1. Country and Sector Background

Liberia has been in non-accrual status with the Bank since 1987. It has accumulated substantial arrears to the International Financial Institutions (IFIs) of which US$383 million to IBRD, US$45 million to IDA. Following the end of the 15-year long war in Liberia in 2003, the Country Reengagement Note (CRN) was endorsed by the Board of Executive Directors on March 9, 2004. Since that time the Bank has been implementing the CRN’s approved activities, financed by the Trust Fund for Liberia (TFLIB) and a Low Income Country under Stress (LICUS) grant, in three key areas: economic management, community-driven development, and infrastructure. Today, after a peaceful two-year transitional period and following successful democratic elections, Liberia is moving towards the restoration of normal relations between the country and IFIs.

Following the Accra Peace Agreement, the United Nations Mission in Liberia (UNMIL) was established to facilitate the transition period, while the UNDP and the World Bank undertook a joint mission to conduct a needs assessment. This led to the acceptance of a Results Focused Transitional Framework (RFTF) that defined the most urgent activities to be undertaken to, amongst others, reinstate infrastructure and social services.

Despite efforts within the RFTF, the primary challenge of public sector reform remained the inability to reign in high incidences of corruption, non-transparency and financial mismanagement at all levels of government. The deteriorating economic and fiduciary governance placed at risk Liberia’s recovery. The response of the government and its international partners was to adopt the Governance and Economic Management Assistance Program (GEMAP) backed by the Security Council in a resolution passed in September, 2005. The GEMAP has introduced measures to improve economic governance and financial management. Following the elections, the new Government of Liberia (GOL) endorsed the GEMAP as a necessary step in enhancing governance practices.

During the transitional period, a modest rebound in economic activity was observed, largely driven by donor assistance. Following a sharp decline in economic activity in 2003, real GDP continues to recover (2.4% in 2004; projected 8.5% in 2005). However, the recovery of agricultural activity has been sporadic due to the slow return of refugees to rural areas and largely destroyed or non-existent
infrastructure. In addition, the UN embargo on export of timber and diamonds, imposed in December 2003 to stop the practice of export proceeds financing armed conflicts in Liberia and the sub-region, was renewed in November 2005.

The GOL has constituted the Liberia Reconstruction and Development Committee (LRDC) as the main body and a mechanism to strategize, develop, coordinate and monitor the implementation of a results-based national reconstruction and development program. The LRDC, chaired by the President, consists of key GOL Ministers and donors and is organized around four pillars. These pillars include several Ministries and are chaired by a leading Minister and co-chaired by donors. The four pillars include: i) Security, ii) Economic Revitalization, iii) Governance and Rule of Law, and iv) Infrastructure and Basic Services. The Bank is a Co-Chair of the Economic Revitalization and the Infrastructure and Basic Services Committees. The latter, chaired by the Minister of Public Works includes all infrastructure sectors as well as health and education.

The proposed Grant, which is one of a number of grants funded out of the Trust Fund for Liberia (TFLIB), responds to the request of the GOL for emergency funds and aims to partially reinstate critical infrastructure that was destroyed in the war. The Project Appraisal Document (PAD) builds on the work carried out under the Infrastructure Rehabilitation TA Project financed by TFLIB, which identified critical emergency works in the transport sector in the amount exceeding US$70 million. Proposed activities under the PAD include only the most critical emergency works in the port and airport sub-sectors in the amount of US$8.5 million. It is expected that other partners will come together to provide financing for the remaining priority infrastructure needs.

**Sector Issues**

The transport sector in Liberia prior to the civil war included road and railway networks, civil aviation, and several ports. Today, the railway network does not exist, civil aviation is limited to Monrovia with only UN flights operating upcountry, and the Port of Monrovia is the only operational port in the country.

During the years of conflict, the sector was able to undertake intermittent maintenance activities but no periodic maintenance. Partial rehabilitation and new construction were sporadic and limited in scope. As a result of the chronic underinvestment and lack of maintenance the rehabilitation requirements of the sector today are enormous.

The Government recognizes the urgency of the situation and has pleaded for donor assistance to the sector. Starting in 2005, the Bank financed the technical assessment of the Port of Monrovia, the Roberts International Airport in Monrovia as well as assessment of two of the main road corridors in the country (Infrastructure TA, TFLIB-funded). The studies identified emergency works and developed bidding documents that have been shared with donors. Given the capital intensity of the sector, few donors have yet pledged funds for large-scale transportation projects.

The roads sub-sector is mentioned briefly in this document as it is subject of another project proposing funding of emergency works that is currently under preparation (US$30.0 million IDA pre-arrears clearance grant). The railway sub-sector is expected to be picked up by private investors when and if the mining sector takes up again. Marine transport and civil aviation are central to sustain and expand economic activities in Liberia and as such are a top governmental priority. In addition, marine transport and civil aviation infringe on issues of safety, security, and stability in a country still characterized as a fragile post-conflict environment.
2. Objectives

Provide Government with emergency support to restore priority infrastructure in the port of Monrovia and at Roberts International Airport and assist the Government in developing medium term strategic framework for efficient and productive port and aviation sectors.

Successful implementation of project will be evidenced by:

- Identified civil works implemented with quality commensurate to design.
- Institutional capacity strengthened
- Government has developed a strategic framework for port and aviation sector

3. Rationale for Bank Involvement

Liberia had been a middle-income country before the war. During the years of conflict the country experienced a significant decline in living standards and is currently one of Africa’s poorest nations. The peace agreement and the subsequent stability, resulting in the successful election of a new Government, offer Liberia a unique opportunity to rebuild its shattered economy and to establish a stable and democratic society. After years of war which saw aid from the international community almost disappear, Liberia today is supported by major international partners in an effort to promote stability in West Africa - a region of frequent conflicts and chronic instability.

The case for Bank involvement in Liberia at this time is compelling. Following nearly 3 years of peace and with a democratically elected Government in place, the ground is prepared for reconstruction and recovery. In order to build a functioning economy and restore the livelihood of the country’s population, Liberia’s new Government needs to be able to rely on an adequate response from international donors both in terms of expertise and finance. In addition, peace provides a window of opportunity for the Bank to rebuild its knowledge base and understanding of national partner institutions, both of which are essential to increase readiness for a Bank lending program when that becomes possible.

4. Description

The Grant of US$8.5 million will address several of the prioritized emergency works and activities in the port of Monrovia and at Roberts International Airport, and will provide targeted support to Government in achieving basic organizational capacity for efficient management of the respective sectors. The project also aims during the relatively short implementation period, to support the Government in formulating a strategic framework for the sectors. Although execution of the works normally would be expected to be completed in just over 2 years, the difficult post-conflict environment necessitates an assumption of implementation delays. Advantage of an added implementation time is possibility of deeper and richer policy dialogue. The implementation period is therefore 4 years.
A. Civil Works (US$ 7.70 million).


From a navigational safety point of view, it is necessary to maintain an entrance channel width of 150 m with an 11 meter draft. Based on bathymetric survey results, this requirement is not met by far as the channel width is less than 100 m at that draft. The dredging quantities associated with this navigational requirement are in the order of 500,000 m³, including dredging of part of the port basin. As any obstruction of the entrance channel due to stranding of a vessel might directly impact the supply line of Liberia, dredging operations were given the highest priority.


The refined products jetty, which is the only functioning one in the country, has deteriorated to a degree that it forms a severe risk to the country’s fuel supply. Furthermore no fire fighting installation on the refined products jetty is available, increasing risks even further. Within the Port of Monrovia there are no alternatives.

The oil jetty will be structurally upgraded, pipes replaced (until landfall) and adequate safety measures introduced. The Liberia Petroleum and Refinery Corporation has plans to replace oil pipes from jetty landfall to tanks.

Collapse of the jetty would place the country’s fuel supply in great danger and a disrupted fuel supply would among other things, stop food supply and distribution, UNMIL activities, power generation and water supply.


The chances of fire in the port are relatively high. The effects of a large scale fire in the port would be disastrous to the country’s food supply and export (rubber). At the moment there is no fire engine in the port, the fire hydrant system is not functioning, there is no water supply and there is no trained NPA fire brigade.

It is therefore of great importance that minimally the fire water supply system to the NPA yard is made functional again and the NPA fire brigade adequately equipped and trained.

The works will provide for the design, supply, delivery, handling, installation, commissioning, testing and setting to works of needed equipment for acceptable firefighting capabilities at NPA yard.

A4. Roberts International Airport (RIA): Navigational, aeronautical, meteorological and security equipment (US$ 0.60 million).

This activity addresses the first priority intervention at RIA with provision for supply and installation of various navigational, aeronautical, meteorological and security equipment, including earthing and lighting protection system, runway and taxiway edge lighting, provision for calibrating, and aeronautical and meteorological equipment.
B. Technical Assistance and Capacity Building (US$ 0.15 million).

Provision of selective and ad-hoc technical assistance to Government, including support to develop a strategic framework for the sub-sectors, as well as targeted training in NPA and RIA to complement normalization of operations. The project will assist NPA in bringing about a container terminal/handling concession and will support NPA for tendering a marine or towage service contract if required.

C. Project management (US$ 0.65 million).

The Project will benefit from the implementation arrangements agreed on for a separate project, the Emergency Infrastructure Project (EIP), which are being set up within the Ministry of Public Works (MPW). Under EIP, MPW will implement the Project through the creation of a Special Implementation Unit (SIU) staffed with a combination of competent MPW staff and selected technical assistance. For this project, the SIU will provide coordination, financial management, procurement, Monitoring and Evaluation (M&E) and support to safeguard management.

Additionally, a port engineer and an environmental supervising engineer will be hired, as well as other specialist support as may become needed.

5. Financing

Source: ($m.)
BORROWER/RECIPIENT 0
Trust Fund for Liberia 8.5
Total 8.5

6. Implementation

This Project will benefit from the implementation arrangements agreed on for the Emergency Infrastructure Project (EIP) which is being set up within the Ministry of Public Works.

Under the EIP, MPW will implement the Project through the creation of a Special Implementation Unit (SIU) staffed with a combination of competent MPW staff and selected technical assistance. The SIU, managed by a competent full-time project coordinator/unit manager (a high level senior officer to be appointed or a project management specialist to be recruited), will include as key staff; Engineers, a Transport Economist, Financial Management Specialist and Procurement Specialist as well as an Environmental Expert. The SIU will have an appropriate skills mix, including technical, project management, fiduciary as well as environmental and safeguard skills to carry out its functions. In particular, the SIU will be responsible for: (a) assuring steady progress of the procurement in accordance with an implementation schedule reviewed and approved by the World Bank; (b) ensuring satisfactory implementation of activities included in all contracts; (c) ensuring that a high ethical standard and transparency is maintained throughout the entire project implementation; and (d) monitoring and evaluating performance indicators and results.

As formulated for the purposes of EIP, the SIU will provide coordination, financial management, procurement and partly safeguard management for this project. Additionally, a port engineer will be hired for the duration of port works and an environmental supervising engineer will be recruited on intermittent basis.
To ensure appropriate collaboration among the institutions engaged, appraisal of the project will discuss with Government the steering group arrangements that will ensure that any policy or strategic discussion related to the project receives the needed stakeholder inputs.

For identifying prioritized order of works and actions for investments in seaports, the traditional method is use of a multi-criteria-analysis applied and leading to decisions based on the added value of a certain measure to safety and efficiency of port operations based on a variety of criteria and weighing factors. The extreme situation in the port of Monrovia necessitates a different approach to prioritization: The risk of not implementing a particular measure to port operations and more broadly the supply line/economic life line of Liberia is used as guideline for prioritizing the emergency works.

Compliance with ICAO standards is the international benchmark for three basis requirements in airport operations: (i) safety; (ii) security; and (iii) aircraft and passenger handling. On that basis, RIA emergency needs were assessed and prioritized following order based on interventions needed to reinstate safe and efficient operation at the RIA in short-and medium-term. These are: (i) Air safety; (ii) Ground safety; (iii) Airside pavement conditions; (iv) Security; (v) Airside operations; (vi) Terminal building area and landside facilities; (vii) Utilities; and (viii) Environmental conditions.

7. **Sustainability**

Beyond the affected infrastructure, which durability should be ensured in the medium term, the project design is not aimed at achieving a sustainable transformation of the port and aviation sub-sectors. Rather it aims at rehabilitating a handful of prioritized emergency works to prevent collapse of specific services at these infrastructure nodes.

Nonetheless, it is expected that the targeted technical assistance that will be provided and the policy dialogue the Bank will engage the Government in during the implementation of this Grant, will result in a strategic framework and common understanding for the sub-sectors, which in turn may become foundation for institutional reform and operational sustainability of the sub-sectors.

8. **Lessons Learned from Past Operations in the Country/Sector**

The Bank has had extensive involvement in the rehabilitation of the economic management of post-conflict countries and collapsed states worldwide. The Bank’s expertise in reinstating large-scale transport infrastructure is equally broad and can be used successfully in a country in dire need of experience and resources.
9. Safeguard Policies (including public consultation)

<table>
<thead>
<tr>
<th>Safeguard Policies Triggered by the Project</th>
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<th>No</th>
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<tbody>
<tr>
<td>Environmental Assessment (OP/BP/GP 4.01)</td>
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<td>Natural Habitats (OP/BP 4.04)</td>
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<td>Pest Management (OP 4.09)</td>
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<td>Cultural Property (OPN 11.03, being revised as OP 4.11)</td>
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<td>Involuntary Resettlement (OP/BP 4.12)</td>
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<td>Indigenous Peoples (OD 4.20, being revised as OP 4.10)</td>
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<td>Forests (OP/BP 4.36)</td>
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<td>Safety of Dams (OP/BP 4.37)</td>
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<td>Projects in Disputed Areas (OP/BP/GP 7.60)*</td>
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<tr>
<td>Projects on International Waterways (OP/BP/GP 7.50)</td>
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The project will provide substantial positive environmental impacts. At the airport, the provision of navigation, safety and security equipment will reduce the risk of accidents to airport and airline employees as well as nearby residents. Within the port, the works to improve access to the harbor, refurbish the oil jetty, install modern fire-fighting systems, and reorganize and re-equip the container handling yard will all contribute to reduced risk of accidents (including ship groundings) and spills, quick response to potential environmental catastrophes such as oil fires. An overall improvement in housekeeping and waste management is likely to follow the specific renovations and repairs.

No significant, long-term adverse impacts are anticipated from the investments to be supported at the port. The preliminary Environmental Impact Assessment (pEIA) has identified potential adverse impacts and categorized them as minor, moderate, and major, based on magnitude, probability of occurrence, and sensitivity of receptor or affected area. A general mitigation plan (EMP) is included in the assessment, and the impacts are re-rated assuming EMP implementation. The only major impact identified is conversion of land for dredge spoil disposal, and since the analysis of sediments in the harbor confirms that they are not hazardous and are thus suitable for disposal at sea, this major impact will be eliminated. However, the choice of a sea disposal site and technique must take into account the characteristics of the marine environment – current, depth, presence of sensitive features such as coral reefs and sea grass beds, existence of shellfish beds, recreational uses and fisheries. In other words, a more detailed environmental assessment focusing on an appropriate site needs to be prepared, subjected to stakeholder consultation, and disclosed.

10. List of Factual Technical Documents

- Detailed Assessment of Emergency and Longer Term Actions Required to re-establish Efficient Port Operations in the Port of Monrovia, March 2006.

*By supporting the proposed project, the Bank does not intend to prejudice the final determination of the parties’ claims on the disputed areas*
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