prepared a detailed 18-month procurement plan. This plan was agreed on by the Government and the World Bank at the grant negotiations. The Procurement Plan will be updated in agreement with the World Bank Team annually or as required to reflect the actual project implementation needs and improvements in institutional capacity.
35. The PIU will carry out procurement to implement the project as explained below based on the Procurement Plan prepared for the first 18 months of the project implementation. LLA may also procure goods, works, or services for other agencies for the purposes of the project as included in the Procurement Plan and agreed with the World Bank. The scope of procurement includes: (i) Works: Works to be procured under the project are likely to include contract for and establishment of geodetic network; (ii) Goods: Good to be procured under the project are likely to include contracts for purchase of office furniture, purchase of office equipment for LLA and PIU, purchase of ICT equipment, and procurement of specialized land management equipment; (iii) Non-Consulting Services: Non-Consulting Services to be procured under the project are likely to include project operation costs such as: vehicles operation and maintenance cost, maintenance of equipment, communication costs, rental expenses, and supervision costs; and (iv) Consulting Services: Consulting Services to be procured under the project are likely to include contracts long-term contracts for PIU staff, development of laws and regulations, development of key investment and business plans, consulting services to conduct training needs assessment, development of public awareness and communication strategy, campaign delivery and communication outreach, support for analysis/revision of inventory, data collection and data entry, software development for inventory database, data migration and quality control, consulting services for the establishment of geodetic network, studies, assessment and land administration system development, pilot test of possible methodologies, baseline survey, social assessment, mid-term review, project evaluation, international consultant to provide quality assurance, short and long-term training.
36. **Training, Workshops, Study Tours, and Conferences:** Workshops, Seminars and Conferences. Training activities would comprise workshops and training, based on individual needs, as well as group requirements, on-the-job training, and hiring consultants for developing training materials and conducting training. Selection of consultants for training services follows the requirements for selection of consultants 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: (i) the type of training or workshop; (ii) the personnel to be trained; (iii) the institutions which would conduct the training and reason for selection of this particular institution; (iv) the justification for the training, how it would lead to effective performance and implementation of the project and or sector; (v) the duration of the proposed training; and (vi) the cost estimate of the training. Report by the trainee(s), including completion certificate/diploma upon completion of training, will be provided to the Project Coordinator and will be kept as parts of the records, and will be shared with the World Bank if required.
37. A detailed training and workshops' plan giving nature of training/workshop, number of trainees/participants, duration, staff months, timing and estimated cost will be submitted to IDA for review and approval prior to initiating the process. The selection methods will derive from the activity requirement, schedule and circumstance. After the training, the beneficiaries will be requested to



submit a brief report indicating what skill have been acquired and how these skills will contribute to enhance their performance and contribute to the attainment of the project objective.

- 38. **Operational Costs:** Operational costs financed by the project would be incremental expenses, including office supplies, vehicles operation and maintenance cost, vehicle rental and fuel costs, maintenance of equipment, communication costs, office rental and moving expenses, utilities expenses, consumables, printing and publication costs, transport and accommodation, per diem, supervision costs, and salaries of locally contracted support staff (excluding the salaries of Government civil servants) and other miscellaneous costs directly associated with the project as will be agreed with the World Bank. Such services' will be procured using the procurement procedures specified in the PIM accepted and approved by the Association before the effectiveness of the project.
- 39. **Procurement Manual:** Procurement arrangements, roles and responsibilities, methods and requirements for carrying out procurement will be elaborated in detail in the Procurement Manual which may be a section of the PIM. The PIM will be prepared by the Borrower and agreed with the World Bank prior to project effectiveness.
- 40. **Procurement methods:** The LLA will use the procurement methods and market approach in accordance with the Procurement Regulations.
- 41. Open National Market Approach is a competitive bidding procedure normally used for public procurement in the country of the Borrower and may be used to procure goods, works, or non-consultant services provided it meets the requirements of paragraphs 5.3 to 5.6 of the Procurement Regulations.
- 42. **Procurement Thresholds:** The thresholds for particular market approaches and procurement methods are indicated in the below table. The thresholds for the World Bank's prior review requirements are also provided in the table below:

Table 2.2: Thresholds*, Procurement Methods, and Prior Review

Note: The thresholds are for all countries unless indicated otherwise for specific items.

No	Expenditure Category	Contract (C) Value Threshold* [eq. US\$]	Procurement Method	Contracts Subject to Prior Review / [eq. US\$]
1	Works	C ≥ 5,000,000	Open Competition International Market Approach and Direct Contracting	≥ 5,000,000
		200,000 < C < 5,000,000	Open Competition National Market Approach	None
		C ≤ 200,000	RfQ	None



No	Expenditure Category	Contract (C) Value Threshold* [eq. US\$]	Procurement Method	Contracts Subject to Prior Review / [eq. US\$]
2	Goods, IT and non-consulting services	C ≥ 500,000	Open Competition International Market Approach and Direct Contracting	≥ 1,500,000
		100,000 < C < 500,000	Open Competition National Market Approach	None
		C ≤ 100,000	RfQ	None
3	National shortlist for selection of consultant firms	C < 100,000	for Consulting Services	None
		C ≤ 200,000	for Engineering and Construction Supervision	None
4	International shortlist for selection of consultant firms	C ≥ 100,000	for Consulting Services	≥ 500,000
		C > 200,000	for Engineering and Construction Supervision	≥ 500,000
5	Selection of Individual consultants	All Values	All Approaches	≥ 200,000
6	Training, Workshops, Study Tours	All Values	Based on approved Annual Work Plan & Budgets (AWPB)	

*These thresholds are for the purposes of the initial procurement plan for the first 18 months. The thresholds will be revised periodically based on re-assessment of risks. All contracts not subject to prior review will be post-reviewed.

43. Summary of procurement arrangements. The following table describes the procurement approaches for contracts that were identified as part of the Supply Positioning analysis as not requiring a detailed assessment and justification for the selected procurement approach.

Table 2.3: Procurement Arrangements for Major Activities

Contract	Category	Estimated Cost	Procurement Approach and Method
Supply and installation of geodetic network	Works	300,000.00	RFB, Open, National
Component 1 Support to the Liberia Land Authority			
Procurement of Office Furniture	Goods	60,000.00	RFQ, Limited, National
Procurement of Office Equipment for LLA and the PIU	Goods	100,000.00	RFQ, Limited, National
Procurement of motor vehicles	Good	300,000.00	RFQ, Limited, National
Implementation of the communication strategy through	Non-consulting	90,000.00	RFQ, Limited,



awareness and outreach	services		National
Component 2 Support for inventory and analysis of tribal land certificates			
Procurement of ICT and other equipment (laptops, servers etc.)	Goods	200,000.00	RFB, Open, National
Data collection and data entry	Non-consulting services	300,000.00	RFB, Open, National
Component 3 Development of a land administration system			
Supply and delivery of equipment.	Goods	120,000.00	RFB, Open, National
Supply and delivery of spatial data acquisition equipment (drones, satellite imagery	Goods	60,000.00	RFQ, Limited, National
Component 4 Project Coordination, Monitoring and Evaluation			
Supply and delivery of equipment for the PIU	Goods	64,000.00	RFQ, Limited, National
Supply and delivery of motor vehicle for the PIU	Goods	45,000.00	RFQ, Limited, National
Component 1 Support to the Liberia Land Authority			
Development of Regulations for Lands Rights Law and	Consulting Services	30,000.00	IC
Development of regulations to implement the Lands Authority Law.	Consulting Services	30,000.00	IC
Development of a 10year land Sector Strategic Plan	Consulting Services	60,000.00	IC
Training needs assessment for the Liberia Lands sector	Consulting Services	50,000.00	IC
Development of Public awareness and communication strategy	Consulting Services	40,000.00	IC
Component 2 Support for inventory and analysis of tribal land certificates			
Data analysis of the inventories	Consulting Services	100,000.00	Open, CQS
Consulting services for the development of inventory database software	Consulting Services	120,000.00	Open, CQS
Consulting services for data migration and quality control	Consulting Services	200,000.00	Open, CQS
Component 3 Development of a land administration system			
Consulting services for the establishment of geodetic network	Consulting Services	80,000.00	Individual Consultant
Consulting services to undertake an assessment and develop a strategy for the land administration system	Consulting Services	125,000.00	Open, CQS
Consulting services to undertake pilots of possible methodologies for collecting, recording and managing Land Rights information	Consulting Services	80,000.00	Open, CQS
Component 4 Project Coordination, Monitoring and Evaluation			
Financial Management Assistant	Consulting Services	18,000.00	IC
Project Coordinator	Consulting Services	54,000.00	IC
International Procurement Consultant (as needed)	Consulting Services	60,000.00	IC
Procurement Specialist	Consulting	54,000.00	IC



	Services		
Monitoring and Evaluation Specialist	Consulting Services	45,000.00	IC
Safeguards consultant support (as needed)	Consulting Services	30,000.00	IC
Administrative support	Consulting Services	24,000.00	IC
Baseline Survey - Local organization	Consulting Services	60,000.00	IC
International consultant to provide QA, QC for evaluations	Consulting Services	21,000.00	IC

Environmental and Social (including safeguards)

- 44. The World Bank classified the project as Category B. The project triggers OP 4.01 (Environmental Assessment) and OP 4.36 (Forests). Some of the project activities will involve renovation works that have potential impacts but are manageable. The renovation works are not defined at this stage. Component 1 of the project will include, among other activities, work on legislation that may have potential impacts on the health and quality of forest, affect the rights and welfare of people dependent on forests, or bring about changes in the management, protection and utilization of forest resources.
- 45. **Environment:** An ESMF has been prepared and disclosed, which includes guidelines for minor civil works with an environmental mitigation plan and relevant checklist.³¹ Safeguard Specialists will be hired in the PIU as needed to monitor safeguards issues. Support will also be provided by the PIU’s M&E Specialist who will focus on ensuring proper monitoring of the ESMF.
- 46. **Social:** A social desk review has been completed and provides information on the legal, institutional and social context of the project. The baseline survey and social assessment in year one will provide additional quantitative data on vulnerable groups and others.
- 47. The monitoring of project compliance with the environmental and social safeguards will be undertaken by the PIU following the environmental and social safeguard management tools developed through the ESMF.
- 48. The World Bank’s implementation support arrangements will include a team of Environmental and Social Safeguard Specialists who will provide advice to the PIU on a regular basis. Periodic environmental and social audits will be undertaken by the World Bank team to ensure that the project is fully compliant at all times during its implementation.

Grievance Redress Mechanism (GRM)

³¹ The ESMF document entitled “*Environmental & Social Management Framework (ESMF), Liberia Land Administration Project (LLAP)*”, dated June 2017 was disclosed locally in ‘The Inquirer’ newspaper and the ‘Executive Mansion’ website (<http://www.emansion.gov.lr>) on June 23, 2017. The ESMF document was disclosed on the external World Bank website on June 27, 2017.



49. The Office of the Executive Director of the LLA will be responsible for setting up the project GRM. Communities and individuals who believe that they are adversely affected by the project may submit complaints at any time throughout project implementation.
50. These complaints may be submitted in writing to the LLA main office, to a county or local office or via the LLA website (when operational). If complaints can be dealt with at the local level, they will be resolved and the details will be reported to the central office. All complaints that cannot be handled locally will be sent to the office of the Executive Director of the LLA, which will maintain the log of complaints and all relevant documentation.
51. A standard form will be developed but complaints may also be submitted as a letter or any other written form. Each complaint will be logged into the complaint log (either a physical log or excel sheet) with key information – who, what, when, where. If the specialist can respond to the complaint, he/she will do so, logging in the date and basic response. If the specialist cannot respond, he/she will contact the relevant department or office for a response.
52. All complaints will receive a written response. A log will be kept of all complaints and responses and all complaints and a copy of the full response will be kept on file until the end of the project. This will be further detailed in the PIM.

Monitoring and Evaluation

53. The monitoring system for the project will cover data collection and reporting on the results framework, as well as baseline and mid-term surveys. The LLA will be responsible for developing and implementing the monitoring system. An M&E Specialist will be hired as part of the PIU and will be responsible for managing all M&E related matters.
54. Once the project becomes effective, a baseline study and social assessment will be conducted. The PIU will collect periodic data on PDO and Intermediate Results Indicators. A mid-term review is planned 2.5 years after the project start, with the objective of assessing progress to date and, if necessary, redirecting the project and integrating additional lessons learned and the realities on the ground. The project will finance a final evaluation to assess project performance, and to provide recommendations and actions for further improvement.
55. The PIU will prepare quarterly progress report to assess the project's effectiveness in reaching the project development objective. The PIM will include all periodic reporting, monitoring and evaluation arrangements throughout the project cycle.

Role of Partners (if applicable)

56. The Project will be implemented in collaboration with development partners that have been supporting the land sector in Liberia. The collaboration will build upon the current arrangements where key development partners such as European Union (EU), FAO, UNDP, UNMIL, UNECA, USAID, and Swedish International Development Agency (SIDA) have been closely working together through the Land Donor



Working Group to ensure coordinated support to the land sector.

57. USAID is a key partner. Its Land Rights and Community Forest Program (2008-2010) supported, among other activities, the development of legislation to establish the Land Commission and Community Rights Law. The follow-on Land Policy and Institutional Support Project from 2010-2013 built land administration and surveying capacities within Liberia, and piloted tribal land certificate inventories. The Land Conflict Resolution Project from 2011-2014 provides lessons about dispute resolution methodologies. Since 2015 USAID is supporting the Land Governance Support Activity (LGSA), which supports the strengthening of land governance human and institutional capacity; development of a customary land rights recognition model based on the Land Rights Policy; and stakeholder engagement in land governance through communications and outreach and strengthening of local capacity through the provision of land sector services. The LGSA has in its first two years supported the development of the Land Rights Policy, Land Administration Policy, LLA Act and the Land Rights Act. The LLAP Project has been planned and will be implemented in close cooperation with the LGSA to ensure synergies and avoid duplication of work.
58. The EU through Sustainable Development Institute, Catholic Agency for Overseas Development and Welthungerhilfe have launched in March 2017 a three-year Land Rights for Liberia Project. The project focuses on efforts to encourage the passage of the Land Rights Act, and improving the advocacy and organizational capacities of Civil Society Organizations (CSOs), with a special focus on the Civil Society Organization Working Group on Land Rights. The project will ensure an ongoing dialogue with the involved donors and Civil Society Organizations.



ANNEX 3: IMPLEMENTATION SUPPORT PLAN

COUNTRY: Liberia

Liberia Land Administration Project

Strategy and Approach for Implementation Support

1. The strategy for the implementation support for the LLAP will focus on addressing the critical issues that may affect project implementation as highlighted in the risk profile of the project. The implementation support plan aims to enhance the Client's quality delivery of the proposed project interventions. As such, the implementation support will specifically focus on: (i) implementation of the risk mitigation measures defined in the SORT; and (ii) regular provision of implementation support through semi-annual World Bank Implementation Support Missions (ISMs), including technical, institutional, safeguards (environment, social) and fiduciary aspects (financial management and procurement). Since the majority of the task team will be based in country or in the sub-region, the team will encourage regular implementation review meetings so that implementation issues should be addressed in a proactive and timely manner.
2. Semi-annual World Bank implementation support missions (including field visits to investments financed under all the components and activities) will concentrate on the following areas:
 - i. **Strategic:** To the extent possible, implementation support missions will visit the PIU and other stakeholders to: (i) review project activities; and (ii) draw appropriate action plans to address identified implementation challenges, including a clear monitoring and follow-up of progress.
 - ii. **Technical:** ISMs will concentrate on the implementation of all project activities at all levels of project implementation. Randomized field visits would be undertaken to verify compliance with the PIM and stimulate adjustments to project design, as needed, given results on the ground. During the field visits, the mission will interact with both implementers and beneficiaries in order to validate the progress reports provided. Technical specialists on the team (Land Administration/Tenure Specialists, Fiduciary Specialists, and Safeguard Specialists) will provide technical support towards the implementation of all activities, including the management of project funds and the compliance with safeguards.
 - iii. **Safeguards:** The World Bank team's Environment and Social Safeguard Specialists will continue providing technical oversight towards the implementation of the mitigation tools that have been developed during project preparation to address the identified risks. This will be done in collaboration with the Environmental Protection Agency (EPA) which has the national mandate to ensure compliance with environmental safeguard issues.
 - iv. **Fiduciary:** The World Bank's Financial Management and Procurement Specialists will provide timely oversight and targeted training to Financial Management and Procurement Specialists through the LLA. These specialists would: (i) prepare staff to work with implementation entities at the county, district and community levels in conducting procurement under their respective subprojects, in compliance with the Procurement and Anti-Corruption Guidelines and the PIM; (ii) ensure the capacity of staff to manage flow of



funds and simple accounting procedures, in line with FM guidance; and (iii) work with the PIU in building its overall financial management and procurement capacity to improve and facilitate project management. Implementation support towards the project’s financial management arrangements would be conducted semi-annually and, as needed, in response to client needs. Procurement supervision would also be carried out semi-annually during regularly-scheduled World Bank implementation missions and/or as when need arises based on client requests.

- v. **Client Relations:** The TTL will: (i) coordinate World Bank implementation support to ensure consistent project implementation, as specified in the legal documents (i.e., Financing Agreement, PIM); and (ii) meet regularly with the Client’s senior representatives (i.e., Chairperson of the LLA) to gauge project progress in achieving the PDO and address implementation bottlenecks, as they arise.

Implementation Support Plan and Resource Requirements

- 3. World Bank team members will be based both at headquarters, and in the Monrovia and Ghana Country Offices to ensure timely, efficient and effective implementation support to the client.
- 4. The World Bank’s ISMs will take place at least twice a year, each followed with an Implementation Status and Results Report (ISR). However additional follow-up missions would be conducted throughout the project period dependent on implementation progress and technical support required.
- 5. The Mid-Term-Review (MTR) will take place 30 months from the date of effectiveness, preceded by a comprehensive and independent assessment of the project implementation and socio-economic and environment impacts.

Time	Focus	Skills Needed	Resource Estimate	Partner Role
First twelve months	Providing support for the project launch and initial implementation of the Annual Work Plan and Budget	<ul style="list-style-type: none"> • Project management • Land Administration • Financial Management • Procurement • Social safeguards • Environmental safeguards 	US\$120,000/year	Collaboration in all mission activities
12-48 months	Consolidating project implementation, effecting necessary changes	<ul style="list-style-type: none"> • Project management • Land Administration • Financial Management • Procurement • Social safeguards • Environmental safeguards 	US\$100,000/year	Collaboration in all mission activities
Other	Continuous support to the PIU on the day to	<ul style="list-style-type: none"> • Project management • Land Administration 	tbd	Collaboration in all mission



day implementation issues (throughout the project implementation)

- Financial Management
- Procurement
- Social safeguards
- Environmental safeguards

activities

Skills Mix Required

Skills Needed	Number of Staff Weeks	Number of Trips	Comments
Land Administration	10-14	2/year	To be adjusted annually based on actual budgets provided
Financial Management	10-14	0	Local staff
Procurement	10-14	0	Local staff
Environmental Safeguards	10-14	0	Local staff
Social Safeguards	10-14	2/year	To be adjusted annually based on actual need

Partners

Name	Institution/Country	Role
USAID	Land Governance Support Activity /Liberia	Development Partner
Land Donor Working Group	Liberia	Development Partner Working Group



ANNEX 4: ECONOMIC AND FINANCIAL ANALYSIS

COUNTRY: Liberia

Liberia Land Administration Project

The Project's Economic and Financial Analysis (EFA) estimates the ex-ante or expected project economic rate of return (ERR) and the financial and fiscal impact of the project.

A. Background on Method and Approach

1. Method and Approach for an Economic Analysis: The economic and financial analysis of projects covers three distinct types of investigation: (a) conventional cost-benefit analysis (CBA); (b) financial analysis; and (c) fiscal impact analysis. The CBA looks into how well the project benefits weight against project costs which comprise the investment and operation and maintenance costs (O&M costs) where project benefits consist of the monetary value of the anticipated improvements in the economic sectors impacted by the project. The financial analysis refers to the anticipated Liberia Land Authority (LLA) budgets as can be construed and extrapolated from the former individual agency budgets prior to integration under the LLA. As far as the fiscal analysis, reference will be made to service fees generated by the LLA on behalf of the Government. The fiscal analysis will offer some insights as to how improved land administration would and can impact property transaction revenues and property tax collections.
2. Analytical Option: The project fits the definition of a framework-type project, implying that the project's exact intervention model cannot be elaborated in specific terms, particularly for Component 2 – which constitutes the bulk of the project's technical intervention to complete an inventory of Tribal Certificates in the country.
3. Under these circumstances, there are various analytic options to consider toward building an economic and financial analysis for the Liberia Land Administration Project (LLAP). An attempt will be made to explore the impact of improving the land administration service for the country as a whole, with an emphasis in recording and inventorying customary land rights in the rural areas, mostly using benchmark data and findings from other countries.
4. What further justifies the choice of the framework-type investment scenario is that the World Bank's financing consisting of a grant for US\$7 million can only fund a small and initial segment of a much larger investment package. The remaining investment funds will come from the USAID and other multilateral and bilateral donors. Given the existing multi-donor funding pattern and many long years of future investments needed, one must take a holistic view of the interventions all of which jointly aim to create an effective land administration and management agency for Liberia. Alternatively stated, although LLAP has not formally used a basket approach, the economic and financial analysis presented here would have greater validity and pertinence if the calculations were to be done as if a basket existed to assist with this critical sector. Therefore, the cost benefit analysis presented here pertains to a program, rather than to an isolated project, to which the World Bank contributes.



B. Status of Property Registration in Liberia

- 5. According to the Doing Business (DB) Survey Liberia ranks 179 in property registration out of 189 countries in the world. This rank slightly deteriorated in recent years but remained unchanged in the last two years. The survey also offers insights as to the efficiency and quality of property registration in the country, which provides signals as to the amount of outstanding work to be accomplished to establish an efficient and effective land administration system in the country³².
- 6. As shown in the below table, each Doing Business (DB) country is rated on three criteria: (a) number of procedures to complete to register property; (b) the time it takes to register property; and (c) the cost of registering property as a percent of its value. Liberia has an average of 10 procedural steps and it takes some 44 days to register a piece of property at a cost corresponding to 13 percent of its value. These statistics put the country at rank 179, with only 10 other countries that are doing less well than Liberia. The calculations represent commercial property that is harder and costlier to transact than routine and smaller property transactions among citizens. However, the survey still gives a pretty good idea on where countries stand with respect to property registration.

Table 4.1: Doing Business Survey Results for Registering Property in Liberia

Indicator	Liberia	Sub-Saharan Africa	OECD high income
Procedures (number)	10	6.2	4.7
Time (days)	44	59.7	22.4
Cost (% of property value)	13	8	4.2
Quality of the land administration index (0-30)	5	8.4	22.7

- 7. As for the quality of the land administration index (a new dimension in the DB survey), Liberia has a score of 5 out of 30, against 8.4 in in Sub-Saharan Africa and 22.7 in the Organization for Economic Co-operation and Development (OECD) countries. The quality of land administration index is the sum of the scores on the reliability of infrastructure, transparency of information, geographic coverage, land dispute resolution and equal access to property indices. The index ranges from 0 to 30, with higher values indicating better quality of the land administration system. The index is more pertinent for our purposes than the ranking, because it does not target commercial property alone while taking a comprehensive look at the land administration system.

C. Economic and Financial Analysis

- 8. Project/Program Costs for Investments: It is assumed that the bulk of the investment costs for the establishment of a land administration and management system will be supplied by the donor community, where the major contributors are the World Bank and USAID with additional support from other financiers. It is hypothesized that the program investments will be scheduled over two consecutive five-year investment phases and designed to support four major activities (policy, basic

³² Doing Business, Registering Property in Liberia, <http://www.doingbusiness.org/data/exploreeconomies/liberia/registering-property#panelScroingInfoWrapper>



LA, customary land and management). Each phase would be funded for about US\$25 million. For the first phase funding cycle, the figures provided below are based on best current estimates (table below). The USAID funded Land Governance Support Activity is funded at a level of US\$12.5 million, the World Bank’s funding (grant) is for US\$7.0 million, while the remaining donors (bi-lateral donors and UN agencies) are most likely to provide investment funding for another US\$5.5 million, all adding up to US\$25.0 million.

Table 4.2: Investment Support to the Liberia Land Authority (Phase I)

Principal Activity	USAID	World Bank	Other Donors	Total
Policy and Legal	5.50	3.00		8.50
Support to Basic land administration	4.50	1.00	3.00	8.50
Support to Customary Land Rights	2.50	1.50	2.00	6.00
Management		1.50	0.50	2.00
Total	12.50	7.00	5.50	25.00

9. It is uncertain as to which financiers will finance the next phase activity and at what level, but there is near certainty that there will be next phase. It is assumed that the next phase will require another US\$25.0 million, where greater attention will be paid to the technical aspects, such as base mapping and improved cadaster. These matters will be taken up and elaborated in the Strategic Plan to be prepared during the interim transitional period and partly under the project.
10. Project/Program Costs for Operations and Maintenance: The three key agencies that are being partly integrated to constitute the Liberia Land Authority (LLA) are the former Land Commission (LC), Center for National Documents and Records Agency (CNDRA) and the Department of Lands, Survey and Cartography (DLSC) of the Ministry of Lands, Mining and Energy (MLME). The establishment law of Land Authority also cites relevant segments of the Ministry of Interior and Public Works from which staff and resources would be drawn, but no data were available on these entities. Cost-related crude financial analysis suggests that the land administration will most likely end up with an annual O&M budget of some US\$2.0 million. It is expected that both CNDRA and DLSC will still conserve significant capacity in land administration for complementary (archiving for instance) services to the LLA, as well as continue carrying out their own mandates.
11. Calculations shown in the table below are based on past data and highlight that the new LLA will most likely have a starting budgetary allocation of some US\$2.0 million a year, with practically no investment cost financing from the Government during the first 10 years.

Table 4.3: Budget Projection for the LLA in US\$

Agency	FY15-16	FY16-17	FY17-18	FY18-19	FY19-20
	Actual	Actual	Projection	Projection	Projection



Liberia Land Authority	850,000	900,000	1,500,000	1,500,000	1,500,000
CNDRA	890,000	800,000	810,000	810,000	825,000
DLSC/MLME	295,000	325,000	290,000	290,000	290,000
Unadjusted former agency total			2,600,000	2,600,000	2,615,000
Adjusted LLA total for O&M Only			1,500,000	2,000,000	2,000,000

Source: <https://www.mfdp.gov.lr/index.php/the-budget>

D. Project/Program Benefits:

12. Importance of Secure Land Rights in Economic Development World-Wide: Securing land rights is widely recognized as a key factor in many interlinked development goals, such as poverty reduction, sustainable natural resource management, as well as increasing the equality of vulnerable groups. In contrast with this recognition, Indufor’s recent study³³ indicates that only 25 percent of the six billion land parcels worldwide are formally registered and have robust security of tenure, meaning that 75 percent of the world's population does not have access to formal systems to register and safeguard their land rights. The situation is particularly evident in regions with large agriculture-dependent populations and low food security, many of which are in Africa. Indeed, according to Byamugisha, economic growth in Africa is being held back by confusion over land ownership since 90 percent of Africa's rural land is undocumented and informally administered.

13. Consequently, the World Bank has called for the full documentation of all communal lands and declared that improving land governance was vital for creating economic opportunities for Africans. Furthermore, the 'Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security' provide an overarching framework under which numerous nations have committed themselves to improve tenure management.

14. Macro-Economic Perspectives: Research around the world³⁴ shows that land tenure security is positively associated with macro-economic growth and individual wealth.

- i. A global study of 33 countries found that stronger property rights were associated with a five percent increase in GDP growth.³⁵
- ii. A global study of 108 countries found that stronger property rights were associated with an increased average annual growth of per capita income by 6 to 14 percentage points.³⁶ Research around the world shows that land tenure security is also positively associated with household productivity and wealth.

³³ Analysis on the Cost of Securing Communal Land Rights, 2014, http://rightsandresources.org/wp-content/uploads/RRI-Study-on-Costs-Final-Draft-ID-55782_Aug-20-FINAL.pdf

³⁴ Grow the Economy: Global Factsheet, <http://www.landesia.org/resources/grow-the-economy-strengthen-land-rights/>

³⁵ Fort, R. (2007). Land inequality and economic growth: a dynamic panel data approach. *Agricultural Economics*, 37(2-3): 159-165.

³⁶ Keefer, Philip, and Stephen Knack. (2002). "Polarization, politics and property rights: Links between inequality and growth." *Public Choice* 111.1-2: 127-154.



- iii. A study in Ethiopia found that farmers with land certificates were associated with an increase in agricultural productivity by as much as 45 percent.³⁷
 - iv. A study in Nicaragua found that titled or registered land had a 30 percent higher value.³⁸
 - v. A study in Tanzania found that women who reported having strong property and inheritance rights were nearly three times as likely to be employed outside the home and 3.8 times more likely to have higher gross earnings than women with weaker property rights.³⁹
15. Additionally, once the basic land administration functions are established and further technical refinements incorporated, the Liberian society would largely be spatially enabled. Macro-economic benefits to a spatially enabled country would possibly exceed the 5 percent standard rate of contribution to the national GDP.
16. Background on the Tribal Certificate Inventory Activity: Tribal Certificate is a legal document signed by the Tribal Authority and issued by the County Land Commissioner under the 1956 and 1973 Public Lands Laws certifying that the local community consents to the land being sold as public land and that the land is not part of a Tribal reserve and not otherwise owned or occupied.
17. The project aims to complete the previously started tribal certificate (TC) inventory activity which was carried out by the LC and which revealed that that in the four counties covered (Bong, Cape Mount, Bomi and Montserrado) there were some 4750 TCs with a total land area of some 2.26 million acres. Although the inventory was a partial one, this area corresponds to some 8 percent of the land area in the country. It is estimated that the TC inventory for the 10 remaining counties would at least double the estimated area under the TCs, hence possibly reach some 15 percent of the land area of the country, or some 17,000 square kilometers. Clarifying the situation on the TCs will be a significant step toward facilitating the supply of land for transactions, particularly on the fringes of the cities, which offers important economic prospects.

Table 4.4: Tribal Certificate Statistics

County	Area Covered (acres)	Number of Tribal Certificates (TC) Inventoried	Average Area per Tribal Certificate (acre/TC)
Bong	1,394,414	3,974	351
Cape Mount	759,307	163	4,658
Bomi	27,692	145	191
Montserrado	73,645	469	157
Totals	2,255,058	4,751	475

Source: Land Authority

³⁷ Holden, S.T., Deininger, K., and Ghebru, H. (2009). Impacts of low-cost land certification on investment and productivity. *American Journal of Agricultural Economics*, 91(2), 359-373.

³⁸ Deininger, K., and Chamorro, J. S. (2004). Investment and equity effects of land regularization: the case of Nicaragua. *Agricultural Economics*, 30(2), 101-116. Chicago

³⁹ Peterman, A. (2011). Women’s Property Rights and Gendered Policies: Implications for Women’s Long-term Welfare in Rural Tanzania. *The Journal of Development Studies*, 47(1), 1-30.



18. Project/Program Specific Benefits: Despite its modest investment volume, the project is also expected to contribute to sustained peace and stability in the country and help build a more prosperous land for all Liberians with reduced or minimized land related disputes. Therefore, using a two-pronged strategy, the project/program will generate benefits both in urban and rural Liberia. This will be achieved by investments in the policy and legal domains as well as investments in strengthening property rights for all citizens, with a particular emphasis on improving the lot of the most neglected people in the country, which consist of people living on and using customary land. In the urban areas, it is expected that land and property markets and mortgage markets will be the primary beneficiaries. The program benefits are expected to accrue as increased income both at the personal and national levels.
19. Key Assumptions and Parameters: It is conservatively hypothesized that Liberia will attain an incremental 1.5 percent increase in its GDP over a 20-year planning horizon in connection with improved land administration and management in the country. This would happen gradually over the next 20 years with small steps each year. In an earlier study conducted by the World Bank at the end of 2013, it was estimated that a full-blown land administration program in Liberia would cost up to US\$100 million in investment, and would require some 25 years to implement. With about half of the funds being made available as per the assumptions adopted here (some US\$60 million over 20 years), and given the low level the country is starting from, a lower goal of 1.5 percent of GDP was set, which possibly corresponds to a threshold level. It is quite likely that the actual realization would be higher based on the world experience discussed above.
20. The below table contains key assumptions used in the cost benefit analysis. The cost side consists of investment and O&M costs. The Liberia GDP is assumed at US\$2 billion⁴⁰, and in 20 years the project/program is expected to yield incremental income in the order of US\$30 million per annum. The initial investment period would be 10 years, with funding for US\$25 million in the first and second phases, amounting to some US\$50 million. During the operational phase the Government would cover both the requisite O&M costs, assumed to grow 5 percent annually as well as an investment outlay of US\$1 million annually. Finally, the discount rate (opportunity cost of capital) is assumed 6 percent as per recent World Bank policy.

Table 4.5: Assumptions and Parameters

Description	Units	Without Program	With Program
GNP Liberia (2016)	US\$ Million	2,000	2,000
Target GNP Growth Attributable to Improved LG and LA – Benchmark	percent	0	5%
Target GNP Growth Attributable to Improved LG and LA - Assumption for Liberia	percent	0	1.5%
Length of Time Needed to Realize the Targeted GNP Growth in Liberia	years	N/A	20
Value of Annual Incremental Growth Attributable to LG	US\$ Million	N/A	100.00

⁴⁰ The GDP of 2016 is fixed at US\$2 billion for analytical purposes to be able to isolate the program’s impact. In reality the GDP too is subject to growth, which in turn will help enhance the economic feasibility of the underlying investment in land.



and LA at Maturity – Benchmark			
Value of Annual Incremental Growth Attributable to LG and LA at Maturity - Assumption for Liberia	US\$ Million	N/A	30.00
Current Donor Investments - Phase I	US\$ Million	N/A	25.00
Future Donor Investments - Phase II	US\$ Million	N/A	25.00
Investment Period – I	years	N/A	5
Investment Period – II	years	N/A	5
Operational Period	years	N/A	10
Government O&M Spending in 2017/18	US\$ Million	N/A	2.0
Annual Growth in GOVT O&M Spending	percent	N/A	5%
Annual GOVT Investment as of PY 11	US\$ Million	N/A	1.00
Opportunity Cost of Capital	percent	N/A	6%

Note: LG means land governance, and LA means land administration

21. Calculation for Economic rate of Return (ERR) and Net Present Value (NPV): Using the above indicated assumptions and parameters, calculations (table below) show that the ERR (economic rate of return) estimate would be 25 percent, with a B/C ratio of 1.96 and NPV of positive US\$73 million. While these results may point to a highly feasible investment in the land sector in Liberia, the reader is reminded about the highly indicative and conjectural nature of the analysis.

22. As for sensitivity analysis, an induced GDP growth of 0.75 percent (half of what is otherwise assumed) as a pessimistic estimate would still yield an ERR of 6 percent, matching the OCC. This would correspond to the switching value or break-even point. On the contrary, an induced growth rate of 2.5 percent, would generate an ERR in excess of 54 percent, highlighting the importance of the growth rate assumption in the calculations as well as the prospects lying in the future under more optimistic scenarios.

Table 4.6: Calculation of Economic Rate of Return (in US\$ million)

Year	Investment and O&M Costs				Program Benefits	Cash Flow	Period
	Current Period Investment	Future Investment	Annual LLA O&M	Program Total Cost			
1	5.0		2.0	7.0	1.5	-5.5	Investment Period
2	5.0		2.1	7.1	3.0	-4.1	
3	5.0		2.2	7.2	4.5	-2.7	
4	5.0		2.3	7.3	6.0	-1.3	
5	5.0		2.4	7.4	7.5	0.1	
6		5.0	2.6	7.6	9.0	1.4	
7		5.0	2.7	7.7	10.5	2.8	
8		5.0	2.8	7.8	12.0	4.2	
9		5.0	3.0	8.0	13.5	5.5	
10		5.0	3.1	8.1	15.0	6.9	
11		1.0	3.3	4.3	16.5	12.2	Operational Period
12		1.0	3.4	4.4	18.0	13.6	



13		1.0	3.6	4.6	19.5	14.9
14		1.0	3.8	4.8	21.0	16.2
15		1.0	4.0	5.0	22.5	17.5
16		1.0	4.2	5.2	24.0	18.8
17		1.0	4.4	5.4	25.5	20.1
18		1.0	4.6	5.6	27.0	21.4
19		1.0	4.8	5.8	28.5	22.7
20		1.0	5.1	6.1	30.0	23.9
Total	25.0	35.0	66.1	126.1	315.0	188.9
			NPV @ 6%	75.4	148.1	72.6
					IRR =	25%
					B/C Ratio =	1.96

23. Financial Analysis of the Land Authority: Financial analysis seeks to shed light on the revenue earning dimension for the LLA. Whether the newly established LLA can become a self-sustaining agency in the future depends upon how quickly it can build its service capacity and how much enhancement it can bring about in the current service fees, particularly those administered by CNDRA, which are low. Due to lack of prior analysis and data at this stage (although reference was made during congressional deliberations to a financial and sustainability analysis when the LLA bill was discussed), this current analysis is of a conjectural nature.

24. Data provided for CNDRA’s fee revenue shows that cost recovery on the land related services vary from 30 percent to 54 percent in the last five years. The fees charged by CNDRA, as shown in the bottom half of the table, are publicly accessible at CNDRA’s web site. The revenue generated by CNDRA is turned over to the Government. There are other revenues not shown on the schedule of fees, such as the real estate transfer tax, which will be discussed under the fiscal impact section. CNDRA fees appear to be on the low side, but the core problem is one of a small property market and the limited number of property transactions, which are insufficient to generate significant revenue. With respect to the LLA revenues, there were none so far, since the former Land Commission had no authority to generate revenue. Finally, regarding the DLSC (of MLME), no data were made available as to their revenues.

Table 4.7: CNDRA Expenditures and Revenues (in US\$)

Fiscal Year	Downward Adjusted O&M Expenditures	Land Related Fee Revenues	Percent Cost Recovery
2011/2012	143,038	45,875	32%
2012/2013	149,205	61,125	41%
2013/2014	150,151	60,950	41%
2014/2015	107,667	57,775	54%
2015/2016	149,359	45,250	30%
<i>Source: CNDRA Management</i>			
Assumption: One sixth of the agency expenditures are land related.			



Customer Service Fees (US\$)	Cost
SERVICES	
Deed Registration	15
Lease Agreements	30
Certified Copies	50
Registration (Other Legal Instruments)	30
PROCESSING AND FORM FEES	
Research Request Form	25
Express service for any transaction in one day	100

Source: <http://cndra.gov.lr/doc/CSC-COST.pdf>

25. Given the amount of available data, the analysis is inconclusive whether LLA can become self-sustaining in the short-term. All depends on whether revenue generating LA activities can be successfully introduced and implemented and whether an overall fee increase could be effected in connection with a revamped land market which would result in an increased level of property transactions.

E. Fiscal Impact

26. The project’s fiscal impact will manifest itself via two distinct avenues. They consist of (a) real estate transfer tax (abbreviated as RETT - as collected by CNDRA on behalf of the Ministry of Finance), and (b) property tax (as enforced by the Real Estate Tax Department of the Ministry of Finance).

27. The real estate transfer fee is fixed at US\$15 per transaction, but on top of this there is a 2 percent Real Estate Transfer Tax (RETT), which generates fiscal revenue for the Government. For instance, in 2013, only one CNDRA Branch (Margibi) reported fiscal receipts in the order of US\$200,000. Data were not available for the entire country.

28. As for property tax, Liberia distinguishes between four broad categories of real estate for taxing purposes. These categories are (a) residential; (b) commercial; (c) industrial; and (d) undeveloped land. The commercial and industrial categories combined account for more than 90 percent of the properties, and generate more than 90 percent of the property tax revenue. Residential category is small and ranges in the order of 7 percent both in number and collections.

29. With anticipated future improvements in land administration and cadaster development, unique property identification, an important number of marketable landed properties to be unleashed as an end result of the tribal certificate inventorying activity, and overall improvements in the land market, the program (project) is expected to generate a significant impact on the property tax assessments and collections.

30. Property tax collection data for Liberia is shown in the below table which exhibits a steady pattern with US\$4.2 to 4.8 million per annum despite recent upheavals (the Ebola crisis). A majority of the property tax is being collected in the capital city of Monrovia. In comparison with the GDP, the collection rate is low at 0.22 percent. For instance, in the OECD countries, the ratio of property tax to the GDP is about 1.4 percent, and in Liberia there seems to be scope for at least tripling the



property tax collections (with a possible target value being some 0.75 percent of GDP) as a result of improving land administration and management.

Table 4.8: Tax Revenues and Property Tax in Liberia

Description	Units	2014	2015	2016
Tax Revenue	Million LDR	33,956	33,052	28,492
Property & Real Estate Taxes	Million LDR	428	379	448
Tax Revenue	Million US\$	377.29	367.24	284.92
Property & Real Estate Taxes	Million US\$	4.75	4.21	4.48
Percent of Tax Revenue	Percent	1.26%	1.15%	1.57%
Percent of GDP	Percent	0.24%	0.21%	0.22%

Source: Ministry of Finance, Monrovia, Liberia;

<https://www.cbl.org.lr/doc/2nd%20edition%202017%20LFS%20FINAL%20for%20website%20June%202012,%202017.pdf>



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