Abstract

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HUMAN DEVELOPMENT NETWORK

Liberia’s Cash For Work Temporary Employment Project: Responding to Crisis in Low Income, Fragile Countries

Colin Andrews, Prospère Backiny-Yetna, Emily Garin, Emily Weedon, Quentin Wodon and Giuseppe Zampaglione

July 2011
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Keywords: Public works, workfare, transfers, social protection, poverty, labor market, wage rate.
Liberia’s Cash For Work Temporary Employment Project

Responding to Crisis in Low Income, Fragile Countries

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Acknowledgements

In preparing the paper we have received excellent comments and guidance from Ishac Diwan, Bassam Ramadan, Michelle Rebossio, Carolyn Turk and Azedine Oureghi. We are grateful to many counterparts who have provided feedback and ideas and contributed to various background materials for the paper, including Ramses Kumbuyah (Executive Director, Liberia Agency for Community Empowerment) and Sam Gotomo William B. N. Jones, Lemu Ella Makain (Making Enterprises, Inc.). This work benefited from support from the Trust Fund for Environmentally & Socially Sustainable Development (TFESSD) made available by the governments of Finland and Norway. The authors alone are responsible for the contents of this final version. Moreover, the opinions expressed here are those of the authors and do not necessarily reflect those of the World Bank, its executive directors or the countries they represent.
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Acronyms

CF      Community Facilitator
CFSNS   Comprehensive Food Security and Nutrition Survey
CfW     Cash for Work
CfWTEP  Cash for Work Temporary Employment Project
CWIQ    Core Welfare Indicators Questionnaire survey
GoL     Government of Liberia
LACE    Liberia Agency for Community Empowerment
LEAP    Liberia Employment Action Programme
LEEP    Liberia Emergency Employment Programme
LGA     Local Government Authority
NGO     Non-Governmental Organization
PRS     Poverty Reduction Strategy
UNMIL   United Nations Mission in Liberia
WFP     World Food Programme
YES     Youth, Employment, Skills Project
I. Overview

Together with reductions in indirect taxes on food imports, cash for work programs were one of the main responses implemented by African governments following the food, fuel, and financial crisis of recent years (Wodon and Zaman, 2010). The main objective of those programs was to help the poor cope with the various shocks by increasing their net earnings through community-level work paid for under the programs. In addition, the programs also helped to build, repair, or maintain local infrastructure, but the main objective was clearly short term poverty reduction. Yet it is unclear whether these cash for work programs indeed reached their intended beneficiaries — that is the poor who were especially affected by rising prices. It is also unclear whether these programs generated other, potentially long-term beneficial impacts. And given the administrative and other costs of implementing the programs, it is also unclear whether a large enough share of the initial budget allocations for the cash for work programs ultimately ended up in additional net incomes for the households whose members benefitted from the programs.

In Liberia, in order to assess quickly the performance of the cash for work program it helped fund through an emergency crisis facility, the World Bank implemented in partnership with the Liberian Agency for Community Empowerment a light evaluation of the Cash for Work Temporary Employment Project (CfWTEP). Both quantitative and qualitative data were collected for this evaluation, focusing especially on targeting, wage setting, poverty impact, and other benefits of the program. This paper analyzes the context that led to the creation and implementation of the CfWTEP in Liberia, the nature and administrative arrangements for the program, and its performance. The objective is to share the lessons learned from the evaluation so that they can be useful for implementing similar programs in the future in Liberia itself or in other countries.

The paper is structured as follows. The first section briefly summarizes the impact of the global food price crisis — the impetus for the project — on Liberia. The second section places cash for work (CfW) programming in the context of broader social protection needs and programs in Liberia. The third section describes major design and implementation features of the CfW Project. The fourth section lays out key findings from the Liberian experience, building on the qualitative and quantitative data collected. The conclusion provides a series of considerations
for responding to similar crises in other low-income, fragile states. It also details the way in which the project is being used to undergird the development of a broader social protection framework within Liberia.

In summarizing design elements and feedback from program implementation, the paper draws on two previous World Bank analyses of the project. The first document is a quantitative assessment, which was based on a light evaluation survey carried out in November and December of 2009 (Backiny-Yetna et al., 2011a). The quantitative assessment was primarily intended to analyze program results such as targeting performance, wage substitution effects and patterns of wage usage among participating households. The second document is a qualitative analysis, which included summary results from stakeholder interviews and focus group discussions held with both program participants and non-participants (Making Enterprises Incorporated, 2010).

1 The Food Price Crisis in Liberia

1.1 Crisis

Global food prices rose an average of 43% between March 2007 and March 2008. These price increases quickly cascaded into a global food crisis with devastating impacts on vulnerable communities throughout the world. The UN Food and Agriculture Organization estimated that 75 million people were added to the global undernourished population in 2007, with most of the rise attributable to price increases (see also Ivanic and Martin, 2009).

Liberia was particularly susceptible to the worst effects of the food crisis. Despite its significant potential for agricultural production, Liberia still relies heavily on imported food, with two-thirds of all food coming from outside the country. Even before the crisis began, 51% of the country was classified as having unacceptably low levels of food consumption. On average, food purchases account for half of household cash expenditures.

The impact of the crisis on rice — the staple crop of the Liberian diet — provides a clear illustration of why a quick response was necessary. When the crisis began, roughly 60% of rice consumed nationwide was imported; in the capital area of greater Monrovia, that number reached 99%. When global commodity prices rose, Liberians felt the effects immediately and acutely. A UN Joint Assessment of the crisis found a 40% year-over-year increase in the price of rice in
Monrovia, despite the suspension of import tariffs. Analysis based on consumption patterns also suggested that the increase in food prices might have a very large impact on the poor, with Liberia being somewhat of an outlier in West Africa in this respect. Specifically, Figure 1 shows that in Liberia, an increase of 50% in the price of rice might lead to an increase in the share of the population falling into poverty of six percentage points, which is very large and indeed higher than for any of the other countries listed in Figure 1. In addition of driving a large number of households into poverty, the increase in rice price also worsened the living conditions of the two thirds of the population that already lived in poverty before the crisis. Clearly, emergency measures were needed, and were indeed taken, including the launch of CfWTEP.

![Figure 1: Upper Bound Estimates for Impact of Increase in Price of Rice](image)

Liberia’s post-conflict status created even greater urgency for a crisis response. In addition to all of the development setbacks traditionally linked to food insecurity, food scarcity in a post-conflict country can threaten the maintenance of a fragile peace. The strong political divides between Liberia’s food producing regions and its largest population centers made the country particularly vulnerable to renewed conflict. Although there was obvious political and economic need for rapid action, Liberia’s long history of civil conflict had left the government with extremely limited capacity for implementing an effective response.
1.2 Response

Despite the time pressures created by the onset of the food price crisis and the weak national capacity for implementation, Liberia was able to mount a successful response program in the form of the Cash for Work Temporary Employment Project.1 The project was a joint effort of the Government of Liberia (GoL) and the World Bank, designed to provide short term employment and income for households hard-hit by rising food prices. The objective of the CfW Project was to mitigate the short-term effects of the food price crisis by creating 680,000 days of temporary employment for 17,000 vulnerable households. Work performed through the program also provided public services to Liberian communities, including rehabilitating public agricultural land in rural areas and cleaning and clearing roads, drains, and public spaces in urban and rural areas. In response to a request from the Ministry of Agriculture, the CfW Project was introduced as an additional grant to the World Bank’s Community Empowerment Project II (CEPII), alongside a series of crisis response interventions including school feeding and support to agricultural production. By June 30, 2010 the project had reached all 17,000 intended beneficiaries. Based on the success of the early implementation experiences, a project to scale up this intervention was approved to by the Board of the World Bank on June 26, 2010. The second phase will run from July 1, 2010 to June 30, 2013.

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1 Though the Cash for Work project is the focus of this paper, it was not the Bank’s only crisis response in Liberia. Other components included agricultural supports for farmers and additional resources for the existing school feeding program.
II. High Need, Low Capacity: Cash for Work in the Liberian Context

2.1 Need

When the food price crisis struck in 2007, Liberia was just four years removed from a fourteen year civil conflict. The war devastated an economy that was already on the decline and, in a nation with only 3.5 million residents, claimed the lives of more than 250,000 people. The entire educational system was disrupted and largely destroyed, leaving a full generation of Liberian students with little to no education and extremely limited job skills. This has impacted both their economic prospects as well as the workforce capacity of the government, private sector businesses and national non-governmental organizations (NGOs).

Estimates of the level of unemployment in Liberia are imprecise, but estimates based on nationally representative household surveys suggest that unemployment as well as underemployment affect approximately 20% of the population (World Bank, 2010). Of the population that is considered employed, the vast majority are performing low-paying, informal work with little security or opportunity for escaping poverty. Youth are the hardest hit by unemployment, with the highest levels of unemployed youth found in urban influx areas like Monrovia.

With an annual per capita gross domestic product estimated at US$222, Liberia’s poverty is endemic. Nationwide, 64% of the population falls below the national poverty line and 48% of Liberians are below the extreme poverty line (Backiny-Yetna et al., 2011b). While all areas of the country have high levels of poverty, conditions are significantly worse in rural areas, particularly in the southeast of the country. Levels of food insecurity approach or exceed 75% in the three counties that make up the southeastern corner of the country.

Liberia’s total population consists of approximately 650,000 households, of which 400,000 fall into the category of absolute poverty. According to a 2008 United Nations assessment of social protection needs, 70,000 of those households are labor-constrained, while 330,000 have available labor.
2.2 Existing Social Protection Policy

Liberia’s high level of need for social protection measures has not yet been met with commensurate levels of protection-related policies and programming. The national Poverty Reduction Strategy (PRS) for the 2008-2011 period makes no reference to social protection, welfare or safety net programming. The topics are also missing from the County Development Agendas, the local counterparts to the national strategy.

While there is not yet a coordinated framework for social protection interventions, a variety of actors have undertaken social protection projects. In 2010, UNICEF and the government launched a cash transfer pilot project in Bomi County, aimed at households which were both extremely poor and labor constrained. The World Food Programme (WFP) supports upwards of 600,000 school children through its school feeding program, which is in part supplied by crops purchased from smallholder farmers through the WFP purchase-for-progress scheme. A number of entities have focused on employment-specific interventions. The Government of Liberia (GoL) funded the 2010 Liberia Jobs and Opportunities Initiative, which created 8,000 temporary jobs for youth in Greater Monrovia. Beginning in 2006, various United Nations institutions supported the Liberia Emergency Employment Programme and the Liberia Employment Action Programme (LEEP/LEAP), a public works-based employment scheme and longer term employment strategy for the country. The United Nations Mission in Liberia (UNMIL) has also undertaken temporary employment measures at different points, offering short-term opportunities to 20,000 Liberians.

There are encouraging signs about the growing prominence of social protection issues in the consciousness of government planners. The structure for the new PRS includes an entire pillar dedicated to human development as well as a sub-section specifically focused on social protection. A National Social Protection Secretariat has been established within the Ministry of Planning and Economic Affairs and will soon begin development of the National Social Protection Policy. Translating this policy planning into government ownership and financial commitments will remain a serious challenge. Liberia’s annual budget in for the 2010-2011 fiscal year was US$347 million and the country has development needs which require many times that amount each year, meaning that social protection programming faces stiff competition for budget allocations.
III. Weaving the Safety Net: Design Elements of the Cash for Work Project

This section of the paper explores key design and implementation experiences under the CfW Project. The discussion maintains a strong operational focus in order to highlight the main priorities and challenges involved in the introduction of the labor intensive program, particularly in a low capacity context such as Liberia.

3.1 Basic Project Design

The CfW Project was financed under a grant agreement between the World Bank and the Government of Liberia, as part of the Global Food Crisis Response Program. Responsibility for overall implementation was assigned to the Liberia Agency for Community Empowerment (LACE). LACE was established by the Community Empowerment Act pursuant to Chapter 50B of Title 12 of the Liberian Code of Laws of July 22, 2004. The objectives of the Agency are to improve the living standards of poor communities through the provisions and strengthening of basic social services and to promote a community-based approach in sub-project identification, preparation, implementation, administration and maintenance. The Agency is a not-for-profit and autonomous organization, but it is accountable to the President of the Republic.

During the CfW Project, LACE oversaw the implementation of 34 sub-projects in 15 counties, each consisting of 500 beneficiaries. Coordination of sub-projects was undertaken by local non-governmental or community based organizations, henceforth referred to as Community Facilitators. Project activities were deliberately labor intensive and included work such as roadside brushing and backfilling of potholes. All projects required simple skills and low risk manual labor. This ensured that project workers could be selected from the beneficiary communities. Each worker was paid a daily wage of US$3.00, totaling US$120.00 for forty days of work. Payment was made in US Dollars and disbursed on a monthly basis through a commercial bank. Forty-six percent (46%) of the total number of workers were female. Table 1 outlines the county-by-county breakdown of beneficiary and project numbers.
Table 1: Beneficiaries and projects per county

<table>
<thead>
<tr>
<th>Region</th>
<th>Number of Projects</th>
<th>Number of Beneficiaries</th>
<th>Wage Disbursements to Date (US$)</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Male</td>
<td>Female</td>
</tr>
<tr>
<td>Montserrado</td>
<td>3</td>
<td>645</td>
<td>855</td>
</tr>
<tr>
<td>Margibi</td>
<td>2</td>
<td>300</td>
<td>700</td>
</tr>
<tr>
<td>Grand Bassa</td>
<td>2</td>
<td>510</td>
<td>490</td>
</tr>
<tr>
<td>Nimba</td>
<td>3</td>
<td>1,043</td>
<td>457</td>
</tr>
<tr>
<td>Gbarpolu</td>
<td>1</td>
<td>220</td>
<td>280</td>
</tr>
<tr>
<td>Bomu</td>
<td>3</td>
<td>840</td>
<td>660</td>
</tr>
<tr>
<td>Grand Cape Mount</td>
<td>1</td>
<td>330</td>
<td>170</td>
</tr>
<tr>
<td>Bong</td>
<td>2</td>
<td>524</td>
<td>476</td>
</tr>
<tr>
<td>Lofa</td>
<td>3</td>
<td>953</td>
<td>547</td>
</tr>
<tr>
<td>River Cess</td>
<td>2</td>
<td>650</td>
<td>350</td>
</tr>
<tr>
<td>Sinoe</td>
<td>2</td>
<td>465</td>
<td>535</td>
</tr>
<tr>
<td>River Gee</td>
<td>3</td>
<td>759</td>
<td>741</td>
</tr>
<tr>
<td>Grand Kru</td>
<td>3</td>
<td>872</td>
<td>628</td>
</tr>
<tr>
<td>Grand Gedeh</td>
<td>2</td>
<td>615</td>
<td>385</td>
</tr>
<tr>
<td>Maryland</td>
<td>2</td>
<td>504</td>
<td>496</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>34</strong></td>
<td><strong>9,230</strong></td>
<td><strong>7,770</strong></td>
</tr>
<tr>
<td>% male &amp; female participation</td>
<td></td>
<td>54%</td>
<td>46%</td>
</tr>
</tbody>
</table>

At the time of writing, LACE had disbursed US$2,876,923.97 of the US$3,000,000.00 allocated for the CfW Project, representing 95.9% of the project budget. Of the total expenditures incurred as of August 25, 2010, 70.7% (US$2,035,445.00) was spent on wages for the workers, with an additional 14.1% of costs allocated to goods and related subproject costs, including vehicles, motorbikes, tools, and bank commission fees for worker payment (US$412,146.00). Consultancy and training expenses, including payment of the community facilitators, represented 3.7% of total expenditures (US$109,897.00). Project management expenses totaled 11.1% of the budget ($319,455.21). Although the CfW Project does not close until June 30, 2012, LACE expected to fully incur all additional expenses by the end of 2010.

The Operational Guidelines clearly outlined the types of activities that could be undertaken as sub-projects in both rural and urban communities. Projects had to be simple and could not be imposed on communities by the community facilitators, local authorities or LACE. Worksite teams each included 500 workers and one supervisor per project. Workers
were split into workgroups varying from 20-100 people, with one leader per workgroup. In urban communities, the public work activities were limited to street sweeping and cleaning, drainage clearance, painting of public buildings and street walls, painting of crosswalks, rehabilitation of recreational spaces, rehabilitation of schools, health posts and other community buildings. In rural communities, activities were limited to brushing of bushes along access roads, clearing non-private agricultural land (or for any other purpose that would serve a community or public need), breaking of rocks for road rehabilitation, cleaning and replacement of culverts, and drainage clearance along roads.

Beneficiaries as well as non-workers confirmed that these were the types of activities undertaken in their respective communities. Table 2 further delineates the types of projects undertaken in a sample of counties.

Table 2: Number of projects and types of Activities

<table>
<thead>
<tr>
<th>County</th>
<th>No. of Projects</th>
<th>Types of Public Works</th>
</tr>
</thead>
<tbody>
<tr>
<td>Montserrado</td>
<td>3</td>
<td>Roadside brushing, drainage clearing, garbage removal, sweeping of streets, backfilling of potholes on roads, grass cutting, painting of public structures and painting of walkways carried out in 26 communities</td>
</tr>
<tr>
<td>Grand Bassa</td>
<td>2</td>
<td>Roadside brushing, sweeping streets, drainage clearing, backfilling of potholes on roads, hoeing of grass and disposing of debris carried out in six communities</td>
</tr>
<tr>
<td>Sinoe</td>
<td>2</td>
<td>Hoeing of grass, roadside brushing, sweeping of streets, backfilling of potholes on roads, drainage clearing, and airstrip clearing</td>
</tr>
<tr>
<td>Nimba</td>
<td>3</td>
<td>Roadside brushing, drainage clearing, backfilling of potholes on roads, and repairing of small log bridges</td>
</tr>
</tbody>
</table>

Project activities were undertaken because of the perceived benefit to the communities or implementers. Key considerations in project selection were:

- Maximizing community participation through labor intensive projects. Heavy machinery was not encouraged given capital to labor intensity ratios.
- Designing projects which did not divert community members from productive opportunities or appropriate coping mechanisms. To support this goal, projects were organized around task-based work and situated in close proximity to communities.
• Facilitating simple and quickly executable projects within the timeframe and capacity constraints of the project. Projects such as road rehabilitation and rubbish cleaning helped address existing problems in the affected communities. Rehabilitated roads improved movement of people and goods and clearing potholes and refilling them with dirt led to improvement in community health by reducing the risk of malaria.

3.2 Institutional Design Issues

The Government of Liberia has serious human capacity and resource constraints which limit its ability to effectively implement programming outside the capital. Government structures in the counties are generally weak and overburdened by the competing demands of various sector needs. Given these limitations, GoL and the World Bank decided to delegate overall implementation of the CfW Project to the Liberia Agency for Community Empowerment (LACE).

LACE is an independent not-for-profit organization, but it was established under government auspices in 2004 and is accountable to the Executive Branch. LACE’s mandate is to improve living standards for poor communities while promoting community-inclusive development processes. The organization was selected because of its excellent track record in project implementation as well as its established presence in each county. Without LACE’s existing networks and relationships across the country, a nationwide scale-up of the size and speed of CfWTEP would not have been possible.

LACE, in turn, selected Community Facilitators (CFs) to oversee implementation of specific sub-projects in each county. CFs were local NGOs and community based organizations selected on the basis of their capacity and prior project implementation experience. LACE trained a total of 17 organizations for participation as CFs in the CfW Project. CFs were responsible for sensitizing local authorities about the project, generating awareness in the selected communities, and recruiting, supervising, and submitting payroll information for workers. LACE worked with the CFs to rollout sub-projects across the country and monitored their performance throughout the CfW Project lifecycle. LACE and

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2 One CF was hired in each of Liberia’s 15 counties, with the exception of Lofa County where 3 CFs were retained given the diversity of local dialects.
the Community Facilitators were responsible for putting into practice the specific implementation design that had been agreed to by GoL and the World Bank. These included issues such as geographic project targeting, participant selection, wage setting, payments, and monitoring and evaluation.

### 3.3 Implementation Elements

#### 3.3.1 Targeting of the Poor

A basic building block in safety net programs is the design of effective targeting mechanisms (see Coady et al., 2002, as well as Grosh et al. 2009 for a discussion of targeting mechanisms and other aspects of safety nets, and Adato and Haddad, 2002, as well as Teklu and Asefa, 1997, 1999 for examples of previous evaluation of public works programs in Africa). Given the low capacity and high poverty context, many low income countries will face a hard budget constraint when it comes to determining program eligibility. Difficult triage decisions may often be required when determining how to spend limited finances. To this end, targeting can be a useful instrument to maximize coverage of the poor and vulnerable, as well as promoting transparency in public resource allocation. However, the issue of targeting is not without controversy – especially for public works programs given the selection challenges involved, as well as challenges on feasibility of targeting where data availability is limited.

The targeting priority established under the CfW program was to avoid inclusion error i.e. the participation of non-poor groups, and ensure beneficiaries were amongst the neediest of the population. To this end, ‘vulnerability’ criteria were critical in the project design, particularly at the district level as the main indicator of geographic targeting. At the local level, some flexibility was afforded to community facilitators and local communities, to apply vulnerability criteria if required based on the communities own understanding of poverty. A combination of targeting methods was therefore employed. A geographic targeting approach based on food vulnerability criteria determined the number of projects to be assigned to each county. The actual phasing of the implementation was also based on logistical capacity within each targeted area. Additional community criteria were allowed to manage beneficiary selection and ensure a gender balance amongst beneficiaries. Wage
setting, a traditional tool for promoting self-selection among the poor, was somewhat constrained by precedents for similar programs and pressure from the government. Given the centrality of wage levels to program design, this issue is discussed in more details later.

Survey evidence and community feedback indicates that the project performed well at selecting poor beneficiaries, but less well at reaching the poorest (see section 4). To a large extent this can be attributed to the degree of flexibility afforded to the targeting process, the fact that a high percentage of the population can be considered as poor and the ‘first-come, first-served’ mechanisms used in practice for rationing. While efforts were made to base geographical targeting largely around ‘vulnerability’ information from the Comprehensive Food Security and Nutrition Survey 2006, this was not always possible owing to the transitory nature of the food crisis, combined with sheer logistical and infrastructure deficits. Accordingly, scope was provided to direct targeting decisions around implementation capacity of LACE, as well as other logistical considerations such as banking capacity.

The use of different community mechanisms proved valuable in targeting, with potential for even further usage as the future program evolves. Once a county was assigned its number of sub-projects through geographic targeting, LACE contacted County Superintendents and mayors of major cities to inform them about the program and seek input on which communities should receive sub-projects. This community input determined the project sites, where CFs then went to recruit individual participants. Once the participants were selected, they were educated about the types of activities that could be chosen for project work. The participants then selected the actual projects to be undertaken as part of the CfW scheme. In this respect, the formal guidelines for individual participation were important: program participation was voluntary and open to community members over the age of 18. The only persons completely prohibited from participation were pregnant women and those on the government payroll. There was also a quota requiring at least 30% female participation in the project. To ensure that targeting was appropriate to each context, communities were allowed to adopt additional participation criteria based on their local needs and understanding of vulnerability. They were encouraged to draw-out participation from disabled and women-headed households as well as those households where no family member had employment. While the flexibility was intentionally maintained in the project
design, the extent to which communities utilized that leeway transparently and consistently was unclear.

The limitations of these somewhat flexible targeting approaches were evident throughout implementation, however. Particular obstacles incurred included excess demand for program participations, weak capacity for identifying the most ‘deserving’ (in the sense of need or particularly low levels of expected consumption without the program) beneficiaries, limited access to the neediest regions, and seasonal obstacles to completing labor-intensive work. While appropriate wage setting under local market levels (i.e. lower wages facilitating self-targeting) might have helped to remedy the more serious challenges (e.g. excess demand), this was not possibly owing to the political economy constraints under which the program operated. The issue of wage setting is now considered in further detail.

### 3.3.2 Wage Setting

Wage setting can be a particularly challenging part of program design, and in this context Liberia is no exception. Under normal circumstances, cash for work interventions set wages just below the prevailing market wage in order to ensure self-selection of program beneficiaries, as well as to prevent wage substitution and other market distorting effects. In response to the food price crisis, a few factors complicated this task.

The first challenge was ascertaining a prevailing wage, noting that wage levels may vary across the country. As highlighted in Table 3, there is indeed variability across counties for payment for unskilled work. Setting program wages below the lowest rural wages would help to reach the poorest, and contribute the most to the reduction in poverty (given that the food price crisis had its strongest impact on those well below the poverty line), but would not necessarily lift participants out of poverty and might prove inadequate in urban or even other rural areas. In addition, there is no clear-cut legal minimum wage rate that could help determine payment levels to workers.\(^3\) Given the scale of poverty and absence of formal and

\(^3\) Part II, Chapter 6, Section 513 of the Labor Law of Liberia stipulates that “an unskilled laborer shall be paid for his work at the rate of not less than twenty-five cents ($0.25) an hour if he is an industrial laborer, and not less than One Dollar and Fifty Cents ($1.50) per eight-hour day if he is an agriculture laborer, exclusive of fringe benefits”. Also, Chapter 3, Section 21 (c) of the Labor Law of Liberia classifies anyone who works for less than eight hours a day as “casual worker”, for whom there is no minimum wage rate.
informal employment opportunities, it is likely that demand would persist regardless of the rate set, necessitating additional targeting mechanisms with virtually any wage.

Table 3 compares the daily wage rate offered by the program to rates offered for similar work with local concessionaires or public works programs. The concessionaire rates are based on participant-reported local wage rates for unskilled labor in the locations. At the community level, there is no standard daily wage rate. Wage rates are negotiable and dependent on the type of work and economic status of the employer. Local wages are typically a combination of cash, food and extra benefits such as hot meals. On average, the daily wage rate ranges from US$2.00 to US$4.00 depending on the prevailing exchange rate at the time of the transaction. In urban areas, the unskilled wage level is typically around $3.00 per day or higher.

**Table 3: Composition of local wage rates in the sample of counties**

<table>
<thead>
<tr>
<th>Geographic Location</th>
<th>Description of Work/Tasks</th>
<th>Daily Wage in Liberian Dollars</th>
<th>Daily Wage Equivalent in US Dollars</th>
<th>Daily Wages (In USS) paid by UN/NGOs &amp; Other Programs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Montserrado County</td>
<td>Daily hire for manual labor (unskilled labor) for 8 hours</td>
<td>$100.00</td>
<td>$50.00</td>
<td>$2.14</td>
</tr>
<tr>
<td>Grand Bassa County</td>
<td>Daily hire for (unskilled labor) for 8 hours</td>
<td>$100.00</td>
<td>$50.00</td>
<td>$2.14</td>
</tr>
<tr>
<td></td>
<td>Cutting grass in private yards</td>
<td>$100.00</td>
<td>$50.00</td>
<td>$2.14</td>
</tr>
<tr>
<td></td>
<td>Washing clothes for household</td>
<td>$50.00</td>
<td>$40.00</td>
<td>$1.29</td>
</tr>
<tr>
<td>Sinoe County</td>
<td>Daily hire for labor (unskilled labor) for 8 hours</td>
<td></td>
<td></td>
<td>$3.00</td>
</tr>
<tr>
<td></td>
<td>Clearing of farmland</td>
<td>$300.00</td>
<td>$4.29</td>
<td>$3.00</td>
</tr>
<tr>
<td>Nimba County</td>
<td>Daily hire for manual labor (unskilled labor) for 8 hours</td>
<td></td>
<td></td>
<td>$3.00</td>
</tr>
<tr>
<td></td>
<td>Farming contract-provision of manual labor</td>
<td>$125.00</td>
<td>$50.00</td>
<td>$2.50</td>
</tr>
</tbody>
</table>


In surveyed areas, average wages for unskilled labor varied between US$1.29 and $4.29 per day, with much of the wage consisting of in-kind provisions such as meals. The differences in wages and cost of living between regions could have been used to argue for a
variable project wage, but the somewhat unreliable nature of the estimates and the political challenges of wage differentials in different parts of the country precluded this arrangement.

Given the estimates that were available, including using data from the 2007 Core Welfare Indicator Questionnaire Survey, the original project design called for wages of US$2.50 per day. But this generated two additional concerns. Although the wage was technically appropriate, given the short term nature of the work and the context of the food crisis, it was unlikely to have as strong a vulnerability-reduction impact as desired (but of course, setting a lower wage would have helped in reaching more beneficiaries within the same budget). More fundamental from a political economy point of view was the fact that in all of Liberia’s recent cash for work style programs (including GoL’s Jobs and Opportunities Initiative, UNMIL’s projects and LEEP), the wage had been set at US$3.00. This made it more difficult for LACE and its CFs to enter communities with a lower wage rate, subjecting them to local suspicion that the total wage was the traditional US$3.00, but that it was being siphoned off by the organizations. When combined with strong pressure from the government for higher wages, all these considerations eventually led to a CfWTEP wage rate of US$3.00 per day.

Table 4 provides perspectives from different stakeholders on the wage level. Given the political context and pay previously offered under similar programs, the wage rate was generally perceived as fair and appropriate. Stakeholders generally believed that this level of payment was justified given the short term nature of the program as well as the absence of fringe benefits such as meals and transportation. There was limited appetite to roll back on this decision, notwithstanding the possible overall benefits that could have been realized through expanded program coverage. While government officials also tended to support this, some concerns were raised regarding the overall affordability of this benefit level.
Did the decision to set a relatively high wage (in comparison to prevailing wages) of US$3.0 per day affect strongly the targeting performance of the CfWTEP? We do not have strong counterfactual evidence to assess the impact of the wage level on targeting performance, but the analysis of the light beneficiary survey used to evaluate the program by Backiny-Yetna et al (2011a) shows that targeting to the poor was fairly good, while targeting to the extreme poor was weaker. This suggests that adopting a lower wage level might have
helped in reaching the poorest more, but at the same time the wage level that was adopted did not weaken substantially targeting performance to the poor.

3.3.3 Payments

The question of payment effectiveness is a major design and operational challenge in the delivery of any safety net program. Payment related mishaps can have serious repercussions on households and may quickly become reputational risks for a program, so timeliness and accuracy of payments should be a key priority in program design. Additionally, poorly devised payment control mechanisms can allow fraud and corruption. As outlined in Section 2, previous implementation experiences have struggled to make cash payments in a timely, secure and predictable way. Beneficiaries have also complained about fraudulent and corrupt practices such as the inclusion of ‘ghost names’ on the payroll and underpayment for actual participants.

In this context, the payment arrangements implemented under the CfW Project are of particular note. Table 5 highlights the key elements of these payment arrangements.

Table 5: Key elements of the Cash For Work Project Payment System

<table>
<thead>
<tr>
<th>Element</th>
<th>Description and Issues Arising</th>
</tr>
</thead>
</table>
| Database of beneficiaries    | • All personal information on workers was manually documented. Data included name, age, sex, employment duration and photograph  
                                 • Data were entered and maintained on a computerized database within the Management Information System (MIS) Unit at LACE. |
| Identification mechanisms    | • Digital Identification Cards were issued upon receipt of signed contract. Cards included a participant’s name, position, community, signature, period of validity and a unique identification number. Agency logos were included to product against fraud.  
                                 • Workers were required to present identification cards at time of payment.  
                                 • Workers were issued with a contract for temporary employment |
| Currency                     | • US Dollars, through direct cash payments from a commercial bank.                                                                                             |
| Delivery Instrument and Point of Payment | • Direct cash payments made at local EcoBank branches; or specially commissioned mobile units.  
                                           • Direct cash payments at EcoBank made in: Greater Monrovia and Paynesville, Montserrat County; Ganta, Nimba County; Buchanan, Grand Bassa County; Kakata, Margibi County; Pleebo, Maryland County; Zwedru, Grand Gede County  
                                           • Mobile payments made in: Rural Montserrat, Sine, Grand Cape Mount, Lofa, Gbarpolu, Bomi, River Cess, rural Grand Bassa, Maryland, rural Grand Gedeh, rural Nimba, River Gee, rural Margibi and Grand Kru Counties |
Table 5: Key elements of the Cash For Work Project Payment System

<table>
<thead>
<tr>
<th>Element</th>
<th>Description and Issues Arising</th>
</tr>
</thead>
</table>
| Payment Schedule and Frequency | • Initially made on bi-weekly basis. Payments changed to monthly basis given logistical challenges and need to establish mobile bank units.  
• Dedicated service agents at EcoBank branches were eventually assigned to only issue beneficiary payments, given the large numbers arriving on pay day in Montserrado, Nimba, and Margibi counties.                                                                                                                     |
| Reporting and Reconciliation   | • Community Facilitators are responsible for processing worker payrolls using the following forms given to them by LACE: 1) Daily Attendance Sheet 2) Workers’ Payroll Form and 3) Table of Indicative Task Rates. Once reviewed by the LNGO, they are forwarded to the Community Finance Unit (CFU) at LACE for final verification.  
• Payrolls are then reconciled by EcoBank at the end of payment process. A monthly bank statement is submitted to LACE for reconciliation and accounting purposes. Signed copies of the payrolls are returned with a credit advance for the summation of the uncollected/unpaid amounts by beneficiaries. |
| Communication Aspects         | • LACE notifies EcoBank two weeks in advance of payment date. EcoBank is linked with the local facilitators to coordinate payments. Community facilitators advise workers verbally of payment information (date, time and place of payment).                                                                                                                    |


Careful payment design at the outset of project implementation was critical to its success. The project partnered with a commercial bank with relatively high penetration throughout the country and the ability to make mobile payments where a local branch was unavailable. To support the process, a range of payment control instruments were introduced, including a contract for workers, daily attendance sheets, monthly payroll sheets and identification cards. These elements established a functioning identification and registration system where beneficiary information could be tracked. Daily attendance and payroll sheets were maintained by the work site group leader and collected on a weekly basis by the local community contractor. In the absence of a nationwide identification system, the introduction of a beneficiary ID card was critical, although some isolated identify theft cases were still reported. There were also procedures put in place to handle recurrent problems such as lost identification cards and absences on payment days.

Significantly, across all focus group discussions, beneficiaries reported that payments had been made in a timely and accurate manner. The program had initially devised a system of bi-weekly payments to beneficiaries, which was eventually changed to monthly payments.
because of logistical limitations. Feedback from some focus groups suggested that the use of a commercial bank had inspired beneficiary confidence in the project and reduced payment delays. For many beneficiaries, the interaction with EcoBank was their first with any formal banking institution. The success of this arrangement highlights the value of maintaining proper incentives for commercial bank collaboration, including the possibility of fee payments, the ability to meet corporate responsibility obligations or access to new markets.

Despite the general success of the payment scheme, some potential challenges going forward include:

- **Data collection given limited technological and human capacity:** Local community facilitators lacked IT capacity or internet connectivity and this caused difficulties when scanning payrolls from LACE to EcoBank. Staff of some local NGOs also lacked computer skills and therefore depended on LACE to computerize the payroll before submission to EcoBank. This underscores the need for simple management information systems and procedures to mitigate bottlenecks in data transfer.

- **Limited ability to provide bank services in rural areas, particularly during the rainy season:** For negotiated service charges, EcoBank currently provides mobile banking services for clients where they have no branches.\(^4\) According to LACE, other commercial banks could be used in the future to disburse payments to workers in communities where they have branches but EcoBank does not, provided that the World Bank consents to using multiple banks for one project. LACE further suggested that electronic payments could be considered in the future as banking infrastructure develops across Liberia. This would also depend on program workers agreeing to receive their wages through savings accounts maintained with commercial banks.

- **Ensuring adequate security, particularly where payments are being made at mobile bank units:** Under the CfW Project, EcoBank was responsible for the safety of its

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\(^4\) EcoBank charges US$1,200.00 to deliver payments to workers in remote communities where they have no branches, as compared with US$1,000.00 in communities with nearby branches.
team members and the security of the cash taken into the field. The bank liaised with the Liberian National Police (LNP) to ensure protection of the team. As the program increases visibility and predictability in its payments, this area may require additional vigilance.

3.3.4 Monitoring and Evaluation

Monitoring was a key function in the implementation of the CfW Project, for which overall coordination was delegated to a specially hired Monitoring and Evaluation Officer at LACE. Priority areas for monitoring and evaluation were laid out in the project’s Operational Guidelines, with particular emphasis placed on the following issues:

- Selection of workers: Is the process of beneficiary selection effective and does it succeed in reaching most vulnerable segments of the population?
- Gender and youth: Are at least 30% of the workers women? Are the activities designed in a manner that encourages the employment of women? Are youth benefiting from the project?
- Production and outputs: Are outputs produced on time? What about quality of outputs?
- Awareness and communication: Is sufficient information given to communities and other stakeholders? Does this information cover all the key points described in section VII [of the Operational Guidelines] on communication?
- Payments: Are payments made on time? Do participants receive the correct amount of money? Is cash distribution satisfactory?
- Markets: Is there any impact of the project on local market prices?

Field level monitoring was the responsibility of the Community Facilitators, who were given a number of tracking tools including worker contracts, daily attendance sheets, a table of indicative task rates and bi-weekly project summary documents for simplified and regular reporting. Some tasks, such as monitoring daily attendance, were further delegated to workgroup leaders.
The monitoring indicators set out in the Operational Guidelines were generally comprehensive and sufficient to provide necessary information. The regular Monthly Monitoring Report covered all indicators except the impact of the project on the local market prices. Information gathered on worker selection, female participation and timeliness of payments allowed regular assessment of key program goals.

There were some challenges in project monitoring and interviews revealed suggestions for future improvements:

- **Staff Constraints:** Monitoring was constrained by the fact that the project had only two program staff – the CfW Project Manager and the CfW Project Monitoring and Evaluation Officer. The broad geographic spread of the projects coupled with bad road conditions made monitoring even more challenging. To address the staffing shortage, LACE periodically seconded two staff members from its regular Community Empowerment Project (CEP) to provide monitoring and evaluation support.

- **The task of monitoring of market prices in beneficiary communities to assess the impact of the program on local economies was delegated to the Ministry of Agriculture but was not completed. When asked why changes in market prices had not been monitored as planned, the focal person at the Ministry of Agriculture cited a lack of communication with field staff and an overall lack of capacity for monitoring projects in the field. Future projects should either consider alternative means of monitoring market impacts or account for constraints within the Ministry of Agriculture.**

- **While it did not appear to be a serious concern in this program, future provisions should be made for a grievance mechanism to handle disputes between any of the actors involved in the program, including workers, non-workers, community facilitators, payment teams and program staff.**
IV. Measuring Progress: Key Impact Findings and Project Feedback

While identifying some areas for improvement, the two previous analyses of the CfW Project found it to be a successful effort, especially in light of the speed with which the intervention was developed and implemented. All 680,000 work days were completed in approximately 20 months. The project far exceeded its target of 30% female participation, with a total of 46% female workers. This participation was uneven, however, ranging between 30-70% by county. Though there were no hard targets for youth participation, the project was successful at engaging young people. Nearly 60% of project participants were classified as youth (defined in Liberia as those up to age 35). Table 6 provides the complete breakdown of workers by age.

<table>
<thead>
<tr>
<th>Ages</th>
<th>% of participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>18-24</td>
<td>12.4</td>
</tr>
<tr>
<td>25-34</td>
<td>46.7</td>
</tr>
<tr>
<td>35-44</td>
<td>23.7</td>
</tr>
<tr>
<td>44+</td>
<td>17.2</td>
</tr>
<tr>
<td>Total</td>
<td>100</td>
</tr>
</tbody>
</table>

Source: Administrative data from LACE

As is explained in more detail below, the wages and projects provided positive dividends for participants and their communities.

4.1 Quantitative Impacts

In reviewing the performance of the project, the quantitative analysis evaluated the project’s targeting efficacy, participants’ use of project wages, the project’s overall level of poverty reduction and the efficiency of the project itself.

4.1.1 Targeting

In total, the project review found that roughly 80% of project participants could be defined as poor, indicating a generally successful targeting process. The team estimated the targeting performance using a variety of indicators (wealth asset and estimated consumption level) as well as methods (different matching techniques for estimating consumption as well
as wealth indicators were considered), with the share of the participants that was estimated to be poor varied from 60% to 90%, with the estimate of about 80% of participants being poor being the most likely. This fairly good performance is partially attributable to the high overall levels of poverty in the country. With 68% of the total population considered poor, Liberians in the second and even third consumption quintiles meet the targeting criteria for the project. Table 7 lays out the distribution of project participants among the distribution quintiles. The program seems to have been successful at preventing significant inclusion errors, but somewhat weaker at reaching the lowest quintile. The fact that the program reached the poor, but less well the extreme poor is likely to be due in part to the ‘first-come, first-served’ nature of the targeting at the community level. This targeting mechanism meant that individuals from better off households were not likely to be favored, but it also meant that some of the poorest individuals may not have been able to participate as much, among others because they tend to live in more isolated areas.

Table 7: Distribution of Project Participants By Welfare Quintile

<table>
<thead>
<tr>
<th>Consumption Quintile</th>
<th>% of participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Poorest quintile</td>
<td>15.2</td>
</tr>
<tr>
<td>Q2</td>
<td>40.6</td>
</tr>
<tr>
<td>Q3</td>
<td>28.7</td>
</tr>
<tr>
<td>Q4</td>
<td>11.2</td>
</tr>
<tr>
<td>Wealthiest quintile</td>
<td>4.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Backiny-Yetna, et al. (2011a)
(Based on k-nearest neighbors consumption matching)

4.1.2 Use of Project Wages

The evaluation provided encouraging results about the possible long-term impact of the project on livelihoods and economic opportunity. The survey asked participants about uses of their project wages and revealed that a significant portion of wages were going toward long term investments in children’s education (31% of income was used for educational expenses such as school fees) as well as their own future earnings (14.2% of income was used for both farm and non-farm investments). Table 8 summarizes participants’ reported uses of their wages. These results may be due in part to the timing of payments (in some cases just after school fees were due), but the fact that the incomes received represented
a high share of the household’s total earnings may also have played a role in some of the income gains being used for investments.

Table 8: Use of Project Income by Households

<table>
<thead>
<tr>
<th>Category</th>
<th>Share of Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Education</td>
<td>31</td>
</tr>
<tr>
<td>Living expenses</td>
<td>28</td>
</tr>
<tr>
<td>Health care</td>
<td>8.4</td>
</tr>
<tr>
<td>Farm investment</td>
<td>8.2</td>
</tr>
<tr>
<td>House repair</td>
<td>8.2</td>
</tr>
<tr>
<td>Non-farm investment</td>
<td>6</td>
</tr>
<tr>
<td>Debt repayment</td>
<td>3.6</td>
</tr>
<tr>
<td>Acquiring HH assets</td>
<td>2.9</td>
</tr>
<tr>
<td>Transfer</td>
<td>1.3</td>
</tr>
<tr>
<td>Funeral</td>
<td>1.2</td>
</tr>
<tr>
<td>Celebrations</td>
<td>1.1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>100</strong></td>
</tr>
</tbody>
</table>

Source: Backiny-Yetna, et al. (2011a)

Overall, there were no major differences in the use of the wages earned between male and female participants. Men reported somewhat higher rates of education-based spending than women (32.4 vs. 29.3). While men reported equal levels of farm and non-farm investments (7.3 share for each), women reported much higher levels of farm-based investment than non-farm investments (9.4 vs. 4.5). Women also reported higher utilization of funds for debt repayment than men (4.7 vs. 2.7). But none of these differences were statistically significant.

4.1.3 Poverty Reduction

To assess the overall impact of the project on poverty reduction, the quantitative analysis began by estimating the size of wage losses incurred as a result of program participation. Such losses could have been incurred either by leaving a job to take up work with the project or by paying a substitute worker to cover existing obligations such as child care or farm maintenance while participating in the scheme. The evaluation did not find evidence that significant wage losses had occurred, likely due to the high pre-existing levels of unemployment in the project communities. That is, 93% of the wages earned through the program were estimated to be net additional wages. Because the benefits of some...
occupations that program participants may have held is difficult to assess, this estimate is likely to be too optimistic. Still, given the lack of gainful employment for most individuals in Liberia are limited, it is likely that most of the wages obtained through the program contributed directly to additional consumption by households (including investments in human development).

The analysis next showed that the project had reduced the number of participants technically living in poverty by 5%. This simply means that most participants remained poor, because they had levels of consumption substantially below the poverty line before the program. More importantly though, the project did have a sizable effect on reducing the poverty gap among program participants (the poverty gap takes into account the distance separating the poor from the poverty line apart from the proportion of the population that is poor). The results showed a 21% decline in the poverty gap from the baseline on a yearly basis (31% for the squared poverty gap), indicating that, while participants were still poor after the program, they were substantially less poor than they had been before it. This result was remarkable given the short duration of benefits.

4.1.4 Cost Effectiveness

To evaluate the cost effectiveness of the project, the authors considered three main determinants: the wage share (the total wages paid as a proportion of project costs), the targeting performance (the ratio of wages that reached the poor out of the total wages paid) and the proportionate wage gain (ratio of net wage benefits (accounting for participation opportunity costs) to the total wages paid to the poor) (for a discussion of these parameters, see Ravallion, 1998).

Measured against international markers for similar programs, CfWTEP’s performance in each regard was relatively strong. Using project administrative data, the wage share was estimated at 68%. Other projects around the world (though all of larger scale) have had rates ranging from 40-85%. Liberia’s performance on this indicator may be slightly misleading, however, given the very limited government role in project management, which sets it apart from longer established, government run schemes where costs are absorbed differently in the calculation.
As discussed above, the targeting performance was estimated at 80%, putting it on par with similar programs in Ethiopia and Argentina, but above a range of other programs. The proportionate wage gain was also quite high (93%) because, as outlined earlier, there were very few other income-generating alternatives available for participants, meaning that displacement of other paid work was very low. The product of these three ratios produced the final estimate for the project’s cost-effectiveness:

\[
\text{Project cost effectiveness} = 0.68 \times 0.80 \times 0.93 = 0.51
\]

The analysis found a 0.51 overall project cost effectiveness, meaning that the cost of transferring US$1.00 in net wage benefit to a poor participant was US$1.96 (including the US$1.00 net wage). This rate is lower than the 0.55 effectiveness standard in Ethiopia’s Productive Safety Net Program, but higher than rates seen in many other programs with weaker targeting efficiency. Moreover, this calculation does not attribute any value to the actual projects undertaken by CfW Project labor. If future evaluations are able to capture the added value of community improvements produced by the work, the overall cost effectiveness would improve.

4.2 Qualitative Perspectives

In addition to reviewing specific design choices of the CfW Project, the qualitative analysis included summary results from key informant interviews and from focus group discussions held with both participants and other community members. In analyzing the results of the focus groups, it is important to note that the groups were not statistically representative of the program participants or of their communities. 58% of focus group participants were female and 43% were between the ages of 18 and 35.

While each group offered different perspectives on the project, one issue was common to all three groups. Beneficiaries, community members and stakeholders all expressed a desire for future work-based interventions to integrate a training component that would provide workers with skills to help them beyond the end of the project cycle.
4.2.1 Beneficiaries

Focus groups with beneficiaries anecdotally confirmed many of the findings of the quantitative survey. Participants reported that the impact of the project had gone beyond immediate consumption smoothing, allowing them to invest for the future. Nearly half of rural female workers reported using wages for small-scale income-generating activities, adding knock-on value to the project after the initial income boost. The focus groups also reiterated the limited wage substitution effect resulting from the program. Respondents noted the lack of employment opportunities before the project and that most of the work that did exist was casual labor, which could be accommodated with the flexible work schedule.

Participants were generally satisfied with the project arrangements. The payment system was an area of particular success, with wages regularly delivered on time and accurately. Use of a commercial bank increased participant faith in the payment system. There appeared, however, to be incomplete sensitization about the project’s purpose as a one-off food crisis response. Participants generally understood that the work was intended to help the poor, but placed more emphasis on it for the community assets produced than for its intended economic effects.

To more accurately understand worker perceptions about the value of the project, the quantitative assessment included a series of short questions on subjective indicators. The results are presented in Table 9.
Table 9: Perception of Project Value by Participants

<table>
<thead>
<tr>
<th>% of Respondents Answering Yes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Has done this type of work before</td>
</tr>
<tr>
<td>Has gained technical skills</td>
</tr>
<tr>
<td>Has learned to be punctual</td>
</tr>
<tr>
<td>Has learned through the program</td>
</tr>
<tr>
<td>Has gained skills to help later</td>
</tr>
<tr>
<td>Assignment was clear</td>
</tr>
<tr>
<td>Has worked too hard</td>
</tr>
<tr>
<td>Has paid a bribe</td>
</tr>
<tr>
<td>The salary was fair</td>
</tr>
<tr>
<td>Experienced payment delays</td>
</tr>
<tr>
<td>Project ID was first ID ever</td>
</tr>
<tr>
<td>First time business with a bank</td>
</tr>
</tbody>
</table>

Source: Backiny-Yetna, et al. (2011a)

Of particular note is the exceptionally high level of participants interacting with the formal banking sector for the first time. This number was very similar between men and women (93.3 vs. 94.3). The only significant gender gap was in response to the question regarding whether the participant has done this type of work before. Some 34.9% of men reported they had, while only 19.5% of women had undertaken similar work. Despite this initial gap in experience, male and female responses to the other skills and learning questions were very similar.

4.2.2 Communities

Non-participants from selected communities were also interviewed in the focus group process. The project was generally well received by community members, who noted the value of the projects undertaken for their communities. Respondents highlighted improved road conditions and access, better maintained public areas and improved drainage. Though there are no reliable statistics to document this perception, multiple participants felt that the increase in work for local residents (particularly youth) had lowered crime rates and improved peace and security.

While they generally understood and accepted the basic criteria for project participation, non-participants had a weaker understanding of the participant and project
selection processes. When asked to explain how workers were notified and selected, non-workers frequently had either inaccurate information or did not know what the process had been. This response highlights a possible area of improvement for future iterations of cash for work programming. Community members who had been available for work but not selected for the CfWTEP expressed a strong desire for future projects to help more members of the community.

4.2.3 Other Stakeholders

In preparing the qualitative assessment, 32 different organizational heads, government officials and local leaders were interviewed about their perceptions of the project. Even when the individuals interviewed had little direct experience with the project, their understanding of its basic framework was good and support for its objectives was strong. As with the other groups, most stakeholders wanted to see work and life skills integrated into CfW programming. They also wanted employment-based projects integrated into a wider set of social protection interventions.

Of the groups interviewed, local government authorities (LGAs) raised the most concerns with the project. These issues involved a desire for an increased LGA role in both participant and project selection as well as questions about the productive value of the projects when weighed against their costs. Local authorities also noted that some of the projects (such as roadside brushing in rural areas) displaced work which had previously been undertaken through mandatory unpaid community service. After community members were compensated for undertaking the work, it was more difficult to maintain the projects on an unpaid basis. In general, respondents noted weak asset maintenance after project payments stopped.

Subsequent interviews with project implementers revealed more issues to be considered in future project design efforts. The first is an extension of one of the LGA concerns: the productive value of the work undertaken. While some projects (clearing of an agricultural center and an overrun airstrip) ended up creating tremendous community value, others were of lower lasting value. Reconsidering how CFs approach the project selection process with participants could lead to more productive work for laborers and their
communities. Rather than simply listing the types of work that could be undertaken (such as roadside brushing), CFs could present examples of more complex projects that have been completed in other areas or scope similar activities and needs in each participating community and present them as possible project options.

While the first-come first-served method for participant selection was relatively successful at achieving its targeting goals, implementers and other stakeholders have concerns about the fairness of the procedure as the sole targeting criterion. Because of its reliance on word of mouth and physical availability, first-come first-served selection tends to favor the most informed and connected community members, to the exclusion of those without strong social ties or living in more remote areas. To compensate for this natural bias of the system, stronger outreach efforts should be made to capture those who might otherwise be disadvantaged by a first-come first-served process.
V. Moving Forward: Lessons Learned and Future Planning

While the CfW Project was intended as a one-off intervention to address the immediate effects of the food price crisis, its operational successes are informative for future social protection programming both in Liberia as well as in other low-income, fragile countries. This section reviews some of the major lessons drawn from the CfWTEP and considers future CfW interventions in light of these lessons and Liberia’s evolving policy context.

5.1 Operational and Policy Lessons

Implementing social protection programming in every geographic region of a country on tight timelines is difficult under the best of circumstances. In a low-income, post-conflict country with poor infrastructure and severely constrained government capacity, the obstacles are immense. The challenges of low-income, low-capacity settings impact both design elements of the projects as well as the operational arrangements necessary for implementation.

5.1.1 Overcoming Government Capacity Constraints

As has been discussed above, exceptionally limited government capacity for project implementation and oversight necessitated the use of outside implementers for the CfW Project. While not without some constraints of their own, these private actors (LACE for overall coordination, NGOs as Community Facilitators, and EcoBank for payments) offered flexibility and established networks that could be quickly leveraged for project use. Utilizing existing private capacity rather than building entirely new networks was essential for ensuring a timely response. The successful development of a private payment scheme was particularly noteworthy in light of the challenges that previous cash for work projects had faced in assuring safe, timely, and accurate payments in many areas of the country.

Future interventions, especially those with broader mandates, could expand upon the relationships being established with commercial banks through CfW programs. Given the exceptionally high number of CfW Project participants using bank services for the first time and the expressed desire for more skills training, future projects could incorporate financial
literacy training modules, such as money management, into the project design. The bank contracted for payment delivery could be used to conduct the skills trainings. In areas where banking services are available, participants could access information about savings accounts and other financial tools. While care must be taken to assure that individuals with weak financial literacy skills are not subjected to any inappropriate pressure, this interaction with the banking sector could provide valuable long-term financial benefits for participants.

5.1.2 Utilizing Local Knowledge and Community Participation

The high level of community participation in key CfW Project decision points was a successful design element that should be replicated in future efforts. Local decision-making was maintained at key steps throughout the process: local government authorities decided the areas where sub-projects would be located, local leaders took a role in defining vulnerability criteria and recruiting vulnerable households for project participation, and the participants themselves selected which projects would be implemented on behalf of their communities.

This inclusive approach followed best practices for involving impacted communities in decision-making and also had positive impacts for the efficacy of project management. Despite the efforts of donors and the government, central-level coordination of county-based projects is still weak in Liberia, so allowing local authorities to site the sub-projects was an efficient mechanism for assuring that projects were placed in the areas with highest need. This is also an important tool for strengthening the relatively weak hand of local government authorities, a key priority of the Liberian PRS.

The CfW Project imposed relatively few criteria on the participant targeting process, allowing community leaders to define additional vulnerability criteria according to local needs and understandings. Together, the basic program guidelines and the community refinements produced a high level of targeting accuracy. This is partially attributable to the exceptionally high level of poverty in Liberia, but is also a consequence of community involvement. Communities not only refined their own criteria, but they also were involved in encouraging the participation of vulnerable households. Using this local knowledge to engage target populations was more efficient than using outside sources and increased community acceptance of the selection criteria. As with the site selection process, the
transparency and consistency of adopting additional selection criteria could be improved, but
the flexibility should be maintained.

5.1.3 Setting Wages in Complex Local Circumstances

As discussed in the project design section above, setting the wage level for the project
involved balancing a complex set of social, political and economic factors. Pressure to
maintain consistency with established wage precedents came from the government and other
implementing partners. Fears about the negative impact of a non-conforming rate on project
implementation also pushed for the higher rate.

Despite clear indications that the final project rate was higher than the local market
wage, the traditional economic reasons for lowering the rate were not as compelling in the
Liberian context. Two factors generally call for setting a wage rate below the local average:
the fear of creating upward pressure on market wages by increasing the bargaining power of
workers able to command higher wages and the fear of creating large substitution effects if
the wages are more attractive than those in the market at large. If realized, the substitution
effect would undermine the efficacy of the wage rate as a targeting mechanism, as higher
income individuals would find the wage attractive, potentially crowding out poorer
individuals for whom the program was intended.

In the Liberian context, high rates of poverty and unemployment mitigate those risks.
Because of the massive surplus of labor, workers are unlikely to gain any market leverage,
regardless of the wage rate. Those same soaring rates of unemployment also cut against the
likelihood that workers would have productive work to substitute out of, even if they were
willing to take that risk to participate in a temporary, non-repeatable period of work.

These factors also point to the weakness of attempting to use the wage rate as a
precise targeting tool. Because levels of poverty and demand for the program are so high, a
modest reduction in the wage rate would be insufficient to bring demand down to the level of
available spots. To accomplish that task, the wage would likely have to be reduced to such a
low level that it would undermine the poverty-alleviation intent of the program. Thus, in low-
icome contexts like Liberia, additional targeting measures must be adopted in tandem with
the wage rate.
The low-capacity setting of Liberia also blunts the final argument in favor of a lower wage rate. In other circumstances, a strong equity argument could be made that high demand for job opportunities calls for creating as many positions as possible within a given financial envelope. A lower wage rate would allow more vulnerable individuals to participate in the program and spread its benefits further. Greater numbers of work days would also increase the projects that could be completed, benefitting communities with more public works. In the Liberian example, lowering the rate from US$3.00 to US$2.50 would have increased the number of participants and of completed projects by 17%. Given the implementation constraints of the country, however, these gains cannot be assumed. Though scaling up of the initial CfW Project is possible, there are real limits to the number of participants and projects that can be included without sacrificing program quality. As such, low-capacity contexts require a careful balancing between meeting local needs and respecting local implementation capabilities.

5.2 Sustaining Participants, as well as Projects

The Cash for Work Temporary Employment Project was a one-off, crisis response program intended to provide immediate and short term relief from rising food prices. As such, reviewing the sustainability of the effort should focus less on sustaining the emergency response and more on sustaining the participants and communities in need.

The responses of program participants and other community members in the focus groups highlight the local desire for this approach. Repeated requests for training in life skills, entrepreneurship and technical fields reflect an understanding that, while temporary work was necessary to make it through the crisis, it was not sufficient to meet the long term needs of vulnerable families. Similarly, the high proportion of wages used for investment is a sign of participant understanding about the need to reduce their own longer-term vulnerability.

To this end, future cash for work programming should take these needs into account, building not just short term opportunity but also longer-term systems for self-sustainability. This dual-pronged approach is the essence of productive safety net programming, catching those in greatest need and, where possible, offering them sustainable outlets for escaping
poverty traps. Emphasis should be placed on providing skills transfers for participants and added value for communities. While this is more difficult in a crisis context, there are still opportunities to leverage program design elements (such as the use of a commercial bank for financial literacy education, as outlined above) to increase the value of the project with minimal loss of efficiency and potentially substantial rewards.

**Investing in well targeted programs**

How well did CfWTEP perform in comparison to other measures implemented by the government in order to respond to the food, fuel, and financial crisis? Given that the objective of the program was to provide temporary relief to help households cope with shocks, a key statistic obtained in the analysis was that for every dollar spent, 51 cents resulted in increased incomes for the poor. This is a good performance in comparison to the impact of some other programs and policies. For example, on the basis of the rice consumption patterns observed in the 2007 national CWIQ survey, it is likely that less than half of the tax cuts implemented on food imports benefited the poor. As to the income tax cuts also implemented in part to help households cope with the crisis, most of them did not benefit the poor.

**Promoting gender equity and empowerment**

Almost half of the program participants were women, and women were paid the same wage as men under CfWTEP. By contrast data from the 2007 CWIQ survey suggests that even though labor force participation rates are similar by sex, 39.5% of men work as unpaid family members, versus 56.5% of women. The CWIQ survey data also suggests that 25.5% of men work as paid employee in Liberia, versus only 8% for women. Earnings for men are also much higher when they work that they are for women. This suggests that the program was ‘pro-women’ in the sense that the share of the benefits that accrued to women was much larger than what is observed on the labor market. This emphasis on benefits for women is likely to be even stronger under the new YES program (discussed below) that sets a target participation rate for women of 50%.
Implementing light “Q2” evaluations

The results from both the quantitative and qualitative evaluations were obtained at low cost (for example, the quantitative survey cost only $20,000 to implement in terms of data collection) and rapidly, and were very informative for shaping the YES project. This suggests that at least for programs such as CfWTEP that aim to provide short term benefits towards poverty reduction, light evaluation methods can be very useful from an operational point of view, while still maintaining high quality standards in program evaluation. The fact that both quantitative and qualitative data were available apart from the administrative data collected by LACE made it feasible to triangulate the results and sources of information to make sure that the evaluation findings were robust. The fact that the team that carried the evaluation worked closely with the team implementing the project also helped in incorporating the results from the evaluation into the design of the new project.

5.3 Transitioning to a Broader Social Safety Net

In Liberia, the Youth, Employment, Skills (YES) Project is taking these lessons into account. It is the next generation of the CfWTEP, but is not intended exclusively as an emergency response, and has added components to improve the long term value of the project for participants.

The YES Project has two primary components. The first, called Community Works, provides temporary employment similar to the CfWTEP for 45,000 individuals. Building on the CfW Project experience, it includes one day per week of non-cognitive skills development for participants, compensated at the same rate as a regular work day. It also includes a few notable program changes from CfWTEP.

First, the project has a much stronger focus on youth. Nationwide, 75% of the population is under the age of 35, and the youth population is the hardest hit by un- and underemployment. Low practical skill levels and poor educational attainment make it exceedingly difficult for youth to compete for the limited work that is available. To address this need, the YES Project mandates that 75% of participants be between the ages of 18 and 35. This still allows the participation of vulnerable older individuals, but focuses the project on addressing youth unemployment and skills development.
Second, provisions for gender inclusiveness have been improved. Pregnant women are allowed to participate, and child care is available for women with young children. Alternative work options are provided to accommodate these participants, and require additional sensitization for other workers to maintain cohesion among all participants.

Finally, the new project is improving the supervision ratio used in CfWTEP. In that project, there was one supervisor for each sub-project of 500 workers. In the YES Project, that ratio is lowered to 1:100, allowing improved oversight of workers and project implementation.

The second main piece of the YES Project is the Employment through Skills Training component, which finances both formal and informal skills training for 4,500 individuals. In line with Liberia’s National Capacity Development Strategy, the training will be demand-driven and focused on providing skills that are in immediate need in the formal and informal sectors of the economy.

Each component of the YES Project also includes funding to support the institutional development of various GoL actors and policies. These funds will help improve coordination of cash for work programming and the development of standards and policy for technical and vocational education and training.

The YES Project and other cash for work programming efforts are a vital part of Liberia’s emerging social safety net. While the shape and strength of the net are not yet apparent, the need for one has been explicitly recognized by the government and by its development partners.

Strong government leadership will be required to make the transition from well-intentioned but sporadically coordinated interventions to a coherent system for social protection. Steps have already been taken in this direction, with the recent establishment of the National Social Protection Secretariat. The Secretariat will lead the development of the National Social Protection Policy as well as provide the social protection inputs into the next PRS. This represents a significant commitment to protection-focused policy making.
The challenge of this arrangement, however, is that the Secretariat is housed in the Ministry of Planning and Economic Affairs, which is not an implementing ministry. Mandates for the implementation of social protection programs are split between at least half a dozen ministries, including Health & Social Welfare, Labour, Education, Agriculture, Public Works and Gender & Development. Coordination among these ministries and other government agencies has been weak in the past, and will require both sustained focus from the government as well as external coordination among development partners.

While the obstacles to coordination, financing, and implementation are substantial, the potential impact of a well-functioning set of safety net programs is even greater. Orphans and vulnerable children, the elderly, the disabled, unemployed youth and many others have few options for survival in the absence of social protection programs. For the two out of three Liberians that are living in poverty today, any lifeline will be a welcome one.
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Abstract

Together with reductions in indirect taxes on food imports, cash for work programs were one of the main responses implemented by African governments following the food, fuel, and financial crisis of recent years. The main objective of those programs was to help the poor cope with the various shocks by increasing their net earnings through community-level work paid for under the programs. Yet it is unclear whether these cash for work programs indeed reached their intended beneficiaries and to what degree they generated other, potentially long-term beneficial impacts. This paper explores these issues in the context of Liberia and the performance of the Cash for Work Temporary Employment Program (CfWTEP) funded by the World Bank through an emergency crisis facility in response to the 2007/2008 food crisis. Both quantitative and qualitative data are presented, focusing on the operational and policy experiences emerging from program implementation. This paper analyzes the context that led to the creation and implementation of the CfWTEP in Liberia, the nature and administrative arrangements for the program, and its operational performance. The objective is to share the lessons learned from evaluation findings so that they can be useful for implementing similar programs in the future in Liberia itself or in other countries. Findings from the analysis highlight the possibilities of implementing public works program in low capacity, post conflict setting and the scope for using the program as a springboard towards a broader and more comprehensive social safety net.

Liberia’s Cash For Work Temporary Employment Project: Responding to Crisis in Low Income, Fragile Countries

Colin Andrews, Prospère Backiny-Yetna, Emily Garin, Emily Weedon, Quentin Wodon and Giuseppe Zampaglione

July 2011

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