Public-Private Dialogue Guides Liberia’s Road to Post-Conflict Recovery

PROJECT AT A GLANCE

COUNTRY/REGION  LIBERIA/SUB-SAHARAN AFRICA
THEME  PUBLIC-PRIVATE DIALOGUE
        FRAGILE AND CONFLICT-AFFECTED AREA

The Liberia Better Business Forum (LBBF), a public-private initiative launched with the support of the World Bank Group, seeks to drive the creation of quality employment, poverty alleviation, and economic development by enhancing the business environment for private sector growth. It has already generated $4.7 million in private sector cost savings through regulatory reforms that improve Liberia’s investment climate.

CONTEXT

Once a country with weak infrastructure and a battered economy following a protracted civil conflict that lasted over a decade, Liberia has been on the road to recovery and peace since late 2003. In 2006, the Liberian government requested assistance from the World Bank Group to help fuel private sector growth and attract investment. After supporting initial administrative reforms and providing diagnostic support, the Bank Group focused on public-private

RESULTS AND IMPACTS

• Significant private sector time and cost savings totaling $4.7 million.
• A 20 percent increase in business registration.
• The creation of 20,400 new jobs.
• A $13 million increase in private sector investment.
• Regulatory reforms, including the passage of a new investment law, commercial code and court, and business registration law and process.

IN PARTNERSHIP WITH  SWEDEN
dialogue as a way of providing advocacy support for the passage of key laws and reforms.

The LBBF was launched in July 2007 and officially endorsed by Liberia’s government and private sector as a new mechanism to facilitate dialogue on investment climate issues. The LBBF is a structured public-private partnership that brings together the government of Liberia and the private sector to engage in constructive dialogue on identifying, prioritizing, and resolving key constraints to private sector development.

**OUR ROLE**

Liberia is showing momentum in improving the country’s overall conditions for private sector growth. Supported by investment climate teams of the World Bank Group since 2006, the government has established a multifaceted investment climate program aimed at facilitating business creation and operations. The program also launched the LBBF, which aims to:

- Improve the investment climate and increase private sector participation in economic planning and policymaking.
- Develop issue-specific working groups to analyze issues and barriers to doing business and champion viable recommendations for reform.
- Support awareness, inclusion, consensus-building, and cooperation within the private sector.

The World Bank Group has been active in providing advocacy support for the passage of key reforms through the LBBF. The reforms implemented so far have yielded $4.7 million in private sector savings, created 20,400 new jobs, increased business registrations by 20 percent, and attracted $13 million in private sector investment. Regulatory reforms include the passage of a new investment law, commercial code and court, and business registration law and process.

In the next phase of the project, the LBBF expects to streamline tax administration (especially for small and medium-sized enterprises), improve trade logistics (such as automation, cross border trade, and customs codes), and improve access to finance by advocating the establishment of a credit reference bureau.

The LBBF consists of a secretariat, a governing board, and five working groups. Both the governing board and working groups include public and private sector representatives from government ministries and business associations. The LBBF played an instrumental role in strengthening trust between the stakeholders, improving government accountability, and increasing private sector engagement in the reform process. As a result of this engagement, the forum has made significant contributions to private sector participation in the reform agenda and nation-building.

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“I commend the work done thus far by the LBBF, and I am pleased with the coordination that has already begun between the LBBF and the governmental initiative, the Business Reform Committee. I look forward to seeing the manifestations of greater interest in Liberia as a place to invest and do business in the international community.”

H. E. ELLEN JOHNSON SIRLEAF
President of Liberia