I. Introduction and Context

Country Context
The country emerged from a 14-year conflict period in 2003, when a global peace agreement was signed. A good track record of prudent macroeconomic management coupled with social stability has helped Liberia weather the 2008-09 global crisis, and post a strong recovery since. The annual Gross Domestic Product growth averaged over 7 percent from the end of the civil war to 2014. Liberia made notable progress in the reduction of poverty between 2007 and 2010, but the poverty rate remains high. A little under half of the population lived below the national poverty line in 2010. Liberia typically ranks towards the bottom of the Human Development Index, and in 2014 the country ranked 175th of 187 countries on the Human Development Index highlighting the immense poverty and social development needs of the country.

Liberia’s economy is struggling to recover from the dual shocks of the Ebola crisis and the sharp decline in commodity prices, which led to business closures, including of mines and consequent job losses and reduced fiscal revenues. Within this framework, the government has been making substantial recovery efforts and plans to diversify the economy to mitigate the impact of such future shocks.

WARFP SOP A1 in Liberia. The program development objective and design aims to help increase sustainably the wealth generated from fisheries, one of coastal West Africa’s largest sources of natural capital. The Liberia
portion of the program became effective in April, 2010, and consists of four main components: 1) good governance and sustainable management of fisheries; 2) reduction of illegal fishing; 3) increasing the contribution of the marine fish resources to the national economy; 4) coordination, monitoring and evaluation and program management. One of the longer term goals under Component 3 of the Liberia project is to increase national value addition. The enabling environment to achieve this goal includes the establishment of a fish landing site that will improve the conditions for industrial fish landing and export of high value species for national investment in fish processing. This implies support to the Robertsport landing cluster at the Port of Monrovia - Liberia's largest landing point - and its connection with the Mesurado fishing pier, for the creation of an integrated logistics corridor to enable the development of a value chain hub. The successful development of an industrial fish landing site cluster in Monrovia will allow the country to better capitalize on the returns from improved governance, and improved handling of fish caught in their waters.

Background of ACGF financing to the WARFP project in Liberia.
To this end, ACGF financing in the amount of US$2 million was endorsed in 2011 for the activities included in Component 3 of the project in Liberia (P124242/TF10654). Specifically, the ACGF Liberian grant was approved to finance the rehabilitation and reclamation of parts of the Mesurado Pier for fish landing, including: 1) construction of a jetty for industrial fishing vessels to land and offload and/or transship fish; and 2) product storage and transport facilities. The financing from ACGF was approved on October 31, 2011, and became effective on January 4, 2012, with an original closing date of October 30, 2013, capped by the ACGF parent trust fund closing date. From the construction perspective, implementation would have spanned a longer period. The Ebola crisis delayed and led to significantly increased costs of infrastructure works in Liberia, resulting in necessary reductions in the scope of works in Mesurado and further extending the completion date until December 2016. Following the post-Ebola resumption of activities, the Mesurado fishing pier construction was inaugurated by Liberia's Vice-President in October 2015 and its construction has been progressing satisfactorily.

Sectoral and Institutional Context
Liberia has a long coastline (560 kilometers) with a continental shelf that supports marine fish resources that could make a significant contribution to local economic growth. Liberia's coastal region is home to some 58 percent of the population, and although per capita fish consumption is relatively low, fish currently contributes to the animal protein needs of an estimated 80 percent of the population. As of 2007, the total catch from the marine fisheries was roughly 15,000 tons, although large amounts of fish were likely caught illegally or caught in Liberia's waters and transshipped at sea for export, and thus never reported. This amount was also far lower than the potential fish yield, which before the war reached well over 150,000 tons. Industrial fish processing before the war made Liberia the highest value exporter of fish products in Africa. At the onset of WARFP SOP-A1 (P106063) in 2009, instead, the country had no functioning fishing harbor, no competent authority for certifying fish products to export standards (legislation, training and equipment are all needed), nor cold storage/holding facilities at the airport.

With the fisheries sector becoming a major priority under the government's new economic diversification program, the lagging sector infrastructure, logistics, and value-chain development bottlenecks, all critical elements under WARFP Component 3, are commanding a new sense of urgency. This now extends beyond the successful completion of the Mesurado port facilities, as the
country's main industrial fishery import/export gateway, and into the need for advancing its integration with the country's coastal fisheries landing points, a major step toward unlocking local job and economic opportunities.

In parallel, changes in the composition of the fishing fleet in the region have prompted the government to request support for further updating the Mesurado complex design in line with the new sector developments, to also include the upgrade works that had to be canceled due to Ebola-associated cost increases (government letter dated October 14, 2015). At the same time, as opportunities emerging from the successful implementation of the rest of the WARFP program in Liberia, the Mesurado complex increased its significance as a driver for capturing the economic benefits from improved fisheries management not only in Liberia but at the sub-regional level and in terms of its significance as a model case to inform the second phase of the WARFP program. This requested second ACGF financing is to respond to the government's request while allowing to further scale up the early achievements from the WARFP SOP A1 project.

The proposed ACGF funding can enable exactly the integrated approach described above by leveraging the WARFP's pilot investment in the construction of the Robertsport coastal fisheries landing cluster, Liberia's largest landing point, to connect it with the Mesurado complex into an integrated logistics corridor and coastal fisheries value-chain hub. More specifically, ACGF support will allow further development of the Mesurado Pier complex while supporting the Robertsport artisanal fisheries landing cluster to (1) expand its fish handling, storing, processing, and value-adding capacity for both demersal and small pelagic species; and (2) set up a private-public partnership (PPP) management and operations model that is geared not only to meeting local market demand but also to realizing higher-value opportunities made possible with the reconstruction of the Mesurado complex. By broadening the intended focus of the original ACGF grant beyond enabling industrial fisheries export to also capture the country's booming small coastal fisheries, this will open new business and export revenue-generating opportunities for the local fisheries sector with a much higher direct positive impact on the local community livelihoods and economy. Importantly, this work will also establish a stronger foundation and set a regional model for WARFP Phase 2.

**Relationship to CAS/CPS/CPF**

Liberia CPS for the period FY13-17 (Report No. 74618): This ACGF Small Grant directly contributes to Pillar 1 (Economic Transformation) of the Liberia CPS and the outcome of improved management and productivity in agriculture, forestry and fisheries by contributing to increased economic benefits from targeted fisheries and strengthening Illegal, Unreported and Unregulated (IUU) enforcement.

Contribution to the Regional Integration Assistance Strategy for Sub-Saharan Africa (RIAS). In 2008, the World Bank completed a Regional Integration Assistance Strategy for Sub-Saharan Africa to help leverage increased benefits for the region through investments in cross-border integration and collaboration. The RIAS notes that one of the main rationales for World Bank support to regional integration in Africa is the need for assistance with the management of shared natural resources, such as fisheries. The RIAS highlights the fact that fisheries lie across borders and require regional collaboration to ensure sustainable harvesting and to prevent conflicts. As such, one of the three pillars of the RIAS is to support coordinated interventions to provide regional public goods, focusing on regional water resources, forestry and fisheries.
Contribution to the Africa Regional Strategy. The willingness of West African countries to collaborate to increase the value of the region's marine fisheries asset, and in particular to implement the needed governance and management reforms, fits squarely within the World Bank's objective to promote governance of natural resources through the implementation of the Africa Regional Strategy. More specifically, regional integration is a core element of the Africa Regional Strategy, which notes in particular the need for countries to work together on a regional basis, including on regional public goods such as fisheries.

II. Project Development Objective(s)

Proposed Development Objective(s)
Key construction work at Mesurado Pier and Robertsport landing site completed.

Key Results
Enhance port facilities;
Pilot integrated fish landing site cluster established by the project and operating.

III. Preliminary Description

Concept Description
The ACGF financing of US$4.193 million will directly contribute to the broader West Africa Regional Fisheries Program, in particular Component 3: Increasing the Contribution of the Marine Fish Resources to the Local Economies.

With WARFP SOP A1 disbursement in Liberia reaching 98%, the requested additional ACGF funding will allow Liberia to access funds not available from elsewhere to accomplish the rehabilitation of the Mesurado industrial fishing complex, while also expanding economic opportunities for the country's small scale coastal fisheries. To this end, the additional ACGF support will be deployed to:
(i) Meet construction cost increases triggered by the Ebola crisis, and design modifications required to meet evolving performance needs for completion of the Mesurado complex construction; and
(ii) Create an integrated Mesurado-Robertsport fishery cluster by filling the financing gap in the WARFP's financed Robertsport landing site pilot, to support new business and export revenue-generating opportunities for the local fishermen and communities.

As this new funding activity is self-contained and will be implemented until July 2017 while the WARFP SOP A1 closes in September 2016, the team was advised to pursue a stand-alone small grant rather than additional financing under the larger WARFP project.

IV. Safeguard Policies that Might Apply

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V. Financing (in USD Million)

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