



Project Information Document/ Identification/Concept Stage (PID)

Concept Stage | Date Prepared/Updated: 17-Jul-2017 | Report No: PIDC122650



BASIC INFORMATION

A. Basic Project Data

Project ID	Parent Project ID (if any)	Environmental Assessment Category	Project Name
P164463		B - Partial Assessment	Liberia: Emergency Road Maintenance Project (P164463)
Region	Country	Date PID Prepared	Estimated Date of Approval
AFRICA	Liberia	17-Jul-2017	
Financing Instrument	Borrower(s)	Implementing Agency	Initiation Note Review Decision
Investment Project Financing	Ministry of Finance and Development Planning	Infrastructure Implementation Unit (IIU) of the Ministry of Public Works	The review did authorize the preparation to continue

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PROJECT FINANCING DATA

FINANCING

FINANCING SOURCES

Select all that apply

Counterpart Funding

Trust Funds

Parallel Financing

SUMMARY (USD)

Total Project cost	4,900,000
Total Financing	4,900,000
Trust Funds	4,900,000
Financing Gap	0

DETAILS

Trust Funds



Source	Currency	Amount	USD Equivalent
Liberia Reconstruction Trust Fund(LRTF)	USD-US Dollars	4,900,000	4,900,000

B. Introduction and Context

Country Context

Founded in 1847, The Republic of Liberia is the oldest republic in Africa but struggles to cope with a history of social exclusion and conflict. Liberia is a resource rich country but is one of the poorest and most aid-dependent countries in the world. Liberia has been included in the World bank’s list of Fragile and Conflict Situations (FCS) since inception of the list in FY2006. The government has made significant progress towards reconstruction and development following a comprehensive peace agreement in 2003. Despite this, Liberia remains a fragile state with critical vulnerabilities to internal and external shocks. Poor governance and relatively low levels of trust in government, an extremely strained health system, a very large youth population, and deep historical divisions in Liberian society all pose significant risks to the sustainability of Liberia’s development progress.

Liberia’s progress in poverty reduction has been slow and has primarily benefitted urban dwellers. The monetary poverty rate fell from 63.6 percent 54.1 percent between 2007 and 2014, but the pace of poverty reduction has been slowing and the total number of poor people has increased. The poverty rate fell by an average of 1.7 percent from 2007 -2010, but the average annual decrease in the poverty rate fell to 1.1 percent per year between 2010 and 2014.

Much of Liberia’s economic growth has been centered in cities, particularly Monrovia and the surrounding areas. As the estimated decrease in the number of rural poor is roughly the same as the estimated increase in urban poor, migration of the rural poor to urban areas appears to be the primary reason for the declining rate of monetary poverty in rural areas. This is broadly consistent with the understanding that rural incomes have not grown as rapidly as urban incomes. Rural poverty appears to be entrenched in part because of the poor integration of the rural poor into the country’s growth engines, including the country’s cities.

Liberia’s growth has been volatile, and inequality and social divisions have been persistent. The economy registered an impressive growth in 1950s. However, it fell into turmoil due to the two civil wars (from 1989-1996 and 1999-2003). Following the civil wars, economic growth was fairly robust until a sharp decline in commodity prices and the paralyzing outbreak of Ebola Virus Disease pushed Liberia’s economy into recession. The prospect of growth looks better now; the economy is expected to grow at just over three percent in 2017 followed by an average of five percent over the medium term. Nonetheless, the sectors that form the largest share of GDP, particularly extractives, provide the comparatively fewer jobs. Unless the sectors that account for the greatest proportion of employment can make rapid productivity gains, particularly agriculture, there is limited potential to reverse persistent inequality. As there has historically been substantial overlap in Liberia’s socio-political and socio-economic fault lines, rural development poses significant risks and opportunities.

Liberia aspires to be a middle-income country (MIC) by 2030. However, the plan is currently at risk. The government developed a national vision *Liberia Rising 2030* in 2012 to forge a national consensus for achieving middle income status. The government subsequently formulated the Agenda for Transformation (AfT), a medium-term development plan for 2013-17. However, progress implementing the AfT has been mixed, particularly given the two 2014 events

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mentioned above.

Liberia's economy and government are highly dependent on foreign aid. Liberia is one of the most aid-dependent countries in the world with official development assistance equivalent to approximately a third of Gross Domestic Product (GDP). Comparable figure from neighboring Sierra Leone is roughly 14%. Development partners have been providing significant, often long-term, support to Liberia recognizing its post-conflict fragility and low government capacity. This support includes budget support, investment financing and technical assistance.

Liberia's transportation infrastructure is poor and inadequate. One of the clear challenges faced by the country is the limited road transport connectivity. The Rural Access Index (RAI), estimated in 2015, was 41.9 percent. The current level implies that 2.3 million people or more than half of Liberia's population remain unconnected. Preliminary results of an on-going study show that poor connectivity to rural areas is one of the important impediments to economic and social inclusion and equal access to opportunities. The study has found that there is a strong correlation between poverty and rural access. RAI has been found to be lowest in areas with high poverty incidence, particularly in the Southeast regions. This highlights the importance of the expansion of the transportation network, especially roads, to improve inland connectivity to the unconnected and deprived rural areas.

Sectoral and Institutional Context

Road transport is the dominant mode of transport in Liberia. Other transport modes include aviation, railways and maritime. Linkages among different transport modes are sub-optimal and regional trade with neighboring countries is limited. A Liberia Multimodal Transport Master Plan Study is currently on-going and will produce a Strategic Investment Plan. Also, Liberia's regional trade with its neighbors is limited. Trade through the border crossings with three neighbors (Sierra Leone, Guinea and Cote d'Ivoire) is exceptionally limited, which accounts for only one percent of the total traded goods volume. One of the main reasons cited for such a low regional trading volume is the poor condition of the transport network, particularly roads.

The current road density in Liberia is low and more than half of roads are in poor condition, particularly unpaved roads. Most of the road network – more than 92 percent – is unpaved, and three fifths of these roads are in poor condition. Owing to the poor condition of the network, more than half of rural Liberians do not have access to an all-weather road. This problem is compounded in the rainy season when heavy rains often render roads impassable and vehicles may be unable to pass critical points for weeks at a time. The total road network length is approximately 10,000 km, which translates into 10.3 km per 100 square kilometers. This road density is slightly lower than the Sub-Saharan Africa's average of 10.9. Only a small proportion of country's the road network is paved (just over 7 percent, or 734 km of the total network) but these paved roads are well-maintained (90 percent of the paved network is in fair or good condition)

Liberian road transport costs are high. Transport costs among different road corridors are markedly different. Southwest and north-east are the two corridors with the highest transport costs. For instance, per ton transportation cost of imported goods is found to be approximately a third higher along the Monrovia to Pleebo (a southern town) corridor when compared with the Monrovia to Ganta corridor, which has a newly upgraded road financed by the Association. The improvement of transport infrastructure, especially the improvement of roads, is expected to reduce the disparities that currently exist among different regions.

The transport sector resource requirements are high but Liberia has lacked a sustainable source of funding. The



government has been spending considerable resources for transport sector development, largely through foreign assistance channels. A 2013 Public Expenditure Review concluded that the capital expenditure on roads and bridges was 70% of the total capital expenditure. It is estimated that 42% of the GDP will be required only to rehabilitate the portion of the road network that is in poor condition, let alone to expand the network. Until recently, Liberia has had no sustainable road maintenance financing mechanism. The Road Fund, which is newly established, has not yet been able to contribute financial support to the road sector.

Liberia's has very limited technical and institutional capacity to manage large and complex projects but does have sufficient institutional capacity to carry out smaller road works without difficulty. The transport sector still struggles to recover from the erosion of technical and institutional capacity during the civil wars when many qualified professionals left Liberia. Few qualified technical professionals are available in the country. Universities have been facing capacity constraints in producing quality graduates in technical areas.

Road sector reform activities are progressing, albeit slowly. The Parliament passed a Road Fund Act in December, 2016 and it is expected to be operational from July 1, 2017. The Road Act and Road Agency Act are being finalized, along with a new Ministry of Public Works Act. They are expected to be placed to the Parliament within 2017. If these Acts are ratified, they will further streamline the legal and institutional aspects of the road sector. It will, in turn, help improving road sector technical and managerial capacities.

Relationship to CPF

The proposed RETF operation is consistent with the most recent Country Assistance Strategy (FY09-FY11) for Liberia and the client's poverty reduction strategy, the Agenda for Transformation (AfT). The FY09-FY11 Country Assistance Strategy for Liberia emphasized the Bank's role supporting Liberia's transition from "post-conflict recovery to long-term development" and "rehabilitating infrastructure to jump-start economic growth". The AfT also placed emphasis on both infrastructure and democratic institutions and processes. Pillar IV of the AfT, Governance and Public Institutions, notes that elections are an important demonstration of progress in reconstruction, that the risk of "instability during periods of elections is real", and that inclusive elections and inclusive politics are important factors for social stability. The project is also consistent with goals identified in the draft 2017 Risk and Resilience Assessment (RRA) and the draft concept note for the upcoming Systematic Country Diagnostic. The 2017 RRA notes that the history of exclusion and deep social divisions are critical fragility drivers in Liberia and that free and fair elections in 2017 will be a critical factor for sustaining Liberia's future stability and development. The proposed operation directly supports these objectives. Emergency maintenance to the key national road links between central and southeastern Liberia and another one or two important road corridors will immediately improve rural accessibility. Ensuring the adequacy of the road transport infrastructure in rural areas will be essential to enabling a successful national election on October 10, 2017.

C. Project Development Objective(s)

Proposed Development Objective(s)

The project development objective is to restore a basic-transport connectivity along selected road corridors through emergency spot improvements of the critical road sections. It is expected that these improvements will help in the movement of goods and people especially the transportation of election materials and security apparatus for the impending October, 2017 elections.



Key Results

The project results will consist of restoring basic accessibility by making spot improvements to the extremely degraded portions of selected roads. The project will exclusively target roads that provide access to vote centers and are otherwise critical to the successful implementation of the October 2017 elections. The following PDO indicators are proposed:

1. Restored road length (km)
2. Number of vote centers within 30-minute walk from an all-weather road

D. Preliminary Description

Activities/Components

As the October election date overlaps with the rainy season, there is a real risk that the poor condition of key road links may jeopardize timely transportation of election materials to vote centers and many Liberians may not be able to exercise their universal suffrage, which is crucial for ensuring country's unhindered democratic progress. The proposed operation has been requested by the Government of Liberia on an emergency to ensure the October 2017 elections are not disrupted and pre-empt the risk of such a crisis from emerging. As noted above, more than half of the unpaved road network in Liberia is in poor condition, many roads are not passable during the rainy season, and vehicles have at times been unable to pass many deteriorated sections for weeks at a time.

The proposed operation meets the requirements of Operations Policy (OP) 10.00, paragraph 12, "*Situations of Urgent Need of Assistance or Capacity Constraints*" because Liberia experiences "specific capacity constraints because of fragility" and faces a potential political crisis if it is unable to hold a fair election because election materials could not be transported to all areas of the country due to the road conditions. To enable rapid completion of civil works, the task team proposes a deferment of preparation of safeguards instruments to the implementation phase, as allowed under OP 10.00, paragraph 12, if the safeguards documents are not finalized before the decision meeting. Given the potential nature of the operation and the fact that the election cannot be delayed, the task team proposes allowing up to 40 percent retroactive financing of project activities. These issues will be elaborated further at the decision stage.

The proposed operation consists of emergency road maintenance activities, including restoring all-season physical connectivity by making spot improvements to the most severely degraded portions of the Ganta-Zwedru and other road corridors that are essential to the election. The spot-improvement will also improve the country's emergency response to natural calamities and pandemic emergencies (e.g. Ebola Virus Disease).

The project consists of only one component:

Component 1: Road Maintenance (US\$4,900,000). Restoration of all-season connectivity will be carried out by contractors and will involve the spot-improvement of the some of the impassable sections along the corridors. This will also involve the construction of some minor cross-drainage structures. The road maintenance activities will include grading, reshaping, and surfacing with granular crushed stone, opening turnouts for runoff, and similar activities.



SAFEGUARDS

E. Safeguard Policies that Might Apply

Safeguard Policies Triggered by the Project	Yes	No	TBD
Environmental Assessment OP/BP 4.01	X		
Natural Habitats OP/BP 4.04		X	
Forests OP/BP 4.36		X	
Pest Management OP 4.09		X	
Physical Cultural Resources OP/BP 4.11		X	
Indigenous Peoples OP/BP 4.10		X	
Involuntary Resettlement OP/BP 4.12	X		
Safety of Dams OP/BP 4.37		X	
Projects on International Waterways OP/BP 7.50		X	
Projects in Disputed Areas OP/BP 7.60		X	

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The World Bank

Liberia: Emergency Road Maintenance Project (P164463)

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