



GOVERNMENT OF LIBERIA

**Ministry of Commerce and Industry
Ministerial Complex
Congo Town, Monrovia**



Liberia Investment, Finance, and Trade (LIFT) Project

Loan No./Credit No./ Grant No.: (P171997)

**ENVIRONMENTAL AND SOCIAL MANAGEMENT
FRAMEWORK (ESMF)**

December 7, 2021

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ABBREVIATIONS AND ACRONYMS

AfDB	African Development Bank
AfCFTA	African Continental Free Trade Agreement
CAB	Conformity Assessment Bodies
CBL	Central Bank of Liberia
CERC	Contingent Emergency Response Component
CPF	Country Partnership Framework
DFS	Digital Financial Services
EPA-RL	Environmental Protection Agency-Republic of Liberia
ESCP	Environmental and Social Commitment Plan
ESDD	Environmental and Social Due Diligence
ESF	Environmental and Social Framework
ESIA	Environmental and Social Impact Assessment
ESMF	Environmental and Social Management Framework
ESMP	Environmental and Social Management Plan
ESO	Enterprise Support Organization
ESS	Environmental and Social Standard
ESSS	Environmental and Social Safeguards Specialists
FCV	Fragility, Conflict and Violence
GIIP	Good International Industry Practice
GoL	Government of Liberia
GRP	Government Recovery Programme
G2B	Government to Business
IFC	International Finance Corporation
INDC	Intended Nationally Determined Contribution of Liberia
LBR	Liberia Business Registry
JET	Jobs and Economic Transformation
LiBA	Liberian Business Association
LMP	Labour Management Procedures
LRA	Liberia Revenue Authority
LSEZA	Liberia SEZ Authority
MDG	Millennium Development Goals
MFD	Maximizing Finance for Development
MOCI	Ministry of Commerce and Industry
MSME	Micro, Small and Medium Enterprises
NEP	National Energy Policy
NEPS	National Electronic Payment Switch
NGO	Non- Governmental Organization
NSW	National Single Window
NQI	National Quality Infrastructure

NUOD	National Union of Organizations for the Disabled
OECD	Organization for Economic Cooperation and Development
PAD	Project Appraisal Document
PDO	Project Development Objectives
PIU	Project Implementation Unit
PPCC	Public Procurement and Concession Commission
PPE	Personal Protective Equipment
PPP	Public Private Partnership
RPF	Resettlement Policy Framework
PWD	Persons with Disability
SBA	Small Business Administration
SEZ	Special Economic Zones
SEP	Stakeholder Engagement Plan
SME	Small and Medium Enterprise
SOE	State Owned Enterprises
WB	World Bank
WBG	World Bank Group

EXECUTIVE SUMMARY

The Project Development Objective (PDO) is to improve the investment climate, expand access to finance, and facilitate trade in Liberia.

To support the Government of Liberia (GoL) to achieve significant economic transformation, the Liberia Investment, Finance, and Trade (LIFT) Project will support activities organized under three complementary components (business climate reforms, SME and CCB support, financial infrastructure support), together with the fourth component for project management, M&E and a CERC (or Contingency Emergency Response Component).

C1: Trade and Investment-Enabling Environment will focus on improvements in Liberia's legal and regulatory environment by strengthening key institutions providing Government to Business (G2B) services covering international trade, business entry and private investment support.

C2: SME Access to Markets and Finance will focus on improving private sector capabilities and competitiveness of SMEs, access to finance including of women entrepreneurs, and access to finance through Grants and a Line of Credit.

C3: Digital Financial Services Infrastructure will support Digital Financial Inclusion, through a new National Payments Switch, and a Credit Registry.

C4: Project Implementation, M&E and CERC (procurement, financial management, safeguards, communication, coordination, M&E) will be housed within the PIU. The PIU will also manage the CERC, Contingent Emergency Response Component.

The direct beneficiaries of the project will be formal small and medium enterprises (SMEs), growth-oriented entrepreneurs, individuals using the services provided by the various upgraded government platforms, and financial institutions involved in the project. Within these groups, the project will pro-actively seek direct representation of women. Indirect beneficiaries include the current and potential work force of firms, due to improvements in the investment climate. As the dominant share of formal firms reside in the capital city, the project's geographic focus will be primarily in the urban areas of Monrovia, though some activity in secondary cities is also likely.

Purpose and Objective of the ESMF

The objective of this Environmental and Social Management Framework (ESMF) is to focus on key activities outlined under the project components within the national context, and to provide the basis for assessing, analyzing and evaluating environmental and social impacts of the development activities. Subsequently, the ESMF defines appropriate mitigation measures by either avoiding, eliminating, or reducing such adverse environmental and social impacts. The ESMF further establishes provisions for estimating and budgeting the costs of any alternative measures as part of the implementation of the mitigation measures. It includes the

costs of hiring staff and consultants, implementation of ESMPs, monitoring, and capacity building programmes.

This report has been prepared in accordance with the World Bank Environmental and Social Framework (ESF) which sets out the World Bank's commitment to sustainable development, through the Bank Policies and a set of Environmental and Social Standards (ESSs). It also recognizes the provisions of the Liberia Environmental Protection and Management Law 2003.

Approach to the ESMF Study

The approach to the ESMF study comprised the following:

1. Extensive review of documents including:
 - Project appraisal document
 - Various reports describing geographical settings, governance structure, legal instruments, institutional mandates, and socio-economic characteristics of the country
 - Reports confirming Small and Medium Enterprises (SME) characteristics in Liberia
 - World Bank Environmental and Social Framework
2. Consultations with various stakeholders including:
 - Government institutions, e.g., Ministry of Commerce and Industry (MOCI), Small Business Administration (SBA), Central Bank, Environmental Protection Agency (EPA)
 - Private sector institutions including SMEs, e.g., Liberia Business Association (LiBA), National Union of Organizations for the Disabled (NUOD)
 - Communities, e.g., Margibi County, LiBA Women's Group (Margibi County)
3. Reporting

National Policy, Regulatory and Institutional Framework

The key policies, legislation and institutional frameworks are as follows:

Policies

- National Industrial Policy, 2011
- Micro, Small and Medium Enterprises (MSME) Policy, 2011
- National Environmental Policy, 2002
- National Energy Policy, 2009
- Liberia National Gender Policy, 2009
- Land Rights Policy, 2013

Legislation

- Liberia Constitution, 1986
- Investment Act, 2010
- Special Economic Zones Act, 2014
- Small Business Act, 2014
- Gender and Development Act, 2001

- Environmental Protection Act, 2003
- Environmental Protection and Management Law, 2003
- Land Commission Act, 2008

Institutions

- Ministry of Commerce and Industry (MOCI)
- Central Bank of Liberia
- Small Business Administration (SBA)
- Liberia Revenue Authority
- Liberia Lands Authority
- Ministry of Mines and Energy
- Ministry of Gender, Children and Social Protection
- Environmental Protection Agency- Republic of Liberia
- Liberia Business Association.

Potential Environmental and Social Risks and Mitigation Measures

Component 2 will finance Technical Assistance (TA) to upgrade the capabilities of SMEs operating in supply chains with an initial focus on agriculture, agro-processing, light manufacturing and logistics services. Other clusters to be considered include sectors of mining, fisheries, forestry, tourism, and tradeable digital services. Some of these activities might potentially cause adverse environmental risks and impacts. The activities supported under Component 3 on increasing digital services are anticipated to marginally increase electronic waste.

The potential environmental and social risks associated with project components and sub-project activities are described in the table below:

No.	Project Component	Description	Possible project area/ activity with potential E&S risks	Anticipated issues/ risks
1.	C1	Business climate reforms and capacity building	<ul style="list-style-type: none"> • Provision of electronic hardware, e.g., computers, scanners, servers to the SEZ Authority • Hiring and management of workers 	<ul style="list-style-type: none"> • Disposal of electronic waste • Grievance from workers with respect to labour and working conditions • Discrimination against women and people with some disabilities
2.	C 2	SME Support	<ul style="list-style-type: none"> • Small equipment purchases and usage, e.g., packaging tools • Minimum civil works, e.g., rehabilitation of 	<ul style="list-style-type: none"> • Occupational Health and Safety issues (including COVID-19 infections) • Waste generation (including solid, liquid and hazardous waste)

No.	Project Component	Description	Possible project area/ activity with potential E&S risks	Anticipated issues/ risks
			<ul style="list-style-type: none"> sheds, storage rooms, etc. Operations of SMEs (agriculture, agro-processing, light manufacturing, logistics service. Supply chain/ clusters in the mining, fisheries, forestry, tourism and tradeable digital services) 	<ul style="list-style-type: none"> Noise pollution Air pollution (including dust and release of greenhouse gases – GHG) Potential contamination of water resources Workers' grievances Sexual Exploitation and Abuse and Sexual Harassment (SEA/SH) Women and vulnerable individuals or groups excluded from project benefits Potential elite capture Discrimination at workplace Land acquisition
3.	C3	Financial Infrastructure	<ul style="list-style-type: none"> Provision of electronic software and hardware Refurbishment of store room for electronic hardware equipment Screening of SMEs for their capacity to carry out E&S actions 	<ul style="list-style-type: none"> Electronic waste Waste management Occupational Health and Safety PIU competence to undertake E&S screening of grant beneficiaries FI's competence to undertake the screening of credit line beneficiaries

The following World Bank ESSs are relevant to the LIFT Project:

ESS1: Assessment and Management of Environmental and Social Risks and Impacts;

ESS2: Labour and Working Conditions;

ESS3: Resource Efficiency and Pollution Prevention and Management;

ESS4: Community Health and Safety;

ESS5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement

ESS9: Financial Intermediaries; and

ESS10: Stakeholder Engagement and Information Disclosure.

Environmental and social risks and mitigation measures

These mitigation guidelines are given to address the significant environmental and social risks.

The responsibilities for implementing these measures are described later in the report.

Environmental and social mitigation measures

Environment, Social and Health Impact Issue/ Concern	Proposed Mitigation Action/ Measures	Responsible for implementation
Construction Phase		
Resource efficiency	<ul style="list-style-type: none"> Judicious use of resources (water, electricity, fuel) Ensure use of efficient equipment (vehicles, construction equipment etc.) Install measurement devices as much as possible to monitor resource use (water and electricity) Regular sensitization programmes at all levels to discuss and disseminate information on resource use Material purchases to be made in such a way as to avoid wastage as much as possible 	Contractor
Air pollution and Noise	<ul style="list-style-type: none"> Selected contractors to submit contractor's Environmental and Social Management Plans (ESMPs). Neighbouring offices will be duly informed early of all renovation activities. The construction and other engineering firms will be selected for the project based on their ability to adopt acceptable engineering practices and their possession of suitable equipment holdings to ensure low noise and air quality emission. Loading and transportation of demolition debris shall be done during night time and will avoid relatively noisy equipment operating during the night. Stock piles of debris will be covered to prevent re-suspension of dust into the air. On-site mixing of cement, sand, stone and other constructional materials will be done in an enclosed space and these materials shall be stored in an enclosed yard or covered tightly. Speed limit shall be set for construction and transportation vehicle both within and outside the project sites to avoid re- entrainment of dust. 	Contractor
Waste generation (solid, liquid, hazardous)	<ul style="list-style-type: none"> Selected contractors to submit construction waste management plans for moderately risky works and which will employ over 50 workers Apply the principles of Reduce, Recycle, Reuse and Recover for waste management. Provide adequately labelled bins for different types of waste in offices and construction sites <ul style="list-style-type: none"> Waste collection bins to be sited at vantage points. Arrangement with waste collection companies to regularly collect and dispose of solid waste at Council-approved sites. Warning signs to be posted at suitable locations against littering with possible sanctions indicated. Provide suitable gender friendly sanitation facilities for workers at construction sites Treat liquid waste generated from construction sites before disposal. Ensure liquid waste to be disposed meet applicable EPA-RL effluent discharge guidelines. 	Contractor

Environment, Social and Health Impact Issue/ Concern	Proposed Mitigation Action/ Measures	Responsible for implementation
Water pollution	<ul style="list-style-type: none"> • No solid waste, fuels, or oils to be discharged into any section of a waterway. • Maintenance, fuelling and cleaning of vehicles and equipment to take place at off-site workshop with adequate wastewater management facilities. 	Contractor
Occupational Health and Safety (OHS)	<ul style="list-style-type: none"> • Prepare and implement Labour Management Plan to guide all OHS issues. • All workers should be given proper induction/orientation on safety. • Ensure there are first aid kits on site and a trained person to administer first aid. • Provide and enforce the use of appropriate personal protective equipment (PPE) such as safety boots, reflective jackets, hard hats, hand gloves, earplugs, nose masks, etc., as and when required • Apply sanctions where safety procedures are not adhered to. • New equipment to be introduced will represent current technology and are state of the art machines. These are expected to be safer to operate and workers will need to be sufficiently trained to master the operation of these machines. Appropriate PPEs will be provided to safeguard health of all workers. • Regular toolbox and training programs will be organized for staff on workplace safety and health issues and effective use of equipment/machinery. • Management may institute incentive packages for workers who record least accidents. • Workers must be provided facilities such as canteens, gender-friendly toilets, first aid kits, potable water, hygiene and WASH facilities including washing points (clean running water, soap and paper towels) on site and within the work environment. 	MOCI- PIU Contractor
Grievance from workers with respect to labour and working conditions	<ul style="list-style-type: none"> • Prepare a Labour Management Plan (LMP) to manage labour challenges. • Follow and apply the national labour laws to ensure good wages and working conditions. • Follow well- laid out recruitment processes to engage experienced staff for all works. • Child labour will not be allowed. 	MOCI- PIU Contractor
Discrimination at workplace	<ul style="list-style-type: none"> • Provide transparent avenues for workers to report acts of discrimination at workplace and ensure there is an effective and trusted feedback mechanism • Prohibit acts of discrimination through work contracts and code of conduct to be signed by workers 	MOCI- PIU Contractor
Sexual exploitation and Abuse (SEA) and Sexual harassment	<ul style="list-style-type: none"> • Workers to be given regular training on self-protection against violence, particularly for women and girls. • Due to the sensitive nature of sexual abuse cases and the need to respect the privacy and wishes of survivors, the redress techniques should be prepared and considered differently by the PIU from the general GRM methods. 	MOCI- PIU Contractor

Environment, Social and Health Impact Issue/ Concern	Proposed Mitigation Action/ Measures	Responsible for implementation
(SH) and Women Vulnerability	<ul style="list-style-type: none"> • A GBV specialist may be hired by the PIU to carry out GBV risk assessments to determine the level of attention and the mitigation options and techniques required. The WB guidelines on GBV assessment should be followed. • Workers educated on personal and public health issues. Protection, e.g., condoms provided against sexually transmitted diseases 	
Land acquisition/ Land ownership challenges	<ul style="list-style-type: none"> • Stakeholder interactions to educate all on proposed project activities, impacts and proposed mitigation measures. • Develop ARAP/ RAP as necessary, and consistent with ESS 5 • Implement the measures in ARAP/ RAP approved by the WB • Will develop and implement grievance mechanism as a part of a wider Stakeholder Engagement Plan enabling community concerns to be documented and resolved in a timely fashion. • Will ensure liaison with all stakeholders and local communities in the project area is maintained throughout project life. These measures will minimize the problem of confrontation and conflicts and will reduce this impact significantly 	MOCI/ PIU
Operation Phase		
Disposal of electronic waste	<ul style="list-style-type: none"> • A national e-waste management strategy is lacking. The Environmental Protection Agency - Republic of Liberia (EPA-RL) has plans to develop this strategy with assistance from multi- lateral agencies including UNEP as per their mandate. • New and state of the art electronic equipment with long lifespans will be purchased for use by the project. • Provide storage houses for such waste from the project till EPA provides permanent solution to e-waste disposal. 	EPA-RL MOCI- PIU
Discrimination against women and people with some disabilities	<ul style="list-style-type: none"> • Provide a transparent recruitment process. • The project should adhere to its design to prioritize and support women enterprises. • Provide information on project opportunities in a medium understood by people with disability. 	MOCI- PIU FIs, SMEs
Discrimination at workplace	<ul style="list-style-type: none"> • Provide transparent avenues for workers to report acts of discrimination at workplace and ensure there is an effective and trusted feedback mechanism • Prohibit acts of discrimination through work contracts and code of conduct to be signed by workers 	MOCI- PIU FIs, SMEs

Environment, Social and Health Impact Issue/ Concern	Proposed Mitigation Action/ Measures	Responsible for implementation
Air pollution and Noise	<ul style="list-style-type: none"> • Loading and transportation of materials shall be done during night time and will avoid relatively noisy equipment operating during the night. • Stock piles of raw materials will be covered to prevent re-suspension of dust into the air. • Speed limit shall be set for vehicles to avoid re- entrainment of dust. • SMEs to design and establish emission control measures as part of their environmental and social management plans 	SMEs
Waste generation (solid, hazardous)	<ul style="list-style-type: none"> • Apply the principles of Reduce, Recycle, Reuse and Recover for waste management. • Provide adequately labelled bins for different types of waste in offices and construction sites • Waste collection bins to be sited at vantage points. Arrangement with waste collection companies to regularly collect and dispose of solid waste at Council-approved sites. • Warning signs to be posted at suitable locations against littering with possible sanctions indicated. • Qualified waste management companies to be identified and contracted to collect and dispose of waste • Waste to be finally disposed of at sites approved by local authorities 	SMEs
Wastewater generation and water pollution	<ul style="list-style-type: none"> • Simple primary effluent treatment facilities to be identified to treat liquid waste prior to disposal • On site sanitation facilities (septic tanks) to be provided • No solid waste, fuels, or oils to be discharged into any section of a waterway. • Maintenance, fuelling and cleaning of vehicles and equipment to take place at off-site workshop with adequate wastewater management facilities. 	SMEs
Resource efficiency	<ul style="list-style-type: none"> • Judicious use of resources (water, electricity, fuel) • Ensure use of efficient equipment (vehicles and machinery) • Instal measurement devices as much as possible to monitor resource use • Regular sensitization programmes at all levels to discuss and disseminate information on resource use • Material purchases to be made in such a way as to avoid wastage as much as possible 	SMEs
Occupational Health and Safety	<ul style="list-style-type: none"> • Prepare and implement Labour Management Plan to guide all OHS issues. • All workers should be given proper induction/orientation on safety. • Ensure there are first aid kits on site and a trained person to administer first aid. • Provide and enforce the use of appropriate personal protective equipment (PPE) such as safety boots, reflective jackets, hard hats, hand gloves, earplugs, nose masks, etc., as and when required • Apply sanctions where safety procedures are not adhered to. 	MOCI- PIU SMEs

Environment, Social and Health Impact Issue/ Concern	Proposed Mitigation Action/ Measures	Responsible for implementation
	<ul style="list-style-type: none"> • New equipment to be introduced will represent current technology and are state of the art machines. These are expected to be safer to operate and workers will need to be sufficiently trained to master the operation of these machines. Appropriate PPEs will be provided to safeguard health of all workers. • Workers must be provided facilities such as canteens, gender-friendly toilets, first aid kits, potable water, hygiene and WASH facilities including washing points (clean running water, soap and paper towels) on site and within the work environment. • Regular training programs will be organized for staff on workplace safety and health issues and effective use of equipment/machinery. • Management may institute incentive packages for workers who record least accidents. 	
Grievance from workers with respect to labour and working conditions	<ul style="list-style-type: none"> • Prepare a Labour Management Plan (LMP) to manage labour challenges. • Follow and apply the national labour laws to ensure good wages and working conditions. • Follow well- laid out recruitment processes to engage experienced staff for all works. • Child labour will not be allowed. 	MOCI- PIU SMEs
Sexual exploitation and Abuse (SEA) and Sexual harassment (SH) and Women Vulnerability	<ul style="list-style-type: none"> • Workers to be given regular training on self-protection against violence, particularly for women and girls. • Due to the sensitive nature of sexual abuse cases and the need to respect the privacy and wishes of survivors, the redress techniques should be prepared and considered differently by the PIU from the general GRM methods. • A GBV specialist may be hired by the PIU to carry out GBV risk assessments to determine the level of attention and the mitigation options and techniques required. The WB guidelines on GBV assessment should be followed. • Workers are educated on personal and public health issues. Protection, e.g., condoms provided against sexually transmitted diseases 	MOCI- PIU SMEs
Elite capture	<ul style="list-style-type: none"> • The PIU to prepare and share Code of Practice against all forms of discrimination and favouritism with project beneficiaries. All project beneficiaries to subscribe to the Code. 	MOCI- PIU SMEs
PIU and FIs competence for E&S screening	<ul style="list-style-type: none"> • PIU to recruit full time Environmental and Social specialists to be part of the project management team. • Financial Institutions (FIs) to have an Environmental and Social Management System - ESMS (E&S policy, screening tools, E&S personnel capacity, E&S management plan, monitoring, reporting tools, communication and stakeholder engagement/management etc. E&S safeguard officers to be recruited. • PIU with the assistance of the EPA-RL to provide training to partner institutions to appreciate E&S requirements and to be able to apply same in the screening of credit line beneficiaries of the project. 	MOCI- PIU FIs, SMEs

Procedures to address Environmental and Social Risks

This document provides guidance to ensure satisfactory design and implementation of all environmental and social actions relating to project activities as identified in this report. The procedures to be followed are consistent with the national requirements and the World Bank environmental and social safeguard standards.

Major infrastructural works are not anticipated from this project. Even for the potential low to moderate risks expected, most of the project partners seem to have little or no appreciation of the E&S requirements, especially at the SME level. The key approach by the project is therefore to implement a good training programme which will subsequently enable the procedure to be followed to address any E&S actions meaningful to all implementing parties. The required training programme is presented in a later section of this report.

E&S guidance and support to potential credit line beneficiaries

The selected FIs will recruit qualified environmental and social risk officers whose duty will entail ensuring sustainability of selected projects. These officers will design and apply screening forms to select the most credible beneficiaries with respect to both the FI's requirements and also the project. It is expected that there would be consistency in the standards in order not to confuse beneficiaries. The PIU may consider providing assistance to the FIs if deemed necessary. The screening form to be used will be project-approved (PIU and WB).

The main objective of the screening is to determine and categorize the compliance readiness of the potential beneficiaries which will subsequently confirm their training needs. As the project is essentially demand driven, it is expected that potential beneficiaries would make individual (or through respective associations such as LiBA) requests to participate in the project. The FIs as part of their project functions will conduct the necessary ESDD.

The screening process will involve:

- Identifying potential beneficiaries who have a basic understanding of E&S requirements and therefore with some interest and capacity to implement the anticipated mitigation measures;
- PIU, with some assistance from the EPA-RL, to subsequently offer basic training for these beneficiaries to be able to undertake basic environmental and social actions consistent with project objectives. These credit line beneficiaries will through their participation demonstrate their capacity to fulfil any E&S obligations.

Once selected, the beneficiaries will continue to undergo regular training to appreciate the E&S demands of the project. The training will still be facilitated by the PIU Environmental and Social Safeguards Specialists (ESSS) with support from the EPA- RL, and the selected financial institutions will participate. The training will provide the selected SMEs with the tools to be able to adequately satisfy the E&S requirements throughout the life of the project.

The monitoring and evaluation programs will be discussed and agreed by all parties. The training program will be prepared by the ESSS and approved by the WB.

E&S guidance by PIU to SMEs

The PIU will follow a similar procedure described above to select and guide SMEs who will benefit from the Technical Assistance (TA) to be provided by the project. The PIU ESSS will design and apply Screening forms as part of the selection criteria to identify qualified SMEs, in a fair and transparent manner. The screening form to be used will be approved by the WB. As per under the FIs, the selected SMEs will continue to undergo regular training to appreciate the E&S demands of the project. The training program will be prepared by the ESSS and approved by the WB.

E&S Assessment of Sub-projects

As indicated earlier, the anticipated environmental and social risks are low to moderate. However, some guidance is needed for the few impacts identified in the previous section.

The appointed PIU Environmental and Social Safeguards Specialists for the project will be responsible for all safeguard activities and will therefore foremost carry out any preliminary environmental and social screening of proposed sub-projects by using the prescribed checklist. If significant impacts are anticipated, then the EPA-RL must be consulted, and the national Environmental Assessment (EA) procedures duly followed.

When there are minimal or no impacts (as determined using the checklist), the ESSS may proceed with the minimum regular reporting requirements. Where there may be doubts concerning project risks and impacts, the PIU should consult the EPA-RL for guidance as provided by the national EA procedures, as well as the World Bank safeguards team to ensure consistency with the provisions of the applicable standards.

Those projects requiring EPA clearance will only commence when an environmental license has been procured from the EPA-RL.

Preparation and implementation of ESMPs

For moderately risky subproject activities (including construction activities) which will require preparation of just an Environmental and Social Management Plan (ESMP) as may be determined by the site-specific screening, the MOCI- PIU will draft the Terms of Reference for the ESMP. The TOR will be submitted to the World Bank for review and clearance. The MOCI-PIU will internally prepare the ESMP or recruit an independent consultant to prepare the ESMP. Appropriate sections of the ESMP will be included in the contractor's bidding document.

Subsequently, the selected contractor will be required to submit a Contractor's ESMP specific to the construction activities for vetting and approval by the PIU prior to start of work. The

Plan will include monitoring activities and will also indicate responsible institutions/ persons for ensuring that the proposed management measures are duly implemented.

Consultation and disclosure

The key stakeholder concerns and suggestions captured during the consultation process include the following:

Lack of Government interventions/ Elite capture:

- Government must pay attention to the business community especially SMEs as they are the engine of economic growth
- Stimulus packages must be channelled through recognized business groups and monitored in order to reach the intended beneficiaries hence minimise/ avoid elite capture challenges

High project interest rates

- Central Bank will implement the economic recovery programme through credit line advances and provision of grant support
- Interest rates should be lower than commercial rates and also lending conditions flexible enough to engender SME survival and growth
- The project to reach agreement with participating financial institutions on rates that will not create market distortions yet affordable
- Central Bank will leverage its existing systems to ensure effective monitoring of participating institutions

Inadequate E&S capacity and training needs

- Training, especially in the area of E&S, for stakeholders like regulatory bodies, implementing agencies, and affected parties is key
- E&S Guidelines must be developed and integrated into the requirements for lenders and borrowers
- The EPA should spearhead training and capacity building programmes
- Government should readily provide resources for training and capacity building
- Training programmes should cater to the needs of vulnerable groups as well so they can integrate easily into society

The ESMF instrument will be disclosed in compliance with World Bank Environmental and Social Framework (ESF). The consultations and public disclosure of the ESMF will be undertaken by the project management unit within the MOCI with assistance from SAB, and will be organized as follows: (1) circulation of the draft ESMF for comments to all relevant institutions (e.g., relevant MOCI departments and divisions including SAB involved with the LIFT Project, Environmental Protection Agency-RL, and the World Bank); (2) communication of comments to the Consultant for incorporation into a final ESMF, together with World Bank comments; and (3) public disclosure of final ESMF (after being reviewed and cleared by both

GoL & World Bank) both in-country (e.g., hard copies to be sent to relevant County offices, County EPA offices, project communities, community libraries) and at the World Bank and MOCI websites. Twenty-one (21) days will be allowed for the public to submit their comments if any, on the document.

Stakeholder Engagement

The project has prepared a standalone Stakeholder Engagement Plan. Some key stakeholders consulted for their concerns include:

Proponent/Implementing Agency: Ministry of Commerce and Industry

Regulatory Bodies: Central Bank of Liberia, Environmental Protection Agency

Interest Groups: Liberia Business Association (LIBA), Women Group of the Margibi County LIBA, National Union of Organizations for the Disabled (NUOD).

Their concerns/ issues have been incorporated in the preparation of this ESMF.

Institutional and implementation arrangements

Project Steering Committee: The Ministry may constitute a steering committee comprising the major partners (Central Bank, Revenue Authority, etc.) to provide a policy and advisory role and would meet twice a year. The Steering Committee will be responsible for approving the annual work and procurement plans among others. The Minister of MOCI, as the key sector ministry, will chair the Steering Committee.

Project Implementation Unit (PIU): The program will be implemented under the PIU and its functions will include ensuring the overall coordination of the program, and making sure implementation of component activities complement each other, among others. The PIU will therefore be in charge of day-to-day management and coordination, which will include a dedicated multidisciplinary team of project manager, technical, fiduciary and Environmental and Social Specialists with qualifications satisfactory to the Bank.

Roles and responsibilities

The respective roles and responsibilities of assigned environmental and social specialists are summarized below:

PIU Environmental and Social Safeguards Specialists (ESSS) (one for environment and one for social): The Environmental and Social Specialists will provide leadership in environmental and social management across the project components. The two specialists will give guidance and project level information and tools on environmental and social risk management for all stakeholders. Among others, they will oversee all environmental and social training and capacity building activities

Environmental and Social consultants: Consultants who are conversant with the WB safeguard policies and their instruments and application will be hired periodically as and when required, by the PIU, to prepare specific safeguard documents to complement the work of the safeguards

specialists. The consultants' level of understanding will be adequate to facilitate training and other capacity-related activities on safeguards.

FI's E&S Risk officers: The officers will screen credit line applicants to select the most credible beneficiaries in a fair and transparent manner, provide guidance and project level information and tools on E&S risk management to the beneficiaries and collaborate with the PIU Environmental and Social Safeguards Specialists (ESSS) to ensure adequate implementation of E&S risks management plans. They will also prepare the ESMS for their respective institutions to be approved by the PIU and WB.

Institutional strengthening and capacity building

The current capacity available to implement the ESMF at the MOCI and other collaborating institutions is limited. There is a need to equip identified persons with the understanding, skills and access to information, knowledge and training to enable them to perform effectively as environmental and social focal persons. The SMEs will also be required to appoint E&S focal persons. The capacity building will include training workshops and production of guidance reports and tools. A further capacity needs assessment will be prepared to identify other necessary training required for the selected safeguards focal persons from the business associations.

The participants at the training programmes will therefore range from the relevant staff of the MOCI and the SBA to SME beneficiaries mostly based in Monrovia. For many of the SMEs who will be invited to attend, the purpose will be towards creating awareness of environmental and social standards as well as for grievance reporting and resolution procedures. As much as possible, these training and awareness creation workshops will be decentralized to project locations and the content of the discussions will then focus on site-specific issues. As a result, large numbers of participants at specific meetings will be avoided. Training manuals and environmental and social reporting formats will be prepared to assist MOCI to carry out their functions. Consultants will be hired to produce manuals and checklists as and when required by the project.

Budgetary provision

The awareness creation, capacity improvement and training workshops as well as some logistic to support expenses for key stakeholders involved in the implementation of proposed interventions is estimated at **US\$300,000** over the 3 year project life.

1.0 INTRODUCTION

1.1 Background and Project Overview

The Liberia Investment, Finance and Trade (LIFT) Project seeks to support a Jobs and Economic Transformation (JET) framework for Liberia and its two pillars on which the outcomes sit: better market functioning and improved firm capabilities. In doing so, the project targets six of the ten-building blocks in this framework as a complement to other parallel activities under the Liberia Country Partnership Framework (CPF) supporting macroeconomic management, infrastructure services, employment policy and human capital. The project takes account of the Government Recovery Program (GRP) that seeks to support otherwise viable growth oriented private enterprises that were adversely impacted by the effects of the COVID-19 pandemic. As the mechanism for firm level support is structured, guardrails will be established to prevent adversely impacting financial discipline and commercial credit underwriting needed for a sustained recovery. At the same time, with various indicators highlighting access to finance as an issue, attention to expanding Digital Financial Services (DFS) is needed.

In addition to its contribution to the Jobs agenda, the proposed project design supports a range of IDA19 priorities including Gender, Climate, Governance, Fragility, Conflict & Violence (FCV) and Maximizing Finance for Development (MFD). The project will ensure that women-oriented training and eligibility will be included in firm support and financial access component. Climate smart solutions, that are often digital in nature, will be emphasized in the firm level technical support as well as in appraisal of commercial projects to be funded under the SME facility. Strengthened governance of the private sector along with citizen engagement in an FCV context is central to the project's objectives through the focus on institutional strengthening, automation of services, and the demand driven, interactive nature of the on-line one stop shop. Reforms to investment governance such as the Public Private Partnership (PPP) framework, investment promotion and aftercare seeks to deepen the MFD approach to the use of public resources.

The project incorporates in its design of project activities features that seek to address the identified gaps between men and women with respect to their participation in economic activity in the country, especially around differential constraints and performance between women-owned and men-owned firms. These include the reforms to the business environment (e.g., registration, permits and access to finance), as well as activities to support SMEs and entrepreneurs. The project will monitor the extent to which activities are contributing toward closing gender gaps by measuring, among other things: (i) the number of women led SMEs with a loan through the project; and (ii) the percentage of women that are covered by the credit registry.

Finally, as a foundational project to strengthen the public sector's ability to facilitate growth of the private sector on a sustainable basis, significant efforts will be devoted to institution building activities in key agencies. The project will draw from international experiences throughout the Sub-Saharan Africa, such as those underway in aspirational cases such as Kenya and Ghana as well as in comparators such as Sierra Leone and Gabon. The project will also learn from and build on local success stories of institutional strengthening such as the Liberia Revenue Authority (LRA) and the Central Bank of Liberia (CBL). Based on these models, the key ministries and agencies charged with serving the private sector in providing services such as trade taxes, clearances, approvals, registration, licensing, and incentives, can be structured to support formal sector operations instead of hindering the ability to do business competitively. As such, the project's concept identifies the strengthening of institutional functioning, streamlining of business processes and use of automation to lower costs, improve services and remove face-to face interactions.

Project Development Objective

The Project Development Objective (PDO) is to improve the investment climate, expand access to finance, and facilitate trade in Liberia.

PDO Level Indicators

These will include:

- Improved efficiency of trade transactions (share of trade transactions using NSW, %)
- Improved efficiency of business licensing (share of license types processed through OSS, %)
- Private investments committed (US\$ millions)
- Number of supply-chains/clusters with new linkages that involve SMEs
- Number of SMEs with access to credit (gender disaggregated, loans via line of credit)
- Increased usage of digital financial services (annual volume on national switch, US\$)

Intermediate Indicators

These will include:

- Number of policies, regulations, procedures, and institutional improvements passed/adopted/improved
- Private investment leads (US\$)
- Beneficiary satisfaction with NSW and SME skills training (%, gender disaggregated)
- Number of NSW users (gender disaggregated)
- Improved online presence of business licensing (share of license types available on OSS, %)
- Number of SMEs receiving relevant training (gender disaggregated)
- NPL ratio of Line of Credit portfolios at PFIs (%)
- Increased coverage by switch (number of institutions connected)
- Increased coverage by credit registry (% of adults)

1.2 Purpose and Objectives of the ESMF

The objective of this Environmental and Social Management Framework (ESMF) is to focus on key activities outlined under the project components within the national context, to provide the basis for assessing, analyzing and evaluating environmental and social impacts of the development activities. Subsequently the ESMF defines appropriate mitigation measures by either avoiding, eliminating, or reducing such adverse environmental and social impacts. The ESMF further establishes provisions for estimating and budgeting the costs of any alternate measures as part of the implementation of the mitigation measures. It includes the costs of hiring staff and consultants, implementation of ESMPs, monitoring, and capacity building programmes.

The specific project intervention areas are not known at the time of preparation even though the types of SMEs to be supported by the project have been indicated. These will include SMEs operating in supply chains with an initial focus on agriculture, agro-processing, light manufacturing and logistics services. Other clusters to be considered include sectors of mining, fisheries, forestry, tourism, and tradeable digital services. This ESMF provides guidance for further screening and Environmental Assessment as may be determined from the screening results.

This report has been prepared in accordance with the World Bank Environmental and Social Framework which sets out the World Bank's commitment to sustainable development, through the Bank Policies and a set of Environmental and Social Standards. It also recognizes the provisions of the Liberia Environmental Protection and Management Law 2003.

1.3 Approach to the ESMF study

The approach to the ESMF study comprised the following:

1. Extensive review of documents including:

- Project appraisal documents
- Various reports describing geographical settings, governance structure, legal instruments, institutional mandates, and socio- economic characteristics of the country
- Reports confirming SME characteristics in Liberia
- World Bank Environmental and Social Framework

2. Engagement of various stakeholders including

- Government institutions, e.g., Ministry of Commerce and Industry (MOCI), Small Business Administration (SBA), Central Bank, Environmental Protection Agency (EPA)
- Private sector institutions including SMEs, e.g., Liberia Business Association (LiBA), National Union of Organizations for the Disabled (NUOD)
- Communities, e.g., Margibi County, LiBA Women's Group (Margibi County)

3. Reporting

Analysis of data and Content of report

The data gathered was analyzed to produce this ESMF document which has the following content:

1. Background
2. Project Description
3. Policy, Legal and Regulatory Framework
4. Environmental and Social Baseline
5. Potential Environment and Social Risks and Mitigation
6. Procedures to Address Environment and Social Issues
7. Consultation and Disclosure
8. Stakeholder Engagement Overview/summary
9. Project Implementation Arrangements, Responsibilities and Capacity Building
10. Grievance Management and Redress Mechanism
11. Annexes
 - Screening checklist for sub projects
 - ToR for preparation of ESMS by FIs

2.0 DESCRIPTION OF THE PROJECT

The project components are described as follows:

Component I. Trade and Investment-Enabling Environment (US\$16.0 million)

This component supports transformational improvements in Liberia's business environment by strengthening critical Government to Business (G2B) services covering international trade, business licensing and private investment. This component builds on and complements the extensive advisory work that has been carried out in recent years by IFC and others and which will continue through the initial implementation stages of the project. Given the project's emphasis on institution building in a capacity-challenged environment, the ongoing IFC analytical study is deemed critical in fostering complementary reforms, buttressing capacity building efforts and in key strategic areas, to support GoL to rapidly implement the project's activities.

As the lead Government agency for fostering and maintaining a conducive environment for trade, industry and investment, the Ministry of Commerce and Industry (MOCI) is uniquely situated in the nexus of regulatory and business services. With the new African Continental Free Trade Agreement (AfCFTA) and its associated trade facilitation components coming into force, further opportunity lies ahead for MOCI to offer Liberia's traders and producers a cost-competitive trade and production regime. Significant advances in trade and production competitiveness, have become increasingly attainable, not least through new information and communication technologies (ICTs) that automate G2B interactions.

C.1.1: Support for the National Single Window for Trade (US\$7.5 million)

Implementing modern trade facilitation practices has fundamental benefits for Government in terms of better business compliance, increased domestic revenue, and lower costs of operation, official and unofficial. Yet, more important is the benefit to private sector competitiveness as countries and companies are increasingly competing based on transport and logistics as major costs in their supply chains. These costs also affect SMEs disproportionately, who lack the ability to comply with complex trade regulations, opaque border procedures and a high cost of customs compliance. This makes SMEs uncompetitive as suppliers and hampers their integration into regional and global value chains. Thus, the key principles associated with effective trade facilitation include: (i) enhanced use of risk management to allow legitimate cargo flow unencumbered, (ii) application of automation, paperless transactions and on-line interaction to eliminate corruption and increase compliance, and (iii) a 'whole of Government' approach including lead agencies available at the border to ensure coordinated border management. With these goals in mind, the program to establish a National Single Window (NSW) for regulatory compliance, reflects GoL's transformational aspirations for Liberia's trade orientation. Therefore, the GOL has committed to further trade facilitation reform by considering various NSW solutions available on the market, including proprietary PPP and open-source solutions. Based on the NSW option chosen by the Authorities, the project will

support the design, purchase, and implementation of Liberia's NSW.

C.1.2: Support for Automated Business Licensing (US\$3.5 million)

The current system for registering and licensing a formal business to operate in Liberia is both cumbersome and inefficient. The GoL seeks to streamline and strengthen the systems to help potential formal firms enter the market by minimizing the complexity involved in starting a business. To do so, the GoL envisions LBR becoming a first-class, service-based agency capable of immediately responding to business needs. Therefore, the project joins an IFC AS operation to support a modern business registration process that incorporates business licensing. The objective of the project is to enable LBR to eventually function as an effective, automated One-Stop-Shop (OSS) for businesses, and to use its regulatory function to provide a robust, information management system available to the policy makers, lenders and creditors, and potential business partners.

C.1.3: Support for Private Investment (US\$4.0 million)

The GoL has established the Liberia SEZ Authority (LSEZA) to guide the activities of the zones, consistent with the SEZ Act, national policy priorities, including applicable laws, rules, and guidelines. The GoL is in the process of fast-tracking the intuitional, legal, and regulatory arrangements that would affect the full launch of LSEZA and the operation of the proposed SEZ at Buchanan and the Special Agro-Industrial Processing Zone (SAPZ). Sub-component C1.3 will support some of these activities, but not specific zone infrastructure given the project's more limited budget envelope. The project will support SEZ development and other related priority investment work (US\$4 million).

The areas of specific support for private sector-led investment include the following:

- LSEZA (US\$1 million): legal and regulatory support; operations manual; consultants to work with management and staff; preparation of just-in-time studies and diagnostic work (e.g., zone feasibility studies, ESIA's, zone benchmarking, zone/investor demand forecasts); and related capacity building.
- NIC (US\$1 million): investment policy and promotion (IPP) work; capacity building for investor attraction and a new investor grievance mechanism; financial and economic analysis of investments; and coordination work of NIC and other Government agencies.
- IMCC (US\$1 million): strategic review; operational support to the IMCC's secretariat; and capacity building.
- MFDB (US\$500K): support to the Business Climate Working Group and its secretariat; regulatory review of needed near-term business climate reforms.
- Facilitation of public-private dialogue (PPD) between the Government and the private sector (US\$500K) including a focus on green and low-carbon private investment via development of industry guidelines and action plans that increase competitiveness and optimize energy use.

Component II. SME Access to Markets and Finance (US\$11.0 million)

This component seeks to increase private sector capabilities, competitiveness, access to finance

and climate co-benefit investments at the firm level, especially of women-led SMEs. This component aims to support the growth of formal firms with high potential to contribute to job creation and productivity growth in Liberia, creating a more dynamic and resilient private sector, as well as a more robust and sustainable entrepreneurship SME support eco-system. It aims to create a sustainable platform around entrepreneurship by: (i) launching a program delivering technical assistance (soft and hard skills training, tailored advice); (ii) the strengthening of business development services (BDS) offerings as well as institutional strengthening of the Small Business Administration (SBA), the main government agency coordinating SME policies and support; (iii) improving access to finance through capacity building of financial institutions to better serve underserved SMEs and a line of credit. Particular attention will be paid to firms making their production process more sustainable, go 'green' and address the needs of women-led SMEs.

C.2.1: SME Access to Markets (US\$4.0 million)

The project will finance TA (US\$4 million) to upgrade the capabilities of SMEs operating in supply chains/clusters to meet the purchasing needs of larger buyers. A private consulting firm with international experience and strong knowledge of the Liberian market will be hired through a competitive process to administer the TA. Eligible supply chains include all productive sectors that can generate high job multipliers and SME increase in sales from invested resources, with an initial focus on agriculture/agro-processing, light manufacturing, and logistics services. Supply chains/clusters in the sectors of mining, fisheries, forestry, tourism, and tradeable digital services will also be considered. The Bank is currently working with MOCI to ensure that the optimal sectors/clusters are chosen for support; two trust funds (infoDEV, C-JET) and the US\$4 million TA money will inform national priorities with firm-level potential. In addition, the Government has already hired a firm to assist with this initial screening work. It is expected that the TA will pay for skills upgrading and training.

C.2.2: SME Line of Credit (US\$7.0 million)

The project will fund a line of credit (LOC) of US\$6.0 million for on-lending to participating financial institutions (PFIs) for loans to SMEs. The TA of Component 2.1 will be designed to 'graduate' SMEs to become more eligible for financing through the LOC facility. CBL will provide oversight of the FIs in this sub-component. US\$1 million in TA will also support this sub-component to help reach the project objectives. Given the reluctance of FIs to lend to SMEs in Liberia due to several factors including a lack of long-term local currency liquidity and deficiencies in SME capabilities, the LOC and TA, along with the firm capability's component (2.1 above), will provide critical access to finance for SMEs.

PFIs will be competitively selected by a committee including the MFDP, MOCI, CBL, based on financial health, good standing with CBL, track record lending to SMEs, indicative pipeline that fulfils project goals, and compliance with E&S requirements. Based on demand, they will be able to access tranches of funds, either in LRD (Liberian Dollar) or USD (US Dollar) from MFDP for on-lending to SMEs as approved by their own credit departments and will then provide periodic reporting to CBL who will verify ex-post eligibility. The PFIs will in general

pay interest at the ‘savings rate’ as competitively determined by the market for deposits and published by CBL.

Liberia does not currently have an apex financial institution to coordinate the overall project portfolio of loans that meet standard World Bank due diligence criteria. It is expected that, by the mid-term review of the project, a potential apex financial institution will be identified. In the interim period, however, the project will support two specialized retail PFIs chosen through competitive processes. The first retail PFI will serve the small business market and will be a commercial bank with experience financing SMEs. The second retail PFI will be a microfinance institution with experience serving the microbusiness sector. This COVID-19 responsive component will build on the successful LOC launched under the Ebola-response SME Finance Facility (P157797). The LOC is also consistent with the Government’s National Stimulus Program for Market Women and Petty Traders, its approach to COVID-19 relief and recovery for businesses and jobs and will be coordinated closely with other donor initiatives supporting SMEs (such as USAID and World Bank Social Protection Projects with a grants program for informal beneficiaries).

Component III: Digital Financial Services Infrastructure (US\$9.0 million)

Digital Financial Services (DFS) help governments quickly and securely reach people with cash transfers and reach businesses with emergency liquidity. It allows people to transfer and receive funds and to pay bills from their home, or in a market or store setting, with limited physical contact. Limited physical networks of access points including nascent agent banking and digital access points, contribute to reduced financial access and limited uptake and usage of DFS. Interoperability between payment systems, and the expansion of commercially viable agent networks and digital access points into rural areas play an essential role in building DFS at scale by getting more people to use and become familiar with DFS products. Support for the country’s financial infrastructure/DFS include support for two critical items: (i) the national electronic payments switch (NEPS); and (ii) an update of the credit registry. While the NEPS activities are expected to primarily help advance financial inclusion of individuals and micro-enterprises, the modern credit registry is expected to benefit individuals as well as SMEs. Details of this support are outlined below.

These financial infrastructure activities can support climate mitigation and adoption by changing how financial products and services are delivered.

C.3.1: National Electronic Payments Switch (US\$7.5 million)

This sub-component will facilitate the operationalization and implementation of the NEPS in line with the findings of the NEPS assessment requested by CBL and already provided by the WBG. Recognizing the constraints in the current electronic payments landscape in Liberia, the CBL has requested WB support with the implementation of a new retail payment switch with instant payments functionality. Activities under consideration include: (i) TA on carrying out a feasibility study to guide CBL’s choice of solution that addresses business and product requirements of financial service providers, and to help to ensure adequate financial commitments and implementation arrangements are in place; (ii) TA to ensure that

procurement of the switch is done according to international best practices and to help ensure that the system is run in a manner that makes it sustainable in the long term; and (iii) financing of the necessary hardware, cloud-based solutions, software, and services to implement the retail payments switch. The sub-component's TA will also finance other aspects required to operationalize, manage, supervise and increase usage of the switch.

C.3.2: Credit Registry (US\$1.5 million)

This sub-component aims to facilitate the establishment and operationalization of a modern credit reference system covering individuals and firms through a combination of TA and investments. An IFC funded assessment of the current situation, including IT capabilities for information sharing on the ground, recommending upgrades, legal and regulatory adjustments is expected in late Q2 FY22. This IPF will then provide: (i) TA on adopting a well-coordinated and competitive tendering process for recommended upgrades and adjustments and the development and implementation of robust system deployment plans, including user acceptance testing and fixes; (ii) TA on roll out of effective credit bureau and data analytics solution; (iii) TA on capacity building and awareness of stakeholders, and (iv) financing for implementation of the remaining phases of the current credit enhancement project, including recommended credit bureau upgrades and adjustments.

Component IV. Project Implementation, M&E and CERC (US\$4.0 million)

This component will support: (i) Government and other actors capacity strengthening for coordination, design, and implementation; (ii) the administrative, technical, procurement of goods and services, and financial management of the project by Project Implementation Unit (PIU) under the oversight of Project Steering Committee; (iii) the coordination among all institutional partners to ensure the efficient flow of information among all actors and coordination with the private sector; (iv) the establishment of monitoring and evaluation (M&E) mechanism of the project's results and impact; (v) the development of communication activities to publicize and disseminate project results, best practices, and success stories; and (vi) impact evaluations. Communications, citizen engagement, and stakeholder coordination activities during the project will also be financed by this sub-component and managed by the PIU. CERC (Contingent Emergency Response Component) (US\$0 million). In accordance with the World Bank's Operational Policy OP8.00, this sub-component will allow for rapid reallocation of project funds in a natural or constructed disaster or crisis that has caused or is likely to cause a major adverse economic or social impact.

Summary of expected investments under the project components

No.	Project Component	Description	Type of proposed investment/ sub- projects
1.	C1	Business climate reforms and capacity building	<ul style="list-style-type: none"> Provision of electronic hardware, e.g., computers, scanners, servers to the SEZ Authority

No.	Project Component	Description	Type of proposed investment/ sub- projects
2.	C 2	SME Support	<ul style="list-style-type: none"> • Small equipment purchases and usage, e.g., packaging tools • Minimum civil works, e.g., rehabilitation of sheds, storage rooms, etc. • Operations of SMEs (agriculture, agro-processing, light manufacturing, logistics service. Supply chain/ clusters in the mining, fisheries, forestry, tourism and tradable digital services)
3.	C3	Financial Infrastructure	<ul style="list-style-type: none"> • Provision of electronic software and hardware • Refurbishment of store room for electronic hardware equipment • Screening of SMEs for their capacity to carry out E&S actions

Project beneficiaries

The direct beneficiaries of the project will be formal SMEs, growth-oriented entrepreneurs, individuals using the services provided by the various upgraded government platforms, and financial institutions involved in the project. Within these groups, the project will pro-actively seek direct representation of women. Indirect beneficiaries include the current and potential work force of firms, due to improvements in the investment climate. As the dominate share of formal firms reside in the capital city, the project's geographic focus will be primarily in the urban areas of Monrovia, though some activity in secondary cities is also likely.

3.0 POLICY, LEGAL AND REGULATORY FRAMEWORK

The relevant national and sector policies and plans, national legal and institutional frameworks consistent with the project objectives and, which together with the World Bank safeguards policies, will provide guidance to the proposed project activities are presented here and briefly described.

3.1 National Policy Framework

A range of ministries and bodies—including government departments, public authorities and local authorities—has the jurisdiction to implement and administer various laws and regulations. In the wake of years of violence resulting from poor governance and hegemony, policies and laws have been implemented in multiple stages to ensure political, administrative and fiscal decentralization. The push for decentralization has been complemented by the creation of numerous policies and acts to foster a positive legal and regulatory environment for SMEs. While this can lead to conflicting rules and regulations, it demonstrates commitment from the government and private sector to support local businesses.

National Industrial Policy, 2011

Industry for Liberia's future is the Government's policy framework for accelerating the development of a thriving and competitive industrial sector in Liberia to generate employment and sustainable development for the country. The growth of Liberia's economy has historically been driven by extractive industries with no or little linkage to the wider economy, which had in the past resulted in "growth without development". For Liberia's future, and to achieve a middle-income status by 2030, the Government recognizes that it needs to create the conditions for economic growth in Liberia. The Government needs to promote diversification of Liberia's economy, and create opportunities that maximize utilization of the country's productive capacities and her comparative advantages to generate sustained growth in productivity, skill levels, and income. The policy paper (1) provides a focused and clear set of actions for Government and MoCI to take in relation to the industrial sector; and (2) sets out Government's approach to Liberia's industrialization trajectory, and helps to align both private and public sector efforts.

The Government also recognizes that private sector and Government are partners in Liberia's development. Therefore, the policy framework proposes a system for on-going engagement and dialogue between Government and the private sector, as well as other relevant nongovernment organizations, where information will be shared, policies debated and formulated, and measures monitored and evaluated.

Micro, Small and Medium Enterprises (MSME) Policy, 2011

The MSME Policy facilitates access to markets, finance and information, in addition to improving the legal and regulatory environment for small business growth. The policy seeks to increase registration through greater benefits and reduced registration costs, including less licensing requirements. It also aims to simplify tax administration and expand the dissemination of legal/regulatory information through channels that are easily accessible to MSMEs. The Liberia Business Registry was created through this policy to register businesses, and was recently supplemented by the Public Procurement and Concessions Commission (PPCC) to coordinate government procurement from MSMEs

National Environmental Policy, 2003

The National Environmental Policy ordered the creation of the Environmental Protection Agency to ensure sound environmental management and put in place measure to avoid irreparable damage to the country's natural resources. The NEP seeks to harmonize cross cutting functions between and amongst agencies. The NEP seeks to ensure long-term economic prosperity of Liberia through sustainable social and economic development of the generation without endangering the potential of future generation. The objective of the NEP is to improve the physical environment, the quality of life and the improvement of economic and social living condition of the citizenry present and future generations. It also seeks to ensure reconciliation and coordination between economic development and growth with the sustainable management of the natural resources. A National Environmental Policy provides a broad framework for the implementation of national objectives and plans.

National Energy Policy, 2009

The principal objective of the National Energy Policy is to ensure universal access to modern energy services in an affordable, sustainable and environmentally-friendly manner in order to foster the economic, political, and social development of Liberia.

The development of this Policy is an essential exercise towards the realization of the goals and objectives of the PRS as well as contributing to the achievement of the Millennium Development Goals (MDGs). The Policy assumes the implementation of proposed energy sector reforms founded on three essential features: (1) demonstrating the Government's resolve for good governance and ensuring financial transparency in all sector transactions; (2) overcoming the significant obstacles to private sector investment in energy supply; and (3) creating the requisite institutional and legal framework and an independent regulatory regime. In undertaking energy sector reform, the Government will also be addressing a key component of Liberia's commitment to the World Bank and other donors for debt relief under the program for Highly Indebted Poor Countries.

This Policy addresses the following strategic issues that are implied in the principal policy objective – access, quality, cost, and institutional framework. These issues refer to the need for the various technologies and delivery options for energy products and services to be available, acceptable, affordable, and adequate.

Liberia National Gender Policy, 2009

The purpose of the NGP was to demonstrate the Government's political will to eliminate all forms of gender-based discrimination in order to achieve gender equality. It serves as a framework to mainstream gender and empower women and vulnerable groups in the national development processes.

Land Rights Policy, 2013

This Land Rights Policy concerns four land rights categories (Public Land, Government Land, Customary Land and Private land), and a cross cutting sub category called Protected Areas, which must be conserved for the benefit of all Liberians. For Public Land and Government Land, the Policy sets forth critical policy recommendations regarding how the Government transfers such land, and how the Government acquires land, especially through the exercise of eminent domain (i.e., forced acquisition). With respect to the new category of Customary Land, there are several significant recommendations: Customary Land and Private Land are equally protected, and communities will self, be issued a deed, establish a legal entity, and strengthen their governance arrangements to make them fully representative and accountable. The Government also undertakes to support communities in implementing these recommendations. Finally, several Private Land issues are detailed, which include loss of ownership, leases, easements, and adverse possession.

3.2 National Legislative Framework

The Liberian Constitution of 1986 constitutes the base of the environmental law in Liberia and the participation of Liberian citizens in the managing of the natural resources. In 2003, the Liberian Government ratified the National Environmental Policy (NEP Act), a comprehensive set of laws and legal framework to protect the environment through sustainable development and management and established the Environmental Protection Agency (EPA) and the institutional arrangements that support the Agency, to protect the environment.

Article 9 of Chapter II of the Constitution of Liberia also encourages bilateral and regional co-operation and Liberia is party of treaty law and is a member of international and regional organizations for the attainment of the global protection of the environment and the promotion of sustainable use of natural resources

Special Economic Zones Act, 2014

An Act to Repeal Chapter 5, Liberia Industrial Free Zone Authority, of Title 30, Public Authorities Law, Liberian Code of Laws Revised and to enact in lieu thereof a new Chapter 5 to be known as The Special Economic Zones Act of 2014 which established a body corporate under the Public Authorities Law called the Liberia Special Economic Zone Authority, substituting the Liberia Industrial Free Zone Authority as provided in Section 15.16 of this Act.

Small Business Act, 2014

The SBA created the Department of Small Business Administration. It ensures that at least 25% of all public procurement contracts are allocated to Liberian-owned MSMEs, with at least 5% reserved for female-owned MSMEs. Additionally, it promotes Liberian-owned MSMEs, builds capacity, fosters business networks and ensures that firms have access to resources and finance.

Public Procurement and Concessions Act, 2002

The Act regulates all forms of public procurement and concessions, establishes the Public Procurement and Concessions Commission, provides for institutional structures for public procurement and concessions, stipulates methods and procedures for public procurement and concessions and for purposes related thereto. This Act is intended to: (a) maximize economy and efficiency in procurement, and obtain best value for public expenditures; (b) promote economic development of Liberia; (c) build capacity of officials and institutions in public procurement; (d) promote competition and foster participation in procurement proceedings and concession agreements by qualified suppliers, contractors and consultants; (e) provide equal access without discrimination to all eligible and qualified providers of goods, works and services and fair and equitable treatment of all bidders; (f) promote integrity, fairness, accountability and public confidence in the procurement process; (g) achieve transparency in the procedures, processes and decisions relating to procurement and concession agreements; (h) decentralize public procurement to procuring entities; (i) promote the growth of indigenous Liberian Private sector; (j) harness private sector financial, human and technical resources through concession agreements; and (k) eradicate monopolies and promote competitiveness in the concession procurement process

Public Financial Management Law, 2009

There are over twenty State Owned Enterprises (SOEs) in Liberia. Liberian SOEs have been found to have high levels of corruption, mismanagement and cronyism. The PFM Law of 2009 decrees a set of rules to govern SOEs. Proper management and oversight of SOEs is critical for a successful SME environment, as it reduces crowding out and monopolistic price inflations in areas of SOE goods and services provision. The Bureau of State Enterprises, tasked with SOE oversight, is severely underfunded and complaints regarding dubious procurement, licensing and operations are made without rectification.

Investment Act, 2010

The Investment Act of 2010 governs investments in Liberia. While foreign investors generally face the same taxes and regulations as domestic investors, the act constrains foreign investment in some sectors. Although intended to increase Liberian business participation, the act has replaced a former mandate that required foreign-owned companies to employ qualified Liberians at all levels.

Dispute Settlement, 2011

The Supreme Court and subordinate courts are structured similarly to the judicial system in the United States. However, the official legal system often contradicts indigenous and local customary laws. Moreover, judges and other officials are oftentimes inadequately trained, leading to corruption and faulty proceedings. Dispute settlement typically disadvantages foreign firms. A Commercial Court was established in 2011 to handle financial, contractual and commercial disputes, but most cases are unresolved.

Intellectual Property Act, 2016

The Intellectual Property Act guarantees the protection of intellectual and industrial property rights. The Act establishes the Liberia Intellectual Property Office, comprising a central administration and two departments, Copyright Department and Industrial Property Department, under the policy direction of the Minister of Commerce to administer all intellectual property matters.

For intellectual property, it covers the protection of literary and artistic work which is determined to be an original intellectual creation in the literary and artistic domain. Literary and artistic works under this Act include: i) books, pamphlets, articles and other writings; ii) speeches, lectures, addresses, sermons and other oral works; iii) dramatic, dramatic-musical works, pantomimes, choreographic works and other works created for stage productions; iv) musical works, with or without accompanying words; v) audio-visual works and sound recordings; vi) works of architecture; vii) drawings, paintings, sculpture, engraving, lithography, tapestry and other works of fine art; viii) photographic works; ix) works of applied art, including handicrafts and those produced on an industrial scale; x) computer programs; and xi) illustrations, maps, plans, sketches and three-dimensional works relative to geography, topography, architecture or science.

For industrial property rights this includes Trademarks. The acquisition of Exclusive Right to a Mark; include a) any sign, or any combination of signs, capable of distinguishing, the goods or services of one undertaking from those of other undertakings shall be capable of constituting a trademark and shall be visually perceptible. The nature of the goods or services of which a trademark is to applied shall in no case form an obstacle to registration of the trademark; b) a mark may consist, in particular, of words, letters, numerals, figures, pictures, combinations of colors, the shape of goods or of parts of the goods, or the packaging or other conditioning of goods; and c) the exclusive right to use a mark, as provided in this Part, shall be acquired by registration in accordance with the provisions the Act.

Gender and Development Act, 2001

It establishes the Ministry of Gender and Development and defines its institutional mandate which revolves around promotion of gender equality, women's advancement and children's welfare in Liberia. In particular the Ministry is responsible for (*inter alia*):

- Advising the Government on all matters affecting the development and welfare of women and children;
- Coordinating the Government's gender mainstreaming efforts to ensure that both women and men's perspectives are central to policy formulation, legislation, resource allocation, planning and outcomes of policies and programs, focusing on gender equality, empowerment of women and development of children;
- Monitoring and reporting back the impact of national policies and programs on women and children as well as recommend appropriate measures to be taken in mobilizing and integrating women as equal partners with men in the economic, social, political, and cultural development of the country;
- Ensuring national compliance with the reporting requirements of all international conventions on the elimination of all forms of discrimination against women and children.

Environmental Protection Act, 2003

An Act to establish a monitoring, coordinating and supervisory authority for sustainable management of the environment in partnership with regulated Ministries and organizations and in close and responsive relationship with the people of Liberia; and to provide high quality information and advice on the state of the environment and for matters connected therewith.

This Act provides for the establishment of the Environment Protection Agency, the National Environment Policy Council, the Environmental Court of Appeals, the Environmental Administrative Court and the Environment Protection Fund, for the designation of Environmental Inspectors and other matters relative to administration in the field of environment, for environment impact assessment and monitoring and for environmental enforcement orders.

Environmental Protection and Management Law, 2003

An Act to establish a legal framework for the sustainable development, management and protection of the environment by the Environment Protection Agency in partnership with regulated Ministries and organizations and in a close and responsive relationship with the people of Liberia; and to provide high quality information and advice on the state of the environment and for matters connected therewith.

This Law in its administration is guided by:

- a. the principle of sustainable development;
- b. the pre-cautionary principle;
- c. the polluter pays principle;
- d. the principle of inter-generational equity;
- e. the principle of public participation;
- f. the principle of international co-operation in the management of environmental resources shared by two or more states; and
- g. other principles of natural resources and environmental management.

This Law is administered so as to:

- a) ensure the sustainable or wise use of the natural resources in pursuance of social and economic development within undermining the ecosystem's renewal and re-supply process;
- b) use and conserve the environment and natural resources of Liberia equitably both for the present and future generations, taking into account the rate of population growth and productivity of available resources, and in order to bequeath of future generations a natural resource patrimony that is in as good a condition as is feasible;
- c) facilitate the restoration, protection, and the conservation of biological diversity for the function of the biosphere and the maintenance of the ecological system and processes;
- d) ensure implementation of the biodiversity conservation principles and measures declared by treaty law to which Liberia is a party faithfully, through the institutional arrangements as shall be established under this Law;
- e) ensure respect, preservation, promotion and proper management of the historic, cultural, spiritual and future generations;
- f) ensure the environmental education and awareness is treated as an integral part of national programmes at all levels;
- g) encourage and ensure maximum participation by the people of Liberia in the management and decision making processes of the environment and natural resources;
- h) ensure access to environmental information and promote disclosure for the ultimate benefit of the environment;
- i) develop a policy framework that encourages sustainable patterns by use of appropriate technology, efficient production processes, minimal generation of waste and reduction of wasteful consumption;
- j) require prior environmental assessments of proposed projects which may significantly affect the environment or use of natural resources;
- k) establish adequate environmental protection standards and to monitor any changes in environmental quality;
- l) ensure the true and total costs of environmental pollution are borne by the polluter;
- m) reclaim lost ecosystems and where possible reverse the degradation of natural resources; and
- n) provide for a legal framework for Liberia's international cooperation with other states as well as relevant international organizations in environmental protection and the sustainable utilization of natural resources.

Land Commission Act of 2008

- Section 1.3.2 Public Land: Land which is publicly owned under the Constitution, statutes and common law of Liberia.

- Section 1.3.3: Private Land: Land which is owned or otherwise held under private rights by persons, communities or other corporate entities under the Constitution, statutes and common law of Liberia.

The Land Rights Bill, 2014

Article 6: Rights in Lands other than Ownership

1. A person not having title to land may still have and enjoy the right to possess and/or use the land pursuant to (i) an agreement of lease; (ii) an easement; or (iii) a license. The Government may also grant a concession on or over Government Land and Public Land.

Article 7: Categories of Land Ownership

1. Every piece of land shall be classified as, and held under, one of four (4) distinct categories of land ownership in Liberia, as enumerated in Section (2) of this Article (7).

2. The Four (4) exclusive categories of Land ownership in Liberia are:

- a) Public Land;
- b) Government Land;
- c) Customary Land; and
- d) Private Land

3.3 National Institutional Framework

Ministry of Commerce and Industry

The roles and functions of the Ministry include:

- Establish and regulate commodity and trade standards.
- Collect, evaluate, and publish data pertaining to commerce and industry.
- Establish and enforce standards for business practices.
- Promote sound development of foreign and domestic trade.
- Issue import and export permits.
- Control quality of goods and commodity imported into and exported from the country.
- Implement efficient and effective trade management system including pre-shipment inspection of imports and exports.
- Monitoring and regulating prices of essential goods.

The Ministry has three distinct bureaus comprising (1) Bureau of Administration, (2) Bureau of Commerce & Trade and (3) Bureau of Industry. The three bureaus are subdivided into 13 Divisions and they are: Personnel, Finance, Electronic Data Processing, Information, and Planning & Research, Foreign Trade, Domestic Trade, Inspectorate, Price Analysis & Marketing, Standards, Small-Medium Enterprises (SMEs), Industrial Development, Industrial Administration & Supervision.

Small Business Administration

The Department of Small Business Administration (DSBA) was established by the Government of Liberia through an Act of the National Legislature in December 2014. The Department replaces the erstwhile Micro, Small & Medium Enterprise (MSME) Division which was implementing the first-ever national policy on MSME development in Liberia.

The goal of the MSME Policy is to reduce poverty by increasing economic growth and decreasing income inequality so that all share in a growing economy. The rationale for the

policy is to strengthen small businesses in Liberia, create more private sector employment opportunities, address poverty challenges and develop a robust middle class.

The Division began executing programs and activities to support the growth of MSMEs since March 2012.

The DSBA is responsible to promote and foster the interests of MSMEs by ensuring that Liberian-owned MSMEs are awarded 25% of all government's procurement contracts as required by statute, with at least 5% allocated to Women-owned MSMEs. The Department is to ensure that MSMEs have access to market and finance on favorable terms as well as build their capacity. In addition, the DSBA is also responsible to perform all responsibilities previously ascribed to the MSME Division.

The Department of Small Business Administration is chiefly responsible for the performance of the following:

- Ensure at least 25% of all public procurement contracts be allocated and provided to Liberian-owned MSMEs, with at least 5% allocated to women-owned MSMEs.
- Promotion, development, regulation, control, operation and facilitation of loans of MSMEs, with particular focus and emphasis on Liberian-owned MSMEs
- Build capacity of Liberian-owned MSMEs.
- Monitor and evaluate the development and performance of Liberian-owned MSMEs, which shall include a written assessment of such development and performance reports.
- Coordinate programs for small business development and entrepreneurship.
- Ensure that Liberian-owned MSMEs have adequate access to resources and markets.
- Prepare statistics relating to Liberian small businesses.

Liberia Revenue Authority

Established in 2013, the Liberia Revenue Authority is in charge of administering and enforcing the revenue laws for the purpose of assessing, collecting, auditing and accounting for all national revenues and to facilitate legitimate international trade and customs border management-enforcement. In addition, the LRA shall facilitate legitimate trade, customs clearance through the borders and social protection through policies and procedures that promote efficiency simplify and enhance taxpayer compliance.

Liberia Land Authority

The Liberia Land Authority (LLA) is a product of the policy, legal and institutional reform of the land sector of Liberia led by the erstwhile Land Commission. The LLA, established by an Act of the National Legislature on October 6, 2016, as an autonomous agency of the Government with operational independence, subsumes land functions that were performed by several agencies of the government, including the key land administration agencies- Department of Lands, Survey and Cartography of the former Ministry of Lands, Mines and Energy (MLNE), now the Ministry of Mines and Energy, the Deeds and Titles Registry of the

Center for National Documents Records Agency (CNDRA), and functions of County Land Commissioners from the Ministry of Internal Affairs.

The LLA's mandate is to develop policies on a continuous basis, undertake actions and implement programs in support of land governance, including land administration and management in Liberia.

Ministry of Mines and Energy

The Ministry functions in the area of policy formulation for the energy, hydrocarbon and water sectors of Liberia. MME has direct oversight responsibility in the energy sector, and also similar role in developing the water resources of the country.

Ministry of Gender, Children and Social Protection

The mandate of the Ministry is “to promote the development, empowerment and protection of women, girls and children as well as the welfare and integration of persons with disabilities, the vulnerable, extremely poor, excluded and disadvantaged. Specifically, the Ministry will initiate, develop and implement and/ or coordinate policies and programs aimed at women, girls and children as well as those physically challenged, marginalized, disadvantaged and excluded, to ensure that their rights are protected and that they are integrated, and contribute to, and benefit from, the peace, stability and socio- economic advancement of the country.”

Liberia Special Economic Zone Authority

Established as a body corporate under the Public Authorities Law substituting the Liberia Industrial Free Zone Authority. The Authority has exclusive regulatory jurisdiction over all Special Economic Zones. In furtherance of the exercise of its powers, the Authority is mandated to perform the following functions:

- Promulgate policies and all necessary regulations for the effective implementation of the LSEZ Act 2014;
- Designate a geographically defined area as suitable for the development of Special Economic Zones subject to the Land Rights Policy of Liberia and existing laws, and strategic national interests of the Republic;
- Prescribe different categories of Special Economic Zones;
- Determine the types of service and business that may be located in a Special Economic Zone;
- Review, grant and revoke licenses to develop, operate and maintain Special Economic Zones; and
- Monitor and regulate activity in Special Economic Zones.

Public Procurement and Concessions Commission (PPCC), 2006

The PPCC decentralizes the public procurement process, establishes independent oversight mechanisms and ensures transparency. In May 2015, the PPCC inaugurated the Vendors Registration to facilitate the implementation of the Small Business Act. The Vendors

Registration enhances the efficiency of public procurement and increases the number of local MSMEs winning government contracts.

Environmental Protection Agency

The Environmental Protection Agency (EPA) is the regulatory Institution of the Government of Liberia for the sustainable management of the environment and its natural resources. The Agency was established by an act of the Legislature November 26, 2002 and published into hand bill on April 30, 2003. The EPA operates on three basic legal Instruments: The National Environmental Policy (NEP), The Environmental Management and Protection Law of Liberia and the Act Creating the Environmental Protection Agency.

The Agency is the principal authority in Liberia for the management of the environment and co-ordinates, monitors, supervises and consults with relevant stakeholders on all activities in the protection of the environment and sustainable use of natural resources. The agency functions include but not limited to the following;

- Co-ordinate, integrate, harmonize and monitor the implementation of environmental policy and decisions of the Policy Council by the Line Ministries; ensure the integration of environmental concerns in overall national planning;
- Collect, analyze and prepare basic scientific data and other information pertaining to pollution, degradation and on environmental quality, resource use and other environmental protection and conservation matters and undertake research and prepare and disseminate every two years a report on the state of the environment in Liberia;
- Build the capacity of line Ministries, authorities and organizations through the exchange of data and information, and to render advice, technical support and training in environment and national resource management so as to enable them to carry out their responsibilities effectively; ensure the preservation and promotion of important historic, cultural and spiritual values of natural resources heritage and, in consultation with indigenous authority, enhance indigenous methods for effective natural resource management;
- Promote public awareness through public participation in decision making and formal and non-formal education about the protection and sustainable management of the environment, and to allow at minimal or no costs, access to environmental information and records made in connection with this Act; integrate scientific mechanisms and technical requirements in environmental management in order to develop indicators for environmental changes and progress of environmental sustainability in accordance with this Act; the use of appropriate environmentally sound technologies and renewable sources of energy and natural resources;
- Establish environmental criteria, guidelines, specifications and standards for production processes and the sustainable use of natural resources for the health and welfare of the present generation, and in order to prevent environmental degradation for the welfare of the future generations;
- Identify projects, activities, policies, and programs for which environmental impact assessment must be conducted under this Act;

- Initiate and co-ordinate actions required in a state of environmental emergency or any other situation which may pose serious threat to the environment and public health;
- Monitor and assess projects and activities including activities being carried out by relevant ministries and bodies to ensure that the environment is not degraded by such activities and that environmental management objectives are adhered to and adequate early monitoring on impending environmental emergencies is given;
- Review sectoral environmental laws and regulations and recommend for amendments and to initiate proposals for the enactment of environmental legislation in accordance with this Act or any other Act;
- Function as the national clearinghouse for all activities relating to regional and international environment-related conventions, treaties and agreements, and as national liaison with the secretariat for all such regional and international instruments;
- Improve efficiency of financial processes under multilateral agreements by prioritizing and harmonizing host and donor priorities in programmes, project preparation and design; advise the State and participate in the process of negotiating, ratifying or acceding to relevant regional and international environmental agreements.

Central Bank of Liberia

The Central Bank was established by the Central Bank of Liberia Act 1999 with functional independence, power and authority to among others: issue legal tender banknotes and coins; administer the currency laws and regulate the supply of money; provide credit to bank-financial institutions on a discretionary basis, regulate bank and non- bank financial institutions as well as non- bank financial services institutions; advise government on financial and economic matters. The CBL has powers to among others: supervise the bank- financial institutions, non- bank financial and authorized non- bank services dealers and brokers; formulate and implement monetary policies.

Ministry of Finance and Development Planning

The Ministry of Finance and Development Planning (MFDP) was created in 2013 by an Act of the National Legislature, in line with international financial management best practices. It has the mandate to formulate, institutionalize and administer economic development, fiscal and tax policies for the promotion of sound and efficient management of financial resources of the government. As custodian of the country's economy, the MFDP combines public finance, development planning and economic management expertise and experience to effectively manage the economy.

Civil Society and Indigenous People's Organizations advocating for equality of land rights

Foundation for Community Initiatives (FCI)– Liberian development NGO, worked with the Network for Community Management of Forests (REFACOF) on convening a regional workshop and developing recommendations for women's land rights. REFACOF is a group dedicated to the collective action of African women to address social, legal and economic challenges.

Association of Female Lawyers of Liberia– involved in Women's Land Rights Task Force (USAID funded).

Green Advocates– environmentally-focused law organization, with a strong focus on human rights. They are also involved in the Women’s Land Rights Task Force.

Women Journalists of Liberia– also involved in Women’s Land Rights Task Force.

Sustainable Development Institute Liberia– has a community land protection program that works on women’s land rights. Their website has some blog posts and newsletters mentioning women’s land rights, but gender does not seem to be a major program focus.

3.4 International Conventions and Agreements

The Government has ratified and is implementing most of the relevant international agreements and conventions, including Montreal Protocol on Substances and Fluorocarbons of 1989, the International Treaty negotiated at the Earth Summit in Rio of 1992; Stockholm Convention on Persistent Pollutants of 2001 and the United Nations Convention to Combat Desertification of 2013 and importantly, the African Convention on the Conservation of Nature and Natural Resources of 1968 which is described below:

African Convention on the Conservation of Nature and Natural Resources, 1968 (revised 2003)

Liberia is signatory to this convention agreed by heads of States and Governments of member states of the African Union in Algiers (1968) and Maputo (2003) which applies to (1) all areas which are within the limits of national jurisdiction of any Party and (2) to the activities carried out under the jurisdiction and control of any Party within the area of its national jurisdiction or beyond the limits of its national jurisdiction.

The objective includes to enhance environmental protection; foster the conservation and sustainable use of natural resources, and harmonize and coordinate policies in these fields with the view to achieving ecologically rational, economically sound, and socially acceptable development policies and programs.

3.5 World Bank Environmental and Social Framework (ESF)

The World Bank Environmental and Social Framework (ESF) includes ten Environmental and Social Standards (ESSs) that the Borrower and the project will meet throughout the project life cycle. These standards are as follows:

1. Environmental and Social Standard 1: Assessment and Management of Environmental and Social Risks and Impacts;
2. Environmental and Social Standard 2: Labor and Working Conditions;
3. Environmental and Social Standard 3: Resource Efficiency and Pollution Prevention and Management;
4. Environmental and Social Standard 4: Community Health and Safety;
5. Environmental and Social Standard 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement;

6. Environmental and Social Standard 6: Biodiversity Conservation and Sustainable Management of Living Natural Resources;
7. Environmental and Social Standard 7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities;
8. Environmental and Social Standard 8: Cultural Heritage;
9. Environmental and Social Standard 9: Financial Intermediaries; and
10. Environmental and Social Standard 10: Stakeholder Engagement and Information Disclosure.

World Bank Environmental, Health, and Safety (EHS) Guidelines

The World Bank Environmental, Health, and Safety (EHS) Guidelines are technical reference documents with general and industry-specific examples of Good International Industry Practice (GIIP). The General EHS Guidelines are designed to be used together with the relevant Industry Sector EHS Guidelines which provide guidance to users on EHS issues in specific industry sectors. For complex projects, use of multiple industry-sector guidelines may be necessary. The sub- projects expected from this project are not complex and of low to moderate risks.

These Environmental and Social Standards are described in the table below which also confirms the Standards that are relevant to the LIFT Project.

Table 1: Summary of World Bank Environmental and Social Framework (ESF)

World Bank Environmental and Social Standard (ESS)	Summary of core requirements	Potential relevance for the LIFT Project	Relevant National Regulation	Gap Analysis and Recommendations
ESS 1: Assessment and Management of Environmental and Social Risks and Impacts	ESS1 sets out the Borrower's responsibilities for assessing, managing and monitoring environmental and social risks and impacts associated with each stage of a project supported by the Bank through Investment Project Financing, in order to achieve environmental and social outcomes consistent with the Environmental and Social Standards (ESSs). The Borrower will carry out an environmental and social assessment of the project to assess the environmental and social risks and impacts of the project throughout the project life cycle. The assessment will be proportionate to the potential risks and impacts of the project, and will assess, in an integrated way, all relevant direct, indirect and cumulative environmental and social risks and impacts throughout the project life cycle, including those specifically identified in ESSs2–10.	Relevant	Environmental Protection and Management Law, (EPML) 2003 This Law establishes a legal framework for the sustainable development, management and protection of the environment by the EPA. It describes assessment procedures and development of standards for sound environmental management. The EPA is mandated to confirm the level of assessment	Inadequate This ESMF is one of the instruments assessing the project's environmental and social risks and impacts. During project implementation, the project may have environmental and social consequences and may further require the preparation of site-specific E&S instruments such as ESIAs, and ESMPs, RAP/ARAP, etc. depending on the screening outcomes. The EPML, 2003 seems inadequate in dealing with climate change issues and transboundary concerns as well as potential impacts on ecosystem services. The inadequacies include social challenges regarding security,

World Bank Environmental and Social Standard (ESS)	Summary of core requirements	Potential relevance for the LIFT Project	Relevant National Regulation	Gap Analysis and Recommendations
			required for SMEs based on initial screening exercises.	violence and crime. Others include disadvantaged and vulnerable persons, discrimination and food security etc. These are assessed however to be of minor significance to this project
ESS 2: Labour and Working Conditions	ESS2 recognizes the importance of employment creation and income generation in the pursuit of poverty reduction and inclusive economic growth. Borrowers can promote sound worker-management relationships and enhance the development benefits of a project by treating workers in the project fairly and providing safe and healthy working conditions. The Borrower will develop and implement written labor management procedures applicable to the project. These procedures will set out the way in which project workers will be managed, in accordance with the requirements of national law and this ESS. The procedures will address the way in which this ESS will apply to different categories of project workers including direct workers, and the way in which the Borrower will require third parties to manage their workers.	Relevant	Decent Work Act, 2015 has provisions on Occupational Health and Safety in Section VI.	Inadequate. Section XI of the Decent Work Act, 2015 makes provision for Dispute Resolution but this is at a high level involving unions. The project has implications for labour and working conditions and requires the preparation of Labour Management Procedures. The project has developed Grievance Redress Mechanism and Labour Management Procedures (LMP). During project implementation, specific subprojects may need to

World Bank Environmental and Social Standard (ESS)	Summary of core requirements	Potential relevance for the LIFT Project	Relevant National Regulation	Gap Analysis and Recommendations
				prepare Labour Management Plans depending on the screening outcomes.
ESS 3: Resource Efficiency and Pollution Prevention and Management;	<p>ESS3 recognizes that economic activity and urbanization often generate pollution to air, water, and land, and consume finite resources that may threaten people, ecosystem services and the environment at the local, regional, and global levels. The current and projected atmospheric concentration of greenhouse gases (GHG) threatens the welfare of current and future generations. At the same time, more efficient and effective resource use, pollution prevention and GHG emission avoidance, and mitigation technologies and practices have become more accessible and achievable</p> <p>This ESS sets out the requirements to address resource efficiency and pollution prevention and management throughout the project life cycle consistent with GIIP.</p>	Relevant	EPML Act, 2003 establishes regulations for environmental quality management and pollution control among others.	<p>Inadequate.</p> <p>There are no specific guidelines for the management of electronic waste. Specific guidelines on resource efficiency and pollution prevention and management are lacking.</p> <p>The project should provide procedures for the management of electronic waste.</p>
ESS 4: Community Health and Safety;	ESS4 recognizes that project activities, equipment, and infrastructure can increase community exposure to risks and impacts. In addition, communities that are already subjected to impacts from climate change	Relevant	Public Health Act, 1976 contains provision on public health, and	<p>Inadequate.</p> <p>There are provisions for waste management but are inadequate for the management of</p>

World Bank Environmental and Social Standard (ESS)	Summary of core requirements	Potential relevance for the LIFT Project	Relevant National Regulation	Gap Analysis and Recommendations
	may also experience an acceleration or intensification of impacts due to project activities. The Borrower will evaluate the risks and impacts of the project on the health and safety of the affected communities during the project life cycle, including those who, because of their particular circumstances, may be vulnerable. The Borrower will identify risks and impacts and propose mitigation measures in accordance with the mitigation hierarchy		environmental sanitation.	electronic waste and its impact on communities. The electronic waste management procedures should include adequate measure to ensure community health and safety.
ESS 5: Land Acquisition, Restrictions on Land Use and Involuntary Resettlement;	ESS5 recognizes that project-related land acquisition and restrictions on land use can have adverse impacts on communities and persons. Project-related land acquisition or restrictions on land use may cause physical displacement (relocation, loss of residential land or loss of shelter), economic displacement (loss of land, assets or access to assets, leading to loss of income sources or other means of livelihood), or both. The term “involuntary resettlement” refers to these impacts. Resettlement is considered involuntary when affected persons or communities do not have the right to refuse land acquisition or restrictions on land use that result in displacement.	Relevant	Land Commission Act of 2008 - Section 1.3.2 and Land Rights Bill, 2014 contains provisions for public land ownership consistent with the Constitution, statutes and common law of Liberia.	Inadequate There is no consideration for any form of compensation such as relocation assistance, regarding settlers on land which they do not own. ARAP/ RAP to be prepared if required.
ESS 6:	This Standard recognizes that protecting and conserving biodiversity and sustainably managing	Not relevant	NA	NA

World Bank Environmental and Social Standard (ESS)	Summary of core requirements	Potential relevance for the LIFT Project	Relevant National Regulation	Gap Analysis and Recommendations
Biodiversity Conservation and Sustainable Management of Living Natural Resources;	living natural resources are fundamental to sustainable development. This assessment considers threats to biodiversity, for example habitat loss, degradation and fragmentation, invasive alien species, overexploitation, hydrological changes, nutrient loading, pollution and incidental take, as well as projected climate change impacts. It will determine the significance of biodiversity or habitats based on their vulnerability and irreplaceability at a global, regional or national level and will also take into account the differing values attached to biodiversity and habitats by project-affected parties and other interested parties.			
ESS 7: Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities	In this ESS, the term “Indigenous Peoples/Sub-Saharan African Historically Underserved Traditional Local Communities” is used in a generic sense to refer exclusively to a distinct social and cultural group possessing the following characteristics in varying degrees: (a) Self-identification as members of a distinct indigenous social and cultural group and recognition of this identity by others; and (b) Collective attachment to geographically distinct habitats, ancestral territories, or areas of seasonal use or occupation, as well as to	Not relevant	NA	NA

World Bank Environmental and Social Standard (ESS)	Summary of core requirements	Potential relevance for the LIFT Project	Relevant National Regulation	Gap Analysis and Recommendations
	the natural resources in these areas; and (c) Customary cultural, economic, social, or political institutions that are distinct or separate from those of the mainstream society or culture; and (d) A distinct language or dialect, often different from the official language or languages of the country or region in which they reside.			
ESS 8: Cultural Heritage	ESS8 recognizes that cultural heritage provides continuity in tangible and intangible forms between the past, present and future. People identify with cultural heritage as a reflection and expression of their constantly evolving values, beliefs, knowledge and traditions. Cultural heritage, in its many manifestations, is important as a source of valuable scientific and historical information, as an economic and social asset for development, and as an integral part of people's cultural identity and practice. ESS8 sets out measures designed to protect cultural heritage throughout the project life cycle	Not Relevant	N/A	N/A
ESS 9: Financial Intermediaries	ESS9 recognizes that strong domestic capital and financial markets and access to finance are important for economic development, growth and poverty reduction. The Bank is committed to supporting sustainable financial sector development and	Relevant	The Banking Law (Financial Institutions Act), 1999 provides regulations on the	Inadequate. The Act does not have any provision on E&S. The ESMF recommends that the FIs build capacity to

World Bank Environmental and Social Standard (ESS)	Summary of core requirements	Potential relevance for the LIFT Project	Relevant National Regulation	Gap Analysis and Recommendations
	enhancing the role of domestic capital and financial markets.		management of financial institutions and banking practices.	adequately assess the ability of SMEs to implement E&S actions.
ESS 10: Stakeholder Engagement and Information Disclosure.	This ESS recognizes the importance of open and transparent engagement between the Borrower and project stakeholders as an essential element of good international practice. Effective stakeholder engagement can improve the environmental and social sustainability of projects, enhance project acceptance, and make a significant contribution to successful project design and implementation.	Relevant	EPA Act, 2002 (Section 17) requires public involvement /consultation as part of the environmental assessment process	Adequate. The project has prepared a Stakeholder Engagement Plan to satisfy this requirement.

4.0 ENVIRONMENTAL AND SOCIAL BASELINE

Liberia is a sub-Saharan nation in West Africa located at 6 °N, 9 °W. It borders the north Atlantic Ocean to the southwest (580 kilometers [360 mi] of coastline) and three other African nations on the other three sides, Sierra Leone to the northwest, Guinea to the northeast and Ivory Coast (Côte d'Ivoire) to the east.

In total, Liberia comprises 110,000 square kilometers (43,000 sq. mi.) of which 96,300 square kilometers (37,190 sq. mi.) is land and 15,000 square kilometers (5,810 sq. mi.) is water.

Liberia, the oldest independent republic in Africa, lies on the West African coast just 300 miles north of the Equator. It has a relatively long coastline of 360 miles. From the lagoons and mangrove swamps of the coastal plains, the land rises evenly along its length in belts parallel to the coast, from rolling hills, through a broader region of plateaus and low mountain ranges, into the foothills of the Guinea Highlands. Just beyond these 4,500 foot peaks originate the headwaters of the Niger. Half of the country is covered by tropical rain forest.

Liberia is so situated in the tropics as to be directly in the path of the seasonal winds. From May through November, the prevailing monsoon winds drop most of the nearly 500 cm of rain received annually in the capital city of Monrovia. From December through April, the red, dust-laden harmattan winds originating over the Sahara Desert prevail. The transition periods between the seasons are punctuated by violent thunderstorms and sudden torrential downpours.

Temperatures average 27°C; humidity averages 82%. There is little variation over the course of the year. Precautions must be taken against mildew and rust caused by the heat, constant humidity, and the corrosive salt air of the coast.

Liberia is divided into fifteen first-level administrative divisions called counties, which, in turn, are subdivided into a total of 90 second-level administrative divisions called districts and further subdivided into third-level administrative divisions called Clans.

The fifteen counties are administered by superintendents, and the districts by commissioners, all appointed by the President. The cabinet office with responsibility for the management of the superintendents, commissioners and chiefs is the Minister of Internal Affairs. The 1986 Constitution calls for the election of various chiefs at the county and local level.

The Clans were local political units created by the central government as part of its efforts to extend its authority and influence into the interior of the country. As the tier of administrative government beneath the districts of Liberia, the clan structure only loosely corresponded to historic local political entities. Clans were legally recognized through legislation in 1905 and 1912. In a number of cases, the clans, each under a chief, were combined under larger units

called chiefdoms and headed by a paramount chief. Clans and chiefdoms were in some cases parts of a limited number of officially-recognized tribes. Under that system, indigenous persons were regarded as corporate members of their respective groups rather than as individual citizens of Liberia. Clan land was owned communally and could be alienated only with the agreement of the chiefs. Over time, the units of clans and chiefdoms gradually merged into the state. The County Council, affirmed in the Budget Act of 2012, has now replaced informal town hall meetings and includes a broad representation of citizen groups, districts, chiefdoms and clans.



Figure 1: Location Map of Liberia showing the Counties

4.1 Geography, Topography and Climate

In territorial terms, Liberia is the fifth smallest country on the Continent of Africa. The extreme southeast of the country is closer to the equator than any other coastal part of West Africa and some 1,600 km to Brazil. It is closer to the South American continent than any other African State. The relief systems of Liberia is sub-divided into four relief belts parallel to the coast rising in steps, one behind the other they are: the Coastal Belt, Rolling Hills belt, the Dissected Plateau belt and the Northern Highlands belt. The Coastal Belt is about 50ft (15 meters) above sea level, while the Rolling Hills are 300 ft (100 meters) above sea level. The Dissected plateau

and the Northern Highland are 1,000 feet (300 meters) and 6,000 feet (1,800 meters) above sea-level respectively. There are four major soil types. All have low moisture retention capacity. They are latosols or lateritic soils which constitute 75 percent of the soil cover of the country. Because of its lack of nutrients and compact texture and impermeability, latosols are of low to median fertility. Lithosols make up about 17 percent of Liberia's soil cover. It has high gravel content because it occurs along the coast. It contains most of the mangrove swamps and trees. Drainage is poor where clay is in high concentration. Regosols are subjected to long period water-logging. Alluvial soils constitute only 3 percent of the soil cover. It contains high amount of necessary plant nutrients and very fertile. It occurs on flood plains.

Vegetation

Liberia is within the Tropical Rain Forest Vegetation Belt of West Africa. Most of the country comprises of forest except a narrow strip along the coast where mangrove vegetation alternates with coastal savanna. The climate conditions in the entire country allow the vegetation to develop into a tropical rainforest. Based on the nature of the climate and soil types, three vegetation belts can be identified in Liberia. They are the Coastal Savanna, the High Rainforest Belt, and the Northern Savanna. The Coastal Savanna consists of low grasses with scattered low trees. It also contains palm and coconut trees along with mangrove trees and raphia palms. The High Rainforest Belt can be divided into an evergreen rainforest zone and the moist semi-deciduous forest zone.

The evergreen rain forest receives 4475 mm of rainfall annually and consists of plant species which do not have a well-developed marked period of leaf-fall. The tallest trees in this zone reach about 50 meters. The semi-deciduous forest is a transition to the deciduous forest type found in La Cote d'Ivoire. The long dry season (5 to 6 months) forces many plant species to drop their leaves during course of this period to minimize their evaporation of moisture. The Northern Savanna comprises the tall grass woodlands in the far north-western parts of the country and a small portion in the north east (Nimba County). It is man-made vegetation due to continuous burning and clearing for agricultural purposes. This prevents the original vegetation from regenerating.

Fauna

In general, Liberia's fauna includes mammals, birds, reptiles, fish, butterflies and moths. Among the mammals we particularly note the pygmy hippopotamus (*Choeropsis liberiensis* or *Hexaprotodon liberiensis*), a small hippopotamid ('pygmy hippo') which is native to West Africa. The pygmy hippopotamus lives primarily in Liberia, but small populations can be found in neighboring countries (Ivory Coast, Guinea, Sierra Leone). Furthermore, it is assumed that Liberia is home to the greatest variety of snakes on the African continent. Moreover, about 530 species of butterfly are known to be from Liberia, one of which is endemic.

The avifauna of Liberia include a total of 695 species, including the bee-warbler, a bird only slightly larger than a bee. One of Liberia's almost 700 species of birds is endemic, three have

been introduced by humans and three are rare or accidental. It is important to note that twelve species are globally threatened

Protected Areas

The protected area network of Liberia has grown considerably since its start in 1983 with Sapo National Park. The number of proposed areas has been growing in bursts since then, and the actual protected areas have grown at a slower pace, with 5 areas protected so far, and 11 others proposed. The gazettement of additional national parks is an essential part of Conservation initiatives in Liberia, with various NGOs and GOs working towards the approval of lobbied proposed protected area Acts. The protected areas are not threatened by the development of the proposed SEZs.

The use of wildlife corridors in the country has been proposed as a means of expanding the Protected Area Network of the country. To this effect, two new forested regions were recently protected in Liberia, the Gola National Forest and the Grebo-Krahn National Forest. These are close to other protected areas, some of which are in neighbouring countries, thus promoting regionally coordinated conservation.

Drainage

The country is well-watered by six major rivers and numerous small ones. These rivers and their many tributaries have developed into a dense drainage system with a dendrite pattern. This drainage system has been determined by the geological structure and by the general slope of the relief of the country. Rivers in Liberia flow from northwest to southeast except the Cavalla River and its tributary, the Dougbe River which flow northeast to south. The majority of Liberian rivers originate in Guinea. The six major rivers in Liberia are the Cavalla, Cestos, St. John, St. Paul, Lofa and Mano Rivers.

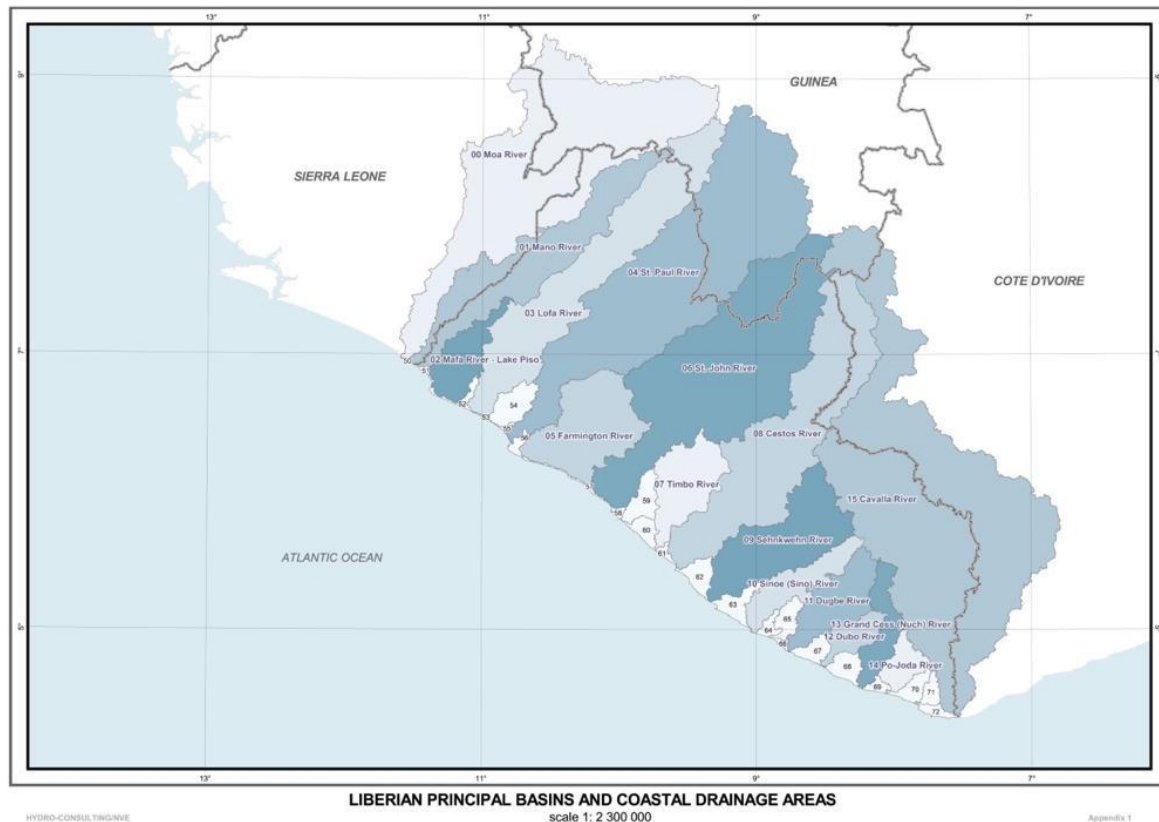


Figure 2: Drainage Basins of Liberia

Land resources

Covering an area of 111,370 km², Liberia is composed of three main agroecological zones: (i) coastal plain or swamp, (ii) forest, and (iii) savannah. The coastline of Liberia is an estimated 560 km in length. Despite substantial forest loss over the years, Liberia is a net carbon sink and still has significant forest, estimated around 30% of the total land area in 2009 by FAO. Additionally, Liberia holds around 40% of the remaining West African moist forest (Upper Guinean Forest). Liberia is comprised of four (4) distinct relief zones: the coastal belt, rolling hills, plateaus, and northern highlands.

Natural Resources of Liberia

Liberia has an underdeveloped economy, largely due to the First Liberian Civil War (1989-1996). The civil war destroyed the economy, and caused loss of infrastructure and capital, as well as brain drain. The death and displacement of people further slowed down economic development. Liberia is richly endowed with mineral resources such as diamond, iron ore, and gold. The country also has abundant water resources, forests, and a climate that favors agriculture. However, poor human capital and infrastructure have slowed down their exploitation. The majority of the population is dependent on subsistence farming. The country's major natural resources include:

Diamonds: Liberia has rich mineral resources and mineral extraction has historically been one of the most lucrative activities in the country. One of the most important minerals of Liberia is diamonds. In Liberia, diamonds are produced from both primary kimberlite sources and secondary alluvial placers. There are more than 160 known occurrences of kimberlite in many parts of the country. The Man Shield, underlying the large parts of central and western Liberia, host numerous kimberlite dikes, some of which are known to be diamondiferous. However, the kimberlites are yet to be fully exploited for diamond and the number of economic potential ones are yet to be known. The recent increase in diamond production in Liberia is attributed to the increase in the number of alluvial diamond deposits under exploration and the increased mechanization of the production process. The Lofa River region hosts significant alluvial diamond production. Other areas with large deposits of alluvial diamond include Du River, Sinoe River, and Kumgbor River. Diamond production in these areas has used primitive techniques and while prospective areas have not been evaluated using modern methods.

Gold: Liberia has a long history of artisanal gold mining, peaking at over 30,000 ounces per annum in the 1940s. Between 2008 and 2012, gold production averaged 20,000 ounces per annum. Liberia has two types of gold deposits; greenstone and alluvial placer deposit. There are approximately 600 gold occurrences in the country, with gold placer accounting for approximately 80% of the total. The deep and intense weathering, coupled with clay and gravel deposits, has favored the development of gold placers across the country. Most of the deposits are worked by artisanal miners. Several gold belts in Liberia have been defined based on the distribution of alluvial placer deposits. These gold belts include Bea Mountain, Masawo-Zolowo-Zorzor, Bukon Jedeh, Cestos River, Putu Range-Zwedru, and Saint John's River-Kokoya. The wide distribution of placer gold deposits in Liberia indicates the potential for more gold discoveries. The underexplored areas are the priority targets for future exploration.

Iron Ore: West Africa accounts for 15% of the iron ore production in Africa, with most mines located in Liberia, Sierra Leone, and Guinea. Liberia was the leading iron ore producer in Africa and 7th in the world in the 1970s. During this period, it became the 3rd largest iron ore exporter in the world. The country has numerous iron ore occurrences and deposits with the most being the banded iron formation (BIF) type. Of the eight major iron ore deposits in Liberia, six are located within the Liberian Age Archean basement in western and central Liberia. The other two major deposits are located in the Uburnean terrane and Pan African coastal belt. Most of the iron ore mines including Nimba and Yekepa were closed in 1992 when the intensity of the civil war increased. After the cessation of the war production again began and was undertaken by Bong Mines Company Limited. Currently, iron ore is mined at two mines, Mount Tokadeh which produced about 5 million tons in 2014, and Bong Mine which produced 500,000 tons in the same year. In 2013, Liberia was the 23rd largest iron ore producer after just three years of production.

Forestry: According to the FAO, about 50% or 4.3 million hectares of Liberia is forested. This is a larger proportion compared to most of the African countries. Of the total forest cover, 175,000 hectares or 4% is classified as primary forest and about 8,000 hectares is planted

forest. The large forest cover is attributed to the favorable climate that supports the growth of a variety of plants. During the civil conflict, the country lost about 0.6% of the forest cover every year. The forests are major sources of timber and rubber which have been Liberia's main export products since the end of the war. Liberia earns over US\$ 100 million annually from timber export and an additional \$ 70 million from rubber. However, the growing amount of illegal lumbering is threatening the existing forest cover. The government of Liberia, with the help of other organizations, has come up with the new National Forestry Policy to regulate and supervise the forest sector.

4.2 Socio- economic baseline

Liberia has one of the highest population growth rates in the world, although it has fallen in recent years. It reached a high of 4.6% annual growth in 2006, but has since fallen to 2.7% population growth per year. From 1960 to 2012, Liberia's population grew 274%. This trend of rapid growth is expected to continue over the next decade. The current population of Liberia is 5,219,295 based on projections of the latest United Nations data. The UN estimates the July 1, 2021 population at 5,180,203.

The birth rate in Liberia is almost double the worldwide average, leading to an extreme annual growth rate. As of 2019, the population of Liberia was increasing 2.56% each year, which is extremely high considering the economic and political conditions in the country, yet relatively low when you look at years past. The rate of growth is pretty much exclusively because 4.58 children are being born to the average Liberian woman, as the country has consistently had more people immigrate away from the country than migrate into it. Measures are being taken to increase education about family planning and contraceptives, but it takes many years for these kinds of efforts to take hold.

Liberia Population Projections

Fortunately, the annual growth rate in Liberia is on a downward trend and is expected to slow down in the years to come, however not nearly enough to mitigate the country's significant growth problems. Current projections believe that the annual growth rate will decrease from 2.55% in 2020 down to 1.87% by 2050. During this same time period, Liberia's population will likely be close to 5,103,853 in 2020, 6,495,377 in 2030, 8,087,611 in 2040 and 9,804,031 by the year 2050

Area and Population Density

Of this last official population, about 1.1 million people lived in Montserrado County, which is the most populous county and home to the capital, Monrovia. The Greater Monrovia area is home to about 25% of Liberia's population. The next most populous area is Nimba County with about 500,000 residents. Liberia has a population density of just 127 people per square mile, 49 people per square kilometer, which ranks 134th in the world in terms of population density.

Just over half of Liberia's population live in an urban environment. The largest city in Liberia by far is the nation's capital of Monrovia. Monrovia was originally established in the early 1800s as a settlement place for slaves coming from America. Monrovia has been very involved in the country's civil wars and has suffered a lot of damage over the years. The second-largest city is Gbarnga with a population in the region of 50,000 persons. Two other significant cities are Kakata and Bensonville, each with populations of roughly about 35,000.

Demographics

Liberia has 16 indigenous ethnic groups and several foreign minorities. Indigenous groups account for 95% of the population. The recognized ethnic groups include: the Gio (or Dan), Mano, Bassa, Kpelle, Grebo, Vai, Gola, Kru, Krahn, Mandingo (or Mandinka), Fante, Dei (or Dewoin), Bella, Mende, Loma, and the Americo-Liberians or Congo people.

The largest group is the Kpelle, who are concentrated in central and western Liberia. Americo-Liberians are descendants of African American and West Indian people and account for 2.5% of the population. The Congo people are descendants of repatriated Congo and Afro-Caribbean slaves and make up 2.5% of the population.

Religion, Economy and Politics

Although there is no official state religion in Liberia, it is a largely Christian nation with 85.5% practicing one form of the faith or another. Protestants make up the vast majority of Christians in Liberia, 7.2% of people are Catholic. Non-Protestant denominations were brought to the area by freed slaves that were relocated to the area. 12.2% of the population are Muslim, most of which are Malikite Sunnis. Shia and Ahmadiyya minorities are also present. Most people that identify as neither Christian nor Muslim identify with no faith at all.

Economy

Liberia's Gross Domestic Product (GDP) growth after the civil war was strong. From 2004-13, real GDP growth averaged 7%. In 2014, it dropped to 0.7% due to the Ebola virus disease epidemic and the fall in commodity prices. GDP was flat in 2015 and was expected to grow to 3% in 2016 as rural and urban markets re-opened. Unfortunately, the COVID-19 pandemic has stunted the growth of the economy. Depressed revenues, continued infrastructure investments, commitments to take full responsibility for national security following the United Nations Mission in Liberia drawdown and other challenges have undermined the government's efforts to implement its post-Ebola recovery agenda including plans to diversify the economy.

Liberia is a low-income country that relies heavily on foreign assistance and remittances from the diaspora. It is richly endowed with water, mineral resources, forests, and a climate favorable to agriculture. Its principal exports are iron ore, rubber, diamonds, and gold. Palm oil and cocoa are emerging as new export products. The government has attempted to revive raw timber extraction and is encouraging oil exploration.

In the 1990s and early 2000s, civil war and government mismanagement destroyed much of Liberia's economy, especially infrastructure in and around the capital. Much of the conflict was fuelled by control over Liberia's natural resources. With the conclusion of fighting and the installation of a democratically elected government in 2006, businesses that had fled the country began to return. The country achieved high growth during the period 2010-13 due to favorable world prices for its commodities. However, during the 2014-2015 Ebola crisis, the economy declined, and many foreign-owned businesses departed with their capital and expertise. The epidemic forced the government to divert scarce resources to combat the spread of the virus, reducing funds available for needed public investment. The cost of addressing the Ebola epidemic coincided with decreased economic activity reducing government revenue, although higher donor support significantly offset this loss. During the same period, global commodity prices for key exports fell and have yet to recover to pre-Ebola levels.

In 2017, gold was a key driver of growth, as a new mining project began its first full year of production; iron ore exports are also increased as Arcelor Mittal opened new mines at Mount Gangra. The completion of the rehabilitation of the Mount Coffee Hydroelectric Dam increased electricity production to support ongoing and future economic activity, although electricity tariffs remain high relative to other countries in the region and transmission infrastructure is limited. Presidential and legislative elections in October 2017 generated election-related spending pressures.

Revitalizing the economy in the future will depend on economic diversification, increasing investment and trade, higher global commodity prices, sustained foreign aid and remittances, development of infrastructure and institutions, combating corruption, and maintaining political stability and security.

Property rights are not strongly protected, and the process for enforcement of contracts is lengthy. Less than 20% of land is registered. Conflicting land ownership records are common. Rule of law is uneven. The judiciary is independent but weak and inadequately resourced. The government functions poorly because of inadequate administrative capacity and a precarious physical security environment.

Agriculture

The agricultural sector significantly contributes to the Liberian economy. It employs almost 50% of the total employed workforce chiefly in subsistence agriculture and accounts for a quarter of GDP, primarily from tree crops such as rubber, palm oil, cocoa, and coffee. Low agricultural productivity from poor agricultural practices, high post-harvest losses, and sub-standard road access, leads the country to meet staple food requirements (particularly rice) through imports (50 to 60%). This exposes Liberia risk from global food price volatility. Shifting cultivation and climate variability are the most significant environmental threats in Liberia which may affect agricultural production and lead to higher food prices and reduced food access for vulnerable households.

Land Tenure Systems

The exclusive categories of Land ownership in Liberia include:

- a) Public Land;
- b) Government Land;
- c) Customary Land; and
- d) Private Land

Public Lands

These refer to lands previously or currently held by the indigenous Liberians under traditional land tenure without ownership title. The chief administrator for lands in this category is the President who has the power to issue deeds for conveyance to individuals.

Procedure for acquiring Public Lands

The procedure is laid out in the Public Lands Law - Title 34 - Liberian Code of Laws Revised

- Obtain a certificate of acceptance to grant land from the tribal chiefs or city mayor, in the case of city land, attested by the Land Commissioner of the area;
- The quantity of land applied for must be paid for and a flag receipt obtained from the Ministry of Finance;
- The certificate and receipt are sent to the President of Liberia by the Land Commissioner, through the Office of the Superintendent of District Commissioner, requesting executive order to have the land surveyed;
- The executive order is granted in favour of the applicant and a survey is conducted by a Licensed Surveyor, who prepares a public land deed in the name of the applicant;
- The prepared deed, with copies of the executive order and receipt, is sent by the Land Commissioner to the Ministry of Lands, Mines and Energy for spot check and attestation by the Director of Surveys;
- The Ministry of Lands, Mines and Energy attaches a letter of clearance to the deed/documents and sends same to the President for signature. It is the prerogative of the President to sign whenever He/ She wants, following an exhibition of the deed in print media to determine whether there is any query;
- The deed is exposed to public viewing at the door post of the Probate Court to clear all objections and later the deed is probated and sent for registration.

Private Lands: These refer to lands for which individuals or groups have acquired ownership titles, either by a deed under the Anglo-American system of land tenure or a land certificate under the land registration act of 1973. Owners of such lands reserve the right to dispose of any portion or the whole land and issue title(s) to individuals or groups. Deeds arising from such transactions are referred to as Warranty Deeds.

Procedure for acquiring Private Lands

The procedure is laid out in the Property Law - Title 29 - Liberian Code of Laws Revised

- A person possessing private land expresses intention to sell. A buyer expresses intention to buy. The cost is agreed between both parties;

- The help of a lawyer or surveyor is sought to examine the title deed;
- A title search to establish title chain is carried out to determine security of title. The Lawyer or Surveyor conducts search (verification) of deed from either Ministry of Foreign Affairs (MOFA) Archives or Centre for National Documents and Records Agency (CNDRA) depending on the date of last conveyance (date of deed).

Funding provisions to guarantee women's land transactions

For agricultural producers in rural Liberia, access to finance is extremely limited. Liberia lacks credit facilities, including in urban areas. Some microcredit institutions exist from which women benefit. According to the World Bank, this suggests that improving credit services in rural areas could have a significant impact on business development. (6)

Other factors influencing gender differentiated land rights

-Unequal access to schooling is a crucial issue that is responsible for the high rate of illiteracy among girls and women. Literacy rate for women in rural areas is at 26%, compared to 61% for urban women, 60% and 86% for rural and urban men, respectively. The Ministries of Education and Gender and Development have launched adult literacy programmes targeted exclusively at women.

-Women's limited access to justice, particularly in the Counties and rural areas (5).

4.3 The City of Monrovia

Monrovia is the capital city of Liberia. Founded in 1822, it is located on Cape Mesurado on the Atlantic Coast, and is the country's most populous city. Monrovia lies along the Cape Mesurado peninsula, between the Atlantic Ocean and the Mesurado river, whose mouth forms a large natural harbor. The Saint Paul River lies directly north of the city and forms the northern boundary of Bushrod island, which is reached by crossing the "New Bridge" from downtown Monrovia. Its population is estimated to be about 1.5 million which is about 30% of the national population.

Climate

Monrovia has a tropical monsoon climate. It is the wettest capital city in the world, with annual rainfall averaging 4,624 mm. It has a wet season and a dry season but gets precipitation even during the dry season. Temperatures are fairly constant throughout the year, averaging around 26.4 °C.

Economy

Monrovia is also the country's economic, financial and cultural center. Its economy is primarily centered on its harbor and its role as the seat of Liberia's government. Monrovia's economy is dominated by its harbor – the Freeport of Monrovia- and as the location of Liberia's government offices. The main exports from Monrovia's harbor include latex and iron ore. Manufactured goods include cement, refined petroleum, food products, brick and tile, furniture

etc. The harbour is located on Bushrod island between the mouths of the Mesurado and Saint Paul rivers, the harbor also has facilities for storing and repairing vessels

Boats link the city's Freeport of Monrovia, the country's busiest port, with Greenville and Harper. The nearest airport is Spriggs Payne Airport, located about 6.4km from the city center. Roberts International Airport, the largest international airport in Liberia, is 60km away in Harbel. Monrovia is connected with the rest of the country via a network of roads and railways. Monrovia is listed as the home port by between ten and fifteen percent of the world's merchant shipping, registered in Liberia under Flag of Convenience arrangements. Both private taxis and minibuses run in the city, and are supplemented by larger buses run by the Monrovia Transit Authority.

Administration and Government

Monrovia is situated in the district of Greater Monrovia in Montserrado County. Instead of being divided into clans like other districts of Liberia, Greater Monrovia is divided into 16 "zones". Like clans, these zones are subdivided into 161 communities. Greater Monrovia does not have an organized district administration like other districts, with all lower-level local authorities being directly supervised by the Montserrado County Superintendent. Municipally, Greater Monrovia District is subdivided into two city corporations and ten other local authorities (nine townships and one borough). Established by law in 1973 and operational since 1976, the Monrovia City Corporation (MCC) is responsible for the city's administration. The MCC also provides services to the townships and borough through a revenue-sharing arrangement, but has no zoning or enforcement jurisdiction in them.

Monrovia is home to the University of Liberia, along with African Methodist Episcopal University and many other public and private schools. Medical education is offered at the A.M. Dogliotti College of Medicine, and there is a nursing and paramedical school at the Tubman National Institute of Medical Arts.

Environmental sanitation

Environmental sanitation challenges are huge. Household rubbish and industrial waste collection and disposal is a challenge. Flooding brings additional environmental problems to residents: flood water picks up the waste that has been deposited in swamps at the edge of residential areas, and spreads it around. Access to toilets is also a challenge and free range defecation is common including along the beaches. Less than 50% of the population of Liberia has access to clean toilets.

4.4 The SME Sector

The development of SMEs in Liberia seems particularly appropriate and worthy of assistance as such enterprises tend to be more labour intensive, their scale of operation matches Liberia's limited market and they can serve as a means to increase Liberian participation in the economy. However, the potential of this sector has until recently been largely neglected.

The Importance of SMEs

According to a recent survey as well as consultations carried out during the preparation of this report, the largest number of SMEs in Liberia are involved in tailoring, restaurants, carpentry, transportation and garages. Approximately 7,000 people are involved in these activities, where entry is relatively easy and competition in the product market is intense. Product quality is poor, partly as a result of low skill levels, and training is carried out on an apprenticeship basis. The enterprises of this type have few fixed assets (over 50% of the small enterprises have fixed assets of less than US\$ 1,000), suffer intense competition, lack utilities, especially electricity (nearly 50%) and water (about 90%), have limited space, and have a distinct distrust of bureaucracy in the form of government or banking institutions. In addition, the management of these firms is deficient; there is a high failure rate, a common feature of these subsectors, and entrepreneurs are only at best vaguely aware of means to expand their operations or improve their efficiency. Nearly half of the small-scale enterprises identified in the survey are located in Monrovia, with a significant number in Nimba and Lofa Counties. Liberian ownership is widespread and in fact certain economic activities—including cement block manufacture, gas stations, cook shops, ice cream manufacture, commercial printing, butcher shops and retail trade of food, clothes and household items with an annual turnover of less than US\$3,000—are by law reserved solely for Liberians. The survey recognizes, however, that Liberians often "front" for expatriate owners.

Existing Support for SMEs

In spite of a growing awareness of the importance of SMEs and policy statements encouraging their development, there was until recently no organization responsible for their promotion nor a clear policy framework directed towards them. As previously, the development plan which outlines industrial development strategy essentially emphasizes larger industrial units. Smaller firms are normally eligible for the benefits of the investment code but often do not apply because of cumbersome administrative procedures or if they do, are not able, because of their size, to fully utilize all of these benefits. Smaller entrepreneurs generally do not have access to loans from the commercial banks because of inadequate project preparation, weak managerial capacity and therefore high probability of default. As a result, most of them have either to give up their projects or to rely on the informal sources of credit characterized by very high interest rates and very short repayment periods. Finally, there has been until recently little local institutional support for the development of SMEs.

5.0 POTENTIAL ENVIRONMENT AND SOCIAL RISKS AND MITIGATION

The LIFT Project utilizes the World Bank's ESMF approach which provides a holistic tool for identifying and managing environmental and social risks and opportunities in the design and assessment of the program. Under the WB Environmental and Social Framework (ESF), the project risks are classified as Low, Moderate, Substantia and High. The LIFT Project has a moderate E&S risk rating.

5.1 Potential Environmental and Social Risks

The Project targets formal enterprises, approximately 85% are located in the Capital town, Monrovia. This presents low risk to Key Biodiversity Areas which are often located in rural and remote areas. However, Component 2 will finance Technical Assistance (TA) to upgrade the capabilities of SMEs operating in supply chains with an initial focus on agriculture, agro-processing, light manufacturing and logistics services. Other clusters to be considered include sectors of mining, fisheries, forestry, tourism, and tradeable digital services. Some of these activities might potentially cause adverse environmental risks and impacts including waste generation (solid, liquid, hazardous waste), greenhouse gas emissions, air pollution, water contamination, noise, dust, occupational and community health and safety risks etc. The activities supported under component 3 on increasing digital services are anticipated to marginally increase electronic waste. Given the scale at which this will happen, the impacts are predicted to range between low and moderate.

The potential environmental and social risks associated with project components and sub activities are described in the table below:

Table 2: Identified project components and activities of potential E&S risks

No.	Project Component	Description	Project area/ activity with potential E&S risks	Anticipated issues/ risks
1.	C1	Business climate reforms and capacity building	<ul style="list-style-type: none">• Provision of electronic hardware e.g., computers, scanners, servers to the SEZ Authority• Hiring and management of workers	<ul style="list-style-type: none">• Disposal of electronic waste• Grievance from workers with respect to labour and working conditions• Discrimination against women and people with some disabilities

No.	Project Component	Description	Project area/ activity with potential E&S risks	Anticipated issues/ risks
2.	C 2	SME Support	<ul style="list-style-type: none"> • Small equipment purchases and usage, e.g., packaging tools • Minimum civil works, e.g., rehabilitation of sheds, storage rooms, etc. • Operations of SMEs (agriculture, agro-processing, light manufacturing, logistics service. Supply chain/ clusters in the mining, fisheries, forestry, tourism and tradable digital services) 	<ul style="list-style-type: none"> • Occupational Health and Safety issues (including COVID-19 infections) • Waste generation (including solid, liquid and hazardous waste) • Noise pollution • Air pollution (including dust and release of greenhouse gases – GHG) • Potential water contamination • Workers' grievances • Sexual Exploitation and Abuse and Sexual Harassment (SEA/SH) • Women and vulnerable individuals or groups excluded from project benefits • Land acquisition • Potential elite capture
3.	C3	Financial Infrastructure	<ul style="list-style-type: none"> • Provision of electronic software and hardware • Refurbishment of store room for electronic hardware equipment • Screening of SMEs for their capacity to carry out E&S actions 	<ul style="list-style-type: none"> • Electronic waste • Waste management • Occupational Health and Safety • PIU competence to undertake E&S screening of grant beneficiaries • FI's competence to undertake the screening of credit line beneficiaries

5.5 Mitigation measures

These mitigation guidelines are given to address the significant impacts. The responsibilities for implementing these measures are described later in the report.

Table 3: Environmental and social mitigation measures

Environment, Social and Health Impact Issue/ Concern	Proposed Mitigation Action/ Measures	Responsible for implementation
Construction Phase		
Resource efficiency	<ul style="list-style-type: none"> • Judicious use of resources (water, electricity, fuel) • Ensure use of efficient equipment (vehicles, construction equipment etc) • Install measurement devices as much as possible to monitor resource use (water and electricity) • Regular sensitization programmes at all levels to discuss and disseminate information on resource use • Material purchases to be made in such a way as to avoid wastage as much as possible 	Contractor
Air pollution and Noise	<ul style="list-style-type: none"> • Selected contractors to submit construction ESMPs for moderately risky works and which will employ over 50 workers • Neighbouring offices will be duly informed early of all renovation activities. • The construction and other engineering firms will be selected for the project based on their ability to adopt acceptable engineering practices and their possession of suitable equipment holdings to ensure low noise and air quality emission. • Loading and transportation of demolition debris shall be done during night time and will avoid relatively noisy equipment operating during the night. • Stock piles of debris will be covered to prevent re-suspension of dust into the air. • On-site mixing of cement, sand stone and other constructional materials will be done in an enclosed space and these materials shall be stored in an enclosed yard or covered tightly. • Speed limit shall be set for construction and transportation vehicle both within and outside the project sites to avoid re- entrainment of dust. 	Contractor
Waste generation (solid, liquid, hazardous)	<ul style="list-style-type: none"> • Selected contractors to submit construction waste management plans for moderately risky works and which will employ over 50 workers • Apply the principles of Reduce, Recycle, Reuse and Recover for waste management. • Provide adequately labelled bins for different types of waste in offices and construction sites <ul style="list-style-type: none"> • Waste collection bins to be sited at vantage points. Arrangement with waste collection companies to regularly collect and dispose of solid waste at Council-approved sites. • Warning signs to be posted at suitable locations against littering with possible sanctions indicated. • Provide suitable gender friendly sanitation facilities for workers at construction sites 	Contractor

Environment, Social and Health Impact Issue/ Concern	Proposed Mitigation Action/ Measures	Responsible for implementation
	<ul style="list-style-type: none"> • Treat liquid waste generated from construction sites before disposal. Ensure liquid waste to be disposed meet applicable EPA-RL effluent discharge guidelines. 	
Water pollution	<ul style="list-style-type: none"> • No solid waste, fuels, or oils to be discharged into any section of a waterway. • Maintenance, fuelling and cleaning of vehicles and equipment to take place at off-site workshop with adequate wastewater management facilities. 	Contractor
Occupational Health and Safety	<ul style="list-style-type: none"> • Prepare and implement Labour Management Plan to guide all OHS issues. • All workers should be given proper induction/orientation on safety. • Ensure there are first aid kits on site and a trained person to administer first aid. • Provide and enforce the use of appropriate personal protective equipment (PPE) such as safety boots, reflective jackets, hard hats, hand gloves, earplugs, nose masks, etc., as and when required • Apply sanctions where safety procedures are not adhered to. • New equipment to be introduced will represent current technology and are state of the art machines. These are expected to be safer to operate and workers will need to be sufficiently trained to master the operation of these machines. Appropriate PPEs will be provided to safeguard health of all workers. • Regular tool box and training programs will be organized for staff on workplace safety and health issues and effective use of equipment/machinery. • Management may institute incentive packages for workers who record least accidents. • Workers must be provided facilities such as canteens, gender-friendly toilets, first aid kits, potable water, hygiene and WASH facilities including washing points (clean running water, soap and paper towels) on site and within the work environment. 	MOCI- PIU Contractor
Grievance from workers with respect to labour and working conditions	<ul style="list-style-type: none"> • Prepare a Labour Management Plan (LMP) to manage labour challenges. • Follow and apply the national labour laws to ensure good wages and working conditions. • Follow well- laid out recruitment processes to engage experienced staff for all works. • Child labour will not be allowed. 	MOCI- PIU Contractor
Discrimination at workplace	<ul style="list-style-type: none"> • Provide transparent avenues for workers to report acts of discrimination at workplace and ensure there is an effective and trusted feedback mechanism • Prohibit acts of discrimination through work contracts and code of conduct to be signed by workers 	MOCI- PIU Contractor

Environment, Social and Health Impact Issue/ Concern	Proposed Mitigation Action/ Measures	Responsible for implementation
Sexual exploitation and Abuse (SEA) and Sexual harassment (SH) and Women Vulnerability	<ul style="list-style-type: none"> Workers to be given regular training on self-protection against violence, particularly for women and girls. Due to the sensitive nature of sexual abuse cases and the need to respect the privacy and wishes of survivors, the redress techniques should be prepared and considered differently by the PIU from the general GRM methods. A GBV specialist may be hired by the PIU to carry out GBV risk assessments to determine the level of attention and the mitigation options and techniques required. The WB guidelines on GBV assessment should be followed. Workers educated on personal and public health issues. Protection, e.g., condoms provided against sexually transmitted diseases 	MOCI- PIU Contractor
Lower participation of women and other vulnerable potential beneficiaries from project benefits	<ul style="list-style-type: none"> Quota for women SME beneficiaries to be suggested by PIU and approved by WB PIU to work closely with organised indigenous business entities like LiBA to identify women groups for engagement and special support 	
Land acquisition/ Land ownership challenges	<ul style="list-style-type: none"> Stakeholder interactions to educate all on proposed project activities, impacts and proposed mitigation measures. Develop ARAP/ RAP as necessary, and consistent with ESS 5 Implement the measures in ARAP/ RAP approved by the WB Will develop and implement grievance mechanism as a part of a wider Stakeholder Engagement Plan enabling community concerns to be documented and resolved in a timely fashion. Will ensure liaison with all stakeholders and local communities in the project area is maintained throughout project life. These measures will minimize the problem of confrontation and conflicts and will reduce this impact significantly 	MOCI/ PIU
Operation Phase		
Disposal of electronic waste	<ul style="list-style-type: none"> A national e-waste management strategy is lacking. The EPA-RL has plans to develop this strategy with assistance from multi- lateral agencies including UNEP as per their mandate. New and state of the art electronic equipment with long lifespans will be purchased for use by the project. Provide storage houses for such waste from the project till EPA provides permanent solution to e-waste disposal. 	EPA-RL MOCI- PIU
Discrimination against women and	<ul style="list-style-type: none"> Provide a transparent recruitment process. The project should adhere to its design to prioritize and support women enterprises. 	MOCI- PIU

Environment, Social and Health Impact Issue/ Concern	Proposed Mitigation Action/ Measures	Responsible for implementation
people with some disabilities	<ul style="list-style-type: none"> Provide information on project opportunities in a medium understood by people with disability. 	FIs, SMEs
Discrimination at workplace	<ul style="list-style-type: none"> Provide transparent avenues for workers to report acts of discrimination at workplace and ensure there is an effective and trusted feedback mechanism Prohibit acts of discrimination through work contracts and code of conduct to be signed by workers 	MOCI- PIU FIs, SMEs
Air pollution and Noise	<ul style="list-style-type: none"> Loading and transportation of materials shall be done during night time and will avoid relatively noisy equipment operating during the night. Stock piles of raw materials will be covered to prevent re-suspension of dust into the air. Speed limit shall be set for vehicles to avoid re- entrainment of dust. SMEs to design and establish emission control measures as part of their environmental and social management plans 	SMEs
Waste generation (solid, hazardous)	<ul style="list-style-type: none"> Apply the principles of Reduce, Recycle, Reuse and Recover for waste management. Provide adequately labelled bins for different types of waste in offices and construction sites Waste collection bins to be sited at vantage points. Arrangement with waste collection companies to regularly collect and dispose of solid waste at Council-approved sites. Warning signs to be posted at suitable locations against littering with possible sanctions indicated. Qualified waste management companies to be identified and contracted to collect and dispose of waste Waste to be finally disposed of at sites approved by local authorities 	SMEs
Wastewater generation and water pollution	<ul style="list-style-type: none"> Simple primary effluent treatment facilities to be identified to treat liquid waste prior to disposal On site sanitation facilities (septic tanks) to be provided No solid waste, fuels, or oils to be discharged into any section of a waterway. Maintenance, fuelling and cleaning of vehicles and equipment to take place at off-site workshop with adequate wastewater management facilities. 	SMEs
Resource efficiency	<ul style="list-style-type: none"> Judicious use of resources (water, electricity, fuel) Ensure use of efficient equipment (vehicles and machinery) Instal measurement devices as much as possible to monitor resource use and r observations Regular sensitization programmes at all levels to discuss and disseminate information on resource use 	SMEs

Environment, Social and Health Impact Issue/ Concern	Proposed Mitigation Action/ Measures	Responsible for implementation
Occupational Health and Safety	<ul style="list-style-type: none"> • Material purchases to be made in such a way as to avoid wastage as much as possible • Prepare and implement Labour Management Plan to guide all OHS issues. • All workers should be given proper induction/orientation on safety. • Ensure there are first aid kits on site and a trained person to administer first aid. • Provide and enforce the use of appropriate personal protective equipment (PPE) such as safety boots, reflective jackets, hard hats, hand gloves, earplugs, nose masks, etc., as and when required • Apply sanctions where safety procedures are not adhered to. • New equipment to be introduced will represent current technology and are state of the art machines. These are expected to be safer to operate and workers will need to be sufficiently trained to master the operation of these machines. Appropriate PPEs will be provided to safeguard health of all workers. • Workers must be provided facilities such as canteens, gender-friendly toilets, first aid kits, potable water, hygiene and WASH facilities including washing points (clean running water, soap and paper towels) on site and within the work environment. • Regular training programs will be organized for staff on workplace safety and health issues and effective use of equipment/machinery. • Management may institute incentive packages for workers who record least accidents. 	MOCI- PIU SMEs
Grievance from workers with respect to labour and working conditions	<ul style="list-style-type: none"> • Prepare a Labour Management Plan (LMP) to manage labour challenges. • Follow and apply the national labour laws to ensure good wages and working conditions. • Follow well- laid out recruitment processes to engage experienced staff for all works. • Child labour will not be allowed. 	MOCI- PIU SMEs
Sexual exploitation and Abuse (SEA) and Sexual harassment (SH) and Women Vulnerability	<ul style="list-style-type: none"> • Workers to be given regular training on self-protection against violence, particularly for women and girls. • Due to the sensitive nature of sexual abuse cases and the need to respect the privacy and wishes of survivors, the redress techniques should be prepared and considered differently by the PIU from the general GRM methods. • A GBV specialist may be hired by the PIU to carry out GBV risk assessments to determine the level of attention and the mitigation options and techniques required. The WB guidelines on GBV assessment should be followed. • Workers are educated on personal and public health issues. Protection, e.g., condoms provided against sexually transmitted diseases 	MOCI- PIU SMEs
Elite capture	<ul style="list-style-type: none"> • The PIU to prepare and share Code of Practice against all forms of discrimination and favouritism with project beneficiaries. All project beneficiaries to subscribe to the Code. 	MOCI- PIU SMEs

Environment, Social and Health Impact Issue/ Concern	Proposed Mitigation Action/ Measures	Responsible for implementation
PIU and FIs competence for E&S screening	<ul style="list-style-type: none"> PIU to recruit one Environmental Specialist and one Social Specialist to be part of the project management team. Financial Institutions (FIs) to have an Environmental and Social Management System - ESMS (E&S policy, screening tools, E&S personnel capacity, E&S management plan, monitoring, reporting tools, communication and stakeholder engagement/management etc. E&S safeguard officers to be recruited. PIU with the assistance of the EPA-RL to provide training to partner institutions to appreciate E&S requirements and to be able to apply same in the screening of credit line beneficiaries of the project. 	MOCI- PIU FIs, SMEs

6.0 PROCEDURES TO ADDRESS ENVIRONMENT AND SOCIAL RISKS

This document provides guidance to ensure satisfactory design and implementation of all environmental and social actions relating to project activities as identified in the previous sections of this report. The procedures to be followed are consistent with the national requirements and the World Bank environmental and social safeguard standards.

Major infrastructure works are not anticipated from this project. Even for the potential low to moderate risks expected, most of the project partners seem to have little or no appreciation of the E&S requirements, especially at the SME level. The key approach by the project is therefore to implement a good training programme which will subsequently enable the procedure to be followed to address any E&S actions meaningful to all implementing parties. The required training programme is presented in a later section of this report.

6.1 E&S guidance and support to potential credit line beneficiaries

E&S Guidance to FIs to Prepare ESMSs

Financial Institutions (FIs) that may be selected to implement the line of credit interventions under Component 2 will be required to develop or have in place an Environmental and Social Management System (ESMS). The ESMS will be used to undertake necessary E&S due diligence on SME's sub-projects and ensure that sub-projects funded through the line of credit do not adversely affect the environment. At a minimum, the ESMS will detail the E&S policy of the FI, E&S procedures, organizational capacity and competency, monitoring and reporting, and stakeholder engagement. A sample TOR for the preparation of ESMS is provided in Annex2.

E&S guidance by FIs to credit line beneficiaries

The selected FIs will recruit qualified environmental and social risk officers whose duty will entail ensuring sustainability of selected projects. These officers will design and apply Screening forms to select the most credible beneficiaries with respect to both the FI's requirements and also the project, in a fair and transparent manner. It is expected that there would be consistency in the standards in order not to confuse beneficiaries. The PIU may consider providing assistance to the FIs if deemed necessary. The screening form to be used will be project-approved, that is, by the PIU and WB.

The main objective of the screening is to determine and categorize the compliance readiness of the potential beneficiaries which will subsequently confirm their training needs. As the project is essentially demand driven, it is expected that potential beneficiaries would make individual (or through respective associations such as LiBA) requests to participate in the project. The FIs as part of their project functions will conduct the necessary ESDD.

The screening process will involve:

- Identifying potential beneficiaries who have basic understanding of E&S requirements and therefore with some interest and capacity to implement the anticipated mitigation measures;
- PIU with some assistance from the EPA- RL to offer basic training for these beneficiaries to be able to undertake basic environmental and social actions consistent with project objectives,

Once selected, the beneficiaries will continue to undergo regular training to appreciate the E&S demands of the project. The training will still be facilitated by the PIU ESSS and supported by the EPA-RL, and the selected financial institutions will participate. The training will provide the selected SMEs with the tools to be able to adequately satisfy the E&S requirements throughout the life of the project. The monitoring and evaluation programs will be discussed and agreed by all parties. The training program will be prepared by the ESSS and approved by the WB.

E&S guidance by PIU to SMEs

The PIU will follow a similar procedure described above to select and guide SMEs who will benefit from the Technical Assistance (TA) to be provided by the project. The PIU ESSS will design and apply Screening forms as part of the selection criteria to identify qualified SMEs, in a fair and transparent manner. The screening form to be used will be approved by the WB.

As per the above, the selected SMEs will continue to undergo regular training to appreciate the E&S demands of the project. The training program will be prepared by the ESSS and approved by the WB.

6.2 E&S Assessment of Projects

As indicated earlier, the anticipated environmental and social risks are low to moderate. However, some guidance is provided for the few impacts identified in the previous sections.

The appointed PIU Environmental and Social Safeguards Specialists for the project will be responsible for all safeguard activities and will therefore foremost carry out any preliminary environmental and social screening of proposed projects by using the checklist suggested in **Annex 1**. If significant impacts are anticipated, then the EPA-RL must be consulted and the national Environmental Assessment (EA) procedures duly followed.

When there are minimal or no impacts (as determined using the checklist), the ESSS may proceed with the minimum regular reporting requirements. Where there may be doubts concerning project risks and impacts, the PIU should consult the EPA-RL for guidance as provided by the national EA procedures as well as the World Bank safeguards team to ensure consistency with the provisions of the applicable standards.

The EPA-RL procedures (EPA, 2003) have established a process to screen and evaluate all developments, undertakings, projects and programmes which have the potential to give rise to significant environmental impacts. Those projects requiring EPA clearance will only commence when an environmental license has been procured from the EPA-RL. The provisions of the Section 37 of the Act confirm that:

EPA Act 2003 section 37

- The Agency shall require that an environment impact assessment be undertaken on all projects, policies, programmes and activities specified by the Agency in consultation with relevant ministries and agencies and published by notice;

- A developer, or project proponent, shall not commence, carry out, execute, implement or conduct a project or activity for which an environmental impact assessment is required unless an environmental impact assessment has been concluded and an environmental regulation made there under;
- A licensing or permitting agency or authority under any law in force in Liberia shall not issue a license for any project for which an environmental impact assessment is required under the Act, unless the applicant produces to the licensing agency or authority an environmental impact assessment license or permit issued under this Act and the regulations made there under; and
- The Agency shall establish all rules, regulations and procedures relating to the implementation of the environmental impact assessment requirement under this Act, and which shall be reviewed five years after implementation date to assure their effectiveness.

The Agency has provided the list of projects for which ESIA is mandatory. Environmental permits are needed for a wide range of activities. These are mostly for heavy industrial activities such as power stations, sewage treatment plant, scrap metal yards, and other activities that might severely pollute the air, water or land. No SMEs are particularly mentioned.

Environmental Registration of the Project

The PIU will be responsible for the registration of the subprojects with the EPA-RL using the prescribed Form from the Agency. The registration will be carried out by the Environmental and Social specialists. All documents will be submitted through the PIU to the EPA-RL to ensure transparency and accuracy. The mitigation measures suggested in this ESMF as well as the checklist used in the screening exercise should assist the Environmental and Social Specialists to complete this Form accurately.

The EPA-RL will screen the registration forms and determine the next course of action which may include any of the following:

- Objection to the project
- No objection to the project (equivalent to World Bank Low risk project)
- Preliminary Environmental Assessment (PEA) will be required (equivalent to World Bank moderate risk project)
- Environmental and Social Impact Assessment (ESIA) required (equivalent to World Bank Substantial or High risk project).

For projects receiving the 'no objection' from the EPA (Low risk project) and therefore have only minor environmental and social risks, the PIU may move to implementation in accordance with pre-approved standards or codes of practices or the pre-approved guidelines for environmental and social management.

Conduct of environmental and social assessment studies

For Projects for which the decision is to conduct environmental impact assessment studies, standalone reports will be prepared. The EPA- RL statutorily requires an EIA for projects in sensitive areas and which will pollute air, water or land.

The ESSS will prepare the Terms of Reference for the ESIA which must be reviewed and cleared by the World Bank, and follow procurement rules for the recruitment of consultants for the ESIA. The ToR may be prepared using issues identified during the screening exercise and also the

registration of the project with the EPA-RL. Also, the impact mitigation measures provided in this ESMF may provide some basis for the design of the ToR. The outline of the report will include the following:

Outline of the ESIA

- Description of the study area
- Description of the subproject
- Discussion and evaluation of alternatives
- Environment and social baseline description
- Legal, regulatory and institutional frameworks
- Process of public consultations
- Identifying potential impacts of proposed sub-projects
- Development of mitigation measures and a monitoring plan, including estimates of costs and responsibility for implementation of surveillance and monitoring
- Grievance redress mechanism

Review and approval of the ESIA for the project; Publication / Dissemination of ESIA

The PIU will review the draft reports as prepared by the consultant and will submit same to the EPA-RL. The Agency will review the report and also share with relevant stakeholders for their comments. It may require a public hearing if the Agency considers that the activity could have extensive and far-reaching effects on the environment or has deep social implications.

Where the draft ESIA is found acceptable, the PIU will request the consultant to finalize the reports to obtain the license. The PIU will pay processing and permitting fees prior to collection of the license. The fees are determined based on regulations and formula presented by the EPA-RL.

The draft reports will be shared with the WB for review and acceptance. The in-country and Bank disclosure process are described in later sections of this report.

6.3 Preparation and Implementation of ESMPs

For moderately risky subproject activities including construction activities which may require just an Environmental and Social Management Plans (ESMPs), as may be determined by the site-specific screening, the MOCI-PIU will draft the Terms of Reference for the preparation of the ESMP. The TOR will be submitted to the World Bank for review and clearance. Following World Bank's clearance of the TOR, the MOCI-PIU may internally prepare the ESMP or recruit an independent consultant to prepare the ESMP. Appropriate sections of the ESMP will be included in the bidding documents.

Subsequently, the selected contractor will be required to submit a Contractor's ESMP specific to the construction activities for vetting and approval by the PIU prior to start of work. The Plan will include monitoring activities and will also indicate responsible institutions/ persons to ensure that the proposed management measures are duly implemented.

6.4 Monitoring and Evaluation

Monitoring plans will be developed by the PIU to track safeguard implementation progress. The proposed plans are presented in the table 4 below. The table confirms the verifiable indicators as well as responsibilities for the various monitoring actions.

The monitoring issues at the ESMF level include confirmation of the dissemination of the ESMF document as well as capacity building and training activities. At the sub- project activity level, this will encompass instituting monitoring actions to, for example, confirm the screening of projects, preparation of the ESIA reports, acquisition of environmental permits etc.

Table 4: ESMF monitoring indicators and responsibilities

No	Monitoring Level	Monitoring Issue	Verifiable indicators	Responsibility
1.	E&S support to beneficiaries	Screening of potential beneficiaries	Record of consultations and meetings	PIU, FIs
			Screening reports	
			Number of successfully screened SMEs who have benefitted from project grants	PIU
			Number of women owned SMEs who have been successfully screened and benefitted from the project	PIU, FIs
		Capacity building and training programs	Training and workshop reports	PIU, FIs
			Number of SMEs who have benefitted from trainings	PIU, FIs, SMEs
			Number of SMEs who have regularly prepared satisfactory E&S reports	PIU, FIs, SMEs
2.	Sub-project activities	Screening of sub project	Number of Checklists completed	PIU, ESSS
		Completion of EPA- RL registration forms	Number of completed Form submitted to the EPA	PIU, ESSS
		Adequate mitigation measures provided to manage adverse impacts	Number of ESIA and ESMPs prepared	PIU, ESSS
		Project satisfies statutory provisions	Number of EPA Permits issued for sub- project	PIU, ESSS
		Post project monitoring and evaluation	Number of Monitoring reports, annual environmental reports	PIU, ESSS

7.0 CONSULTATION AND DISCLOSURE

This ESMF instrument will be disclosed in compliance with World Bank Environmental and Social Framework.

The consultations and public disclosure of this ESMF will be undertaken by the project management unit within the MOCI with assistance from SAB, and will be organized as follows:

- Circulation of the draft ESMF for comments to all relevant institutions (e.g., relevant MOCI departments and divisions including SAB involved with the LIFT Project, Environmental Protection Agency-RL, and the World Bank);
- Communication of comments to the Consultant for incorporation into a final ESMF, together with World Bank comments; and
- Public Disclosure of final ESMF (after reviewed and cleared by both GoL & World Bank) both in-country (e.g., hard copies to be sent relevant County offices, County EPA offices, project communities, community libraries) and at the World Bank and MOCI websites. Twenty-one (21) days will be allowed for the public to submit their comments if any, on the document.

Community consultation and participation will afford stakeholders an opportunity to contribute to both the design and implementation of the activities related to the sub-projects. In so doing, the likelihood for conflicts between the project beneficiaries and the project implementers will be reduced. In recognition of this, particular attention will be paid to public consultation with SME umbrella organizations such as LiBA at the national and County levels.

As a matter of strategy, public consultation shall be an on-going activity taking place throughout the entire project cycle. Hence, community/ public consultation will take place at the following stages as described in the following Table: Project inception and planning, Screening process, Feasibility study, Preparation of project designs, Construction and operational phases and Decommissioning.

The ESIA's and ESMPs prepared for sub project activities will be similarly disclosed.

Table 5: Stakeholder consultation and citizen's engagement strategy

No.	Activity	Identified Stakeholders	Focus of Consultation/ Engagement	Timelines/ Frequency	Forms of communication	Facilitator
1.	Preparation of ESMF/ project design and planning	<ul style="list-style-type: none"> Ministry of Commerce and Industry (MOCI) SBA LiBA Central Bank EPA-RL 	<ul style="list-style-type: none"> Scope of activities proposed. Institutional arrangements for project implementation (including roles and responsibilities) Confirmation of project stakeholders (including beneficiaries). Identification of activities from sub-components with potential environmental and social issues of concern. Potential environmental and social issues of concern from implementation of the proposed projects and sub-projects Compliance with World Bank, EPA requirements for project sub-components Strategies for mitigating the potential impacts and implementation of ESMF 	Throughout the ESMF study period/ project inception and planning	<ul style="list-style-type: none"> One on one Interviews Local meetings Focus group meetings Field visits Sharing and review of relevant reports Email and phone calls 	<ul style="list-style-type: none"> MOCI SBA Environmental Consultant
2.	Screening process for beneficiary enterprises and project activities	<ul style="list-style-type: none"> Ministry of Commerce and Industry- PIU SBA Business Associations (e.g., LiBA) SMEs 	<ul style="list-style-type: none"> Confirmation of numbers and range of SME activities. Confirmation of training programmes and their relevance to SMEs Confirmation of SME activities with potential environmental and social issues of concern. Compliance with World Bank, EPA requirements for project Strategies for identifying potential beneficiary SMEs Confirmation of scope of activities proposed for sub-components. Confirmation of institutional arrangements for project implementation (including roles and responsibilities) Confirmation of project stakeholders (including beneficiaries). Confirmation of activities from sub-components with potential environmental and social issues of concern. Potential environmental and social issues of concern from implementation the proposed projects and sub-projects Confirmation of project impacts and determination of the level of environmental assessment. Strategies for mitigating the potential impacts and implementation of RAP/ARAP 	Throughout the screening study period	<ul style="list-style-type: none"> One on one Interviews Local meetings Focus group meetings Field visits Sharing and review of relevant reports Email and phone calls 	<ul style="list-style-type: none"> Ministry of Commerce and Industry- PIU FIs MOCI-PIU ESSS
3.	Technical and financial	<ul style="list-style-type: none"> MOCI- PIU SBA 	<ul style="list-style-type: none"> Confirmation of scope of activities proposed for sub-components. 	Throughout the design	<ul style="list-style-type: none"> One on one Interviews 	<ul style="list-style-type: none"> MOCI-PIU ESSS

No.	Activity	Identified Stakeholders	Focus of Consultation/ Engagement	Timelines/ Frequency	Forms of communication	Facilitator
	feasibility study/ Preparation of project designs for sub-projects	<ul style="list-style-type: none"> • Central Bank • Business Association 	<ul style="list-style-type: none"> • Confirmation of institutional arrangements for project implementation (including roles and responsibilities) • Confirmation of project stakeholders (including beneficiaries). • Confirmation of activities from sub-components with potential environmental and social issues of concern. • Potential environmental and social issues of concern from implementation the proposed projects and sub-projects • Confirmation of project impacts and determination of the level of environmental assessment. • Compliance with World Bank, EPA-RL requirements for project sub-components • Strategies for implementation of the ESMF/ ESIA • Integration of ESIA into project scheduling. 	and feasibility period	<ul style="list-style-type: none"> • Project meetings. • Focus group meetings • Field visits • Sharing and review of relevant reports • Email and phone calls 	<ul style="list-style-type: none"> • Consultants
4.	Preparation of Environmental and Social Management Plan (ESMP)	<ul style="list-style-type: none"> • ESSS (MOCI- PIU) • SBA • SMEs • SME Business Associations • Financial Institutions • NGOs 	<ul style="list-style-type: none"> • Potential project impacts of concern • Proposed mitigation measures • Schedule and procedures for mitigation of negative impacts • Institutional arrangement for ESIA implementation • Grievance redress mechanism • Community awareness creation, notifications and support in the inventory of project impacts and mitigation measures. • Capacity building for stakeholders for the implementation of the ESIA 	Prior to commenceme nt of works	<ul style="list-style-type: none"> • One on one Interviews • General meeting • Radio discussion • Sharing and review of relevant reports • Newspaper publications 	<ul style="list-style-type: none"> • MOCI-PIU • Environmental and Social specialists • EPA-RL • Consultants
5.	Implementation of ESMP	<ul style="list-style-type: none"> • ESSS (MOCI- PIU) • SBA • SMEs • SME Business Associations • Financial Institutions 	<ul style="list-style-type: none"> • Project impacts • Mitigation measures and monitoring programmes • Institutional arrangement for ESMP implementation • Grievance redress mechanism • Community awareness creation, notifications and support to implement management plans. • Capacity building for stakeholders for the implementation of the ESMP 	Prior to commenceme nt of works	<ul style="list-style-type: none"> • One on one Interviews • General meeting • Complaints desk • Sharing and review of relevant reports • Newspaper publications • Radio discussion 	<ul style="list-style-type: none"> • MOCI- PIU • EPA-RL • Consultants • SMEs
6.	Implementation of after-project community	<ul style="list-style-type: none"> • ESSS (MOCI- PIU) • SBA • SMEs 	<ul style="list-style-type: none"> • Institutional arrangement for ESMP implementation • Grievance redress mechanism 	Project implementati on period	<ul style="list-style-type: none"> • General meeting. • Workshops • Complaints desk 	<ul style="list-style-type: none"> • MOCI- PIU • EPA-RL • Consultants

No.	Activity	Identified Stakeholders	Focus of Consultation/ Engagement	Timelines/ Frequency	Forms of communication	Facilitator
	support activities (including monitoring)	<ul style="list-style-type: none"> • SME Business Associations • Financial Institutions 	<ul style="list-style-type: none"> • Capacity building for stakeholders for the implementation of the ESMP 		<ul style="list-style-type: none"> • Sharing and review of relevant reports 	<ul style="list-style-type: none"> • SMEs

8.0 STAKEHOLDER ENGAGEMENT OVERVIEW/ SUMMARY

This chapter presents the outcome of the public consultations and information disclosure activities. Key project stakeholders identified and engaged to capture their concerns and expectations included government and non-governmental organizations. As stakeholder consultation is a process, it is expected to continue through to the project implementation phase. A Stakeholder Engagement Plan (SEP) has therefore been prepared as a standalone document for this project.

8.1 Objectives of the consultation

The main objective of consultations with stakeholders is to discuss and provide pertinent information on the project. Specifically, it is meant to achieve the following objectives:

- Provide some useful information about the proposed project;
- Provide opportunities for stakeholders to discuss their opinions and concerns;
- Provide and discuss with stakeholders, alternatives considered to reduce anticipated impacts;
- Identify and verify significance of environmental, social, safety and health impacts; and
- Inform the process of developing appropriate mitigation and management guidelines.

8.2 Stakeholders identified

Some more stakeholders were identified and consulted for their concerns and further insights following earlier engagement with some key stakeholders including:

- Ministry of Finance and Development Planning
- Ministry of Commerce and Industry
- Central Bank of Liberia
- Liberia Revenue Authority
- Liberia Business Registry
- National Investment Commission and
- Commercial Court of Liberia

The list of stakeholders identified for further consultations are presented in the Table below.

Table 6: List of some stakeholders consulted

Stakeholder group	Institutions
Proponent/Implementing Agency	<ul style="list-style-type: none">• Ministry of Commerce and Industry
Regulatory Bodies	<ul style="list-style-type: none">• Central Bank of Liberia• Environmental Protection Agency
Focus Groups	<ul style="list-style-type: none">• Liberia Business Association (LIBA)• Women Group of the Margibi County LIBA

Stakeholder group	Institutions
	<ul style="list-style-type: none"> National Union of Organizations for the Disabled (NUOD)

In all, meetings were held with:

- 3 Government Institutions/Agencies including the Central Bank of Liberia;
- The National Body of Indigenous Liberian Businesses, LIBA
- Business Owners at the County and District Levels
- Women Business Owners and
- The National Body for Persons with Disability

Presented below are some photo evidence of stakeholder engagements held:

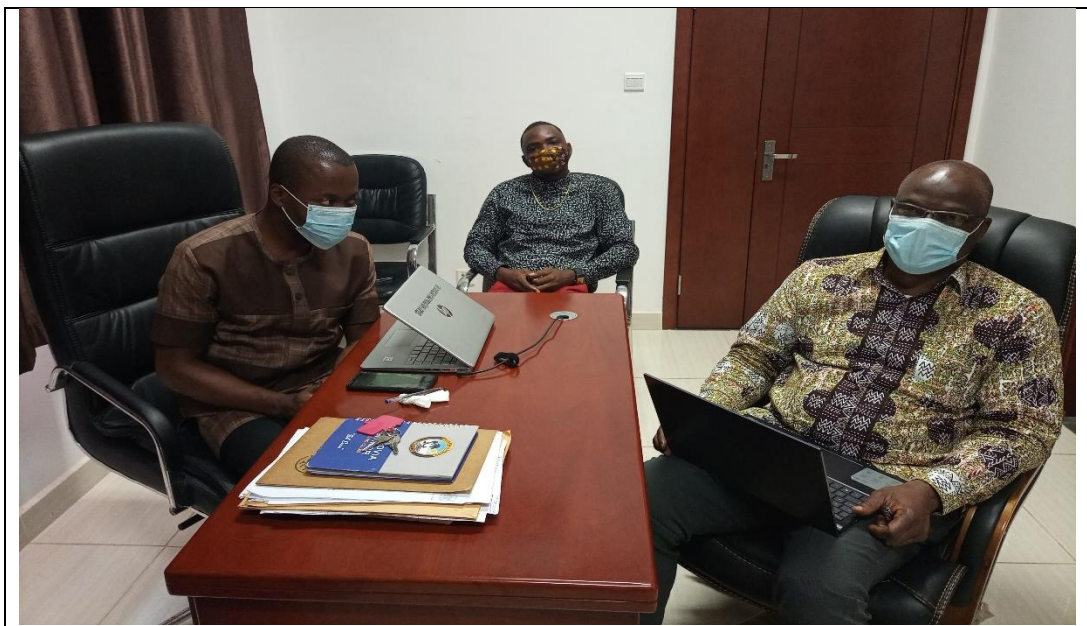


Plate 1: Meeting with Representatives of the Ministry of Commerce and Industry in Monrovia



Plate 1: Engagement with the Head of Development Finance at the Central Bank of Liberia



Plate 3: Meeting with Officers of the EPA-RL



Meeting with the National President of the Liberian Business Association



Some Executives of LIBA at the meeting

Plate 4: Consultation with the Liberian Business Association



Discussions with business owners



Group photo of business owners at Margibi County

Plate 5: Interaction with business owners at the county and district level





Plate 6: Women business owners sharing their experiences



Plate 7: Meeting with Executives of the National Union of Organizations for the Disabled

8.3 Outcome of consultations

A summary of the outcome of the consultations is provided in Table below. Details are captured in a separate standalone document.

Table 7: Stakeholder Concerns and Suggested Interventions

Stakeholder Issue/ Concern	Suggested Interventions
Lack of Government interventions/ Elite capture	<ul style="list-style-type: none"> Government must pay attention to the business community especially SMEs as they are the engine of economic growth

Stakeholder Issue/ Concern	Suggested Interventions
	<ul style="list-style-type: none"> Stimulus packages must be channelled through recognized business groups and monitored in order to reach the intended beneficiaries hence minimise/ avoid elite capture challenges
High project interest rates	<ul style="list-style-type: none"> Central Bank will implement the economic recovery programme through credit line advances and provision of grant support Interest rates should be lower than commercial rates and also lending conditions flexible enough to engender SME survival and growth The project to reach agreement with participating financial institutions on rates that will not create market distortions yet affordable Central Bank will leverage its existing systems to ensure effective monitoring of participating institutions
Inadequate E&S capacity and training needs -	<ul style="list-style-type: none"> Training, especially in the area of E&S, for stakeholders like regulatory bodies, implementing agencies, and affected parties is key E&S Guidelines must be developed and integrated into the requirements for lenders and borrowers The EPA should spearhead training and capacity building programmes Government should readily provide resources for training and capacity building Training programmes should cater to the needs of vulnerable groups as well so they can integrate easily into society
Lack of access to affordable credit	<ul style="list-style-type: none"> Interest rates should be reviewed i.e. reduced so that SMEs can access these loans to grow Loan requirements should be made flexible e.g. giving of moratorium on loan repayment, relaxation of collateral requirements etc.
Unfavourable customs requirements	<ul style="list-style-type: none"> Customs requirements should be relaxed to allow MSMEs to import and clear goods with ease
Competition from foreign businesses	<ul style="list-style-type: none"> Government must improve monitoring to ensure that foreign companies do not engage in businesses reserved for locals e.g. retail
Marginalization of persons with special needs	<ul style="list-style-type: none"> NUOD should be actively engaged in proffering solutions to address PWD issues Data on PWDs must be properly collected and disaggregated in order to tailor solutions to specific needs
Empowerment of vulnerable groups	<ul style="list-style-type: none"> Grants provided to PWDs should be substantial to make a meaningful impact on their livelihood Skills development programmes must be accompanied with tools/equipment to help participant implement what has been learnt

9.0 GRIEVANCE MANAGEMENT AND REDRESS MECHANISM

9.1 Potential grievances/ disputes

Grievances and disputes may arise from the credit line beneficiary screening process. Disagreements may be in respect of mistakes in the selection of the beneficiaries. Many grievances derive from misunderstandings of project policy, which can usually be resolved through adequate mediation. Most grievances can be settled with additional explanation efforts and some mediation. This is why a first instance of dispute handling will be set up with the aim of settling disputes amicably.

Court cases are known to require long periods of time before settlements can be reached. It is therefore proposed here to make available a first and second tier of grievance management mechanisms, which will be taken care of at the project level, and which will provide aggrieved people with an avenue for amicable settlement without necessarily opening a Court case. Aggrieved people would however remain free to open a Court case without having registered their grievance with these first and second-tier mechanisms.

9.2 Proposed grievance management of potential grievances/ disputes

The proposed mechanisms will comprise of the following steps:

- Registration; and
- Amicable mediation/litigation and settlement

Registration of grievances

The PIU will establish a register of grievances and disputes. The existence and conditions of access to this register (where, when, how) will be widely disseminated among the project partners and stakeholders as part of the consultation undertaken for the project in general.

Amicable mediation and settlement

Level one

The PIU ESSS and the affected person or his/her attorney will sit to resolve the dispute amicably. The existence of this grievance redress option will be made known early to the project beneficiaries during the project consultation stage.

Level two

The group of mediators attempting amicable mediation/litigation in the second instances will be selected from among the following members:

- Project Coordinator at the PIU;
- An attorney of the affected person(s)/ beneficiaries;
- Representative of the business association to which the affected beneficiary subscribes;
- A local elder (to be mutually agreed on)

When a grievance/dispute is recorded as per above-mentioned registration procedures, the mediation committee will be established, and the mediation meetings will be organized with interested parties. Minutes of meetings will be recorded.

The existence of this second instance mechanism will be widely disseminated to the affected beneficiaries as part of consultation undertaken for the project in general. It is important that these mediation committees be set up as soon as the project implementation starts.

Appeal to Court

Courts of law will be a “last resort” option, in view of the first and second level mechanisms. The Liberian Constitution allows any aggrieved person the right to access to Court of law.

Documentation and Tracing

A complaint log book and file will be opened for all complaints at the project level. The complainant’s name, date of complaint, nature of complaint, follow-up actions and their dates will all be logged for future referencing.

Table 8: Proposed schedule for Grievance Redress

Steps	Process	Description	Time frame	Other information
1	Identification of grievance	Face to face; phone; letter, e-mail; recorded during public/community interaction; others	1 Day	Email address; hotline number
2	Grievance assessed and logged	Significance assessed and grievance recorded or logged (i.e., in a log book)	4-7 Days	Significance criteria Level 1 –one off event; Level 2 – complaint is widespread or repeated; Level 3- any complaint (one off or repeated) that indicates breach of law or policy
3	Grievance is acknowledged	Acknowledgement of grievance through appropriate medium	7-14 Days	
4	Development of response	-Grievance assigned to appropriate party for resolution -Response development with input from management/ relevant stakeholders	4-7 Days 10-14 Days	
5	Response signed off	Redress action approved at appropriate levels	4-7 Days	Project coordinator at PIU should sign off
6	Implementation and communication of response	Redress action implemented and update of progress on resolution communicated to complainant	10-14 Days	

7	Complaints Response	Redress action recorded in grievance log book Confirm with complainant that grievance can be closed or determine what follow up is necessary	4-7 Days	
8	Close grievance	Record final sign off of grievance If grievance cannot be closed, return to step 2 or recommend third-party arbitration or resort to court of law	4-7 Days	Final sign off on by Deputy Minister-MOCI

10.0 PROJECT IMPLEMENTATION ARRANGEMENTS, RESPONSIBILITIES AND CAPACITY BUILDING

10.1 Institutional and Implementation Arrangements

Project Steering Committee

The Project Implementation Unit (PIU) within MOCI will provide project guidance and oversight. The Ministry may constitute a steering committee comprising the major partners (Central Bank, Revenue Authority, etc.) to provide policy and advisory role and would meet twice a year.

The Steering Committee will be responsible for:

- approving the annual work plans;
- approving the annual procurement plan;
- reviewing progress in the implementation of the work plans and other aspects of program performance, including taking responsibility on fiduciary oversight responsibilities following World Bank procedures on financial management and procurement; and
- ensuring that there are policy and implementation coordination, not only between sub-components of the program but also among all the program implementing institutions. The tenure of the Steering Committee will be consistent with the program implementation period.

The Minister of MOCI, as the key sector ministry, will chair the Steering Committee.

Project Implementation Unit (PIU)

The program will be implemented under the PIU and its functions will include:

- ensure the overall coordination of the program, make sure implementation of component activities complement each other
- manage program funds on behalf of the executing agencies, keep financial records according to international standards, implement internal management control, and ensure regular external audit (in collaboration with the Audit Authority in the country)
- prepare and implement Annual Work Plans and Budgets aggregating the needs of all program implementing institutions
- identify potential implementing agencies/goods and service providers, organize their procurement activities, negotiate and sign contracts, and carry out all procurement work related to the program as per the approved procurement plans
- oversight responsibility for management and implementation of the GRM
- prepare quarterly, semi-annual and annual program progress and monitoring and evaluation (M&E) reports.

The PIU will therefore be in charge of day-to-day management and coordination, which will include a dedicated multidisciplinary team of project manager, technical, fiduciary and Environmental and Social Specialists with qualifications satisfactory to the Bank.

10.2 Roles and responsibilities

The respective roles and responsibilities of assigned environmental and social specialists are summarized below:

PIU Environmental and Social Specialists

The safeguard specialists will be responsible for:

- Coordination of environmental and social actions across all sub-projects
- Provide leadership in environmental and social management across the project components and entire project sites
- Screening of sub-projects to identify potential E&S risks, assign appropriate risks categorisation and determine specific E&S instruments to be prepared for subprojects
- Providing guidance and project level information and tools on environmental and social risk management for all stakeholders
- Assist to manage the environmental and social experts (consultants)
- Responsible for coordinating all environmental and social activities with the EPA-RL, WB and implementing agencies
- Resolve grievances at the first level.
- Coordinate grievances and ensure that issues are channelled to suitable personnel for amicable solution. Also ensure that feedback mechanism works
- Oversee all environmental and social training and capacity building activities
- Any other activities/ responsibilities that may emerge

Financial Institutions E&S Risk Officers

The E&S Risk officers will

- Screen credit line applicants to select the most credible beneficiaries using agreed and project approved forms
- Provide guidance and project level information and tools on E&S risk management to the beneficiaries
- Collaborate with the PIU ESSS to ensure adequate implementation of project E&S management plans

Environmental and Social consultants

Consultants who are conversant with the WB environmental and social framework and standards and their application will be hired periodically as and when required to prepare specific environmental and social instruments to complement the work of the Environmental and Social specialists. The consultants' level of understanding will be adequate to facilitate training and other capacity related activities on environmental and social risks and their management.

The implementation activities will be under the overall guidance of the PIU. The responsibilities of the various institutions are presented in the table below.

Table 9: Institutional responsibilities

No.	Institution	Responsibility
1.0	Project Implementation Unit	<ul style="list-style-type: none"> • Overall supervision of the ESMF. • Trigger the process through application of the environmental and social screening checklist for both interested SMEs and associated projects • Overall responsibility for the project GRM
2.0	MOCI, Business Associations, Financial Institutions	<ul style="list-style-type: none"> • Assist with environmental and social screening of subprojects and initial identification of impact issues • To assist in grievance redress matters using their E&S Officers and focal points.
3.0	Environmental Protection Agency- Republic of Liberia (EPA-RL)	<ul style="list-style-type: none"> • Review screening reports and advise on level of environmental assessment if necessary • Assist with training and capacity building of other institutions
4.0	Business Associations	<ul style="list-style-type: none"> • To assist with SME and community awareness raising • To assist in grievance redress matters
5.0	Consultants/NGO	<ul style="list-style-type: none"> • Prepare ESIA if necessary and assist with implementation and capacity building.

10.3 Institutional Strengthening and Capacity Building

The current capacity available to implement the ESMF at the MOCI and other collaborating institutions is limited. There is the need to equip identified persons with the understanding, skills and access to information, knowledge and training to enable them to perform effectively as environmental and social focal persons.

The capacity building will include training workshops and production of guidance reports and tools. The following training programmes specific to the requirements of the institutions and project persons will be carried out, as listed in the Table below. A further capacity needs assessment will be prepared by the PIU ESSS to identify other necessary training required for the selected beneficiary SMEs.

Table 10: Training modules and proposed participants

No	Training content	Participants
1.	<ul style="list-style-type: none"> • World Bank Environmental and Social Standards; • EPA- RL Environmental Assessment Regulations • ESMF/ ESMP 	PIU PIU safeguard specialists, MOCI- SBA Business Association Financial Institutions Central Bank
2.	<ul style="list-style-type: none"> • Screening Checklists, 	PIU safeguard specialists,

	<ul style="list-style-type: none"> ToR for PIU safeguard specialists 	Implementing agencies
3.	<ul style="list-style-type: none"> Preparation of Terms of Reference for ESIA/ESMPs 	PIU safeguard specialists
4.	<ul style="list-style-type: none"> Environmental and Social Management Plans Grievance redress registration and resolution Safeguard reporting formats 	Credit line beneficiaries, SME Business Associations

The participants at the training programmes will therefore range from the relevant staff of the MOCI and the SBA to SME members from site- specific project locations. For many of the SMEs who will be invited to attend, the purpose will be towards creating awareness of environmental and social standards as well as for grievance reporting and resolution procedures. As much as possible, these training and awareness creation workshops will be decentralized to project locations and the content of the discussions will then focus on site- specific issues. As a result, large numbers of participants at specific meetings will be avoided. Training manuals and environmental and social reporting formats will be prepared to assist project actors to carry out their functions. Consultants may be hired to produce manuals and checklists as and when required by the project.

10.4 Budgetary provisions

The awareness creation, capacity improvement and training workshops as well as some logistic to support expenses for key stakeholders involved in the implementation of proposed interventions is estimated at **US\$300,000** over the 3-year project life as explained in the **Table** below:

Table 11: Budget provisions

#	Item	Unit	Unit Cost US\$	No	Total Cost US\$	Source of financing
1	Hiring of consultants to prepare specific ESIA	ESIA reports	LS	-	70,000	Project funds
2	Capacity Building	No of training workshops/ year for 3 years	10,000	10	100,000	Project funds
3	Implementation of specific ESMP	Purchase of equipment, e.g., PPEs/ year	10,000	3 years	30,000	Project funds
		Cost of meetings/ year	10,000	3 years	30,000	Project funds
4	Mid-term audit of ES performance	No	30,000	1	30,000	Project funds
5	Completion audit of ES performance	No	40,000	1	40,000	Project funds
	Total				300,000	

11.0 ANNEXES

ANNEX 1 - ENVIRONMENTAL AND SOCIAL SCREENING CHECKLIST FOR INFRASTRUCTURE PROJECTS

A	PROJECT NAME:			
1	Project Location (Province, District, Town)			
2	Safeguard officer filling Form			
3	Date of Screening			
B	DESCRIPTION OF ACTIVITY			
1	Type of Activity (including objectives and outputs)			
2	Land area to be taken by project activity, in ha			
3	Any existing property to be affected, and by how much (total, partial demolition etc.)			
4	Any plans for construction, movement of earth, changes in land cover			
5	Date of commencement and expected completion date and estimated cost			
C	PRELIMINARY ENVIRONMENTAL INFORMATION			
		YES	NO	COMMENT
1	Is there adjacent/nearby critical natural habitat?			
2	Are there activities at the project site?			
3	What is the current land use			
4	Will the proposed activities have any impact on any ecosystem services, biodiversity issues or natural habitats?			
5	Will there be restrictions or loss of access to public facilities or resources?			
6	Will there be restrictions or loss of access to public facilities or resources?			
7	Will there be water resource impacts?			
8	Will there be vegetation and soil impacts?			
9	Will the air quality or noise impacts?			
0	Are there any new or changing river basin management planning or activities?			
1	Any cultural heritage/sacred sites in project area?			
D	PRELIMINARY SOCIAL INFORMATION			
		YES	NO	COMMENT

1	Has there been litigation or complaints of any environmental nature directed against the proponent or subproject?				
2	Will the subproject require the acquisition of land?				
3	What is the status of the land holding required by the project (customary, lease, community lands, etc.)?				
4	Is there evidence of land tenure status of landowners and/or occupants (affidavit, other documentation)?				
5	Are there outstanding land disputes?				
6	Has there been proper consultation with stakeholders?				
7	Is there a grievance process identified for PAPs and is this easily accessible to these groups/individuals?				
8	Will there be any changes to livelihoods?				
9	What are the main issues associated with community benefits?				
0	Will any restoration or compensation be required with Affected persons?				
E	GENDER BASED VIOLENCE				
1	Any reported cases of GBV in the community				
2	When was the last reported case				
3	Is there any community support for survivors				
E	IMPACT IDENTIFICATION AND CLASSIFICATION				
				Choose L, M or H	COMMENT
1	Natural habitats	LOW (No natural habitats present of any kind) MEDIUM (No critical natural habitats; other natural habitats occur) HIGH (Critical natural habitats present; within declared protected areas)			
2	Water Resources	LOW (Water flows exceed any existing demand; low intensity of water use; potential water use conflicts expected to be low; no potential water quality issues) MEDIUM (Medium intensity of water use; multiple water users; water quality issues are important) HIGH (Intensive water use; multiple water users; potential for conflicts is high; water quality issues are important)			

3	Natural hazards	LOW (Flat terrain; no potential stability/ erosion problems; no known flood risks)		
		MEDIUM (Medium slopes; some erosion potential; medium risks from floods)		
		HIGH (Mountainous terrain; steep slopes; unstable soils; high erosion potential; flood risks)		
4	Land tenure	LOW (No conflicts, disagreements around use of land)		
		MEDIUM (Process of land regularization and rights to natural resources being worked out with clear communication and grievance process in place)		
		HIGH (Land conflicts historically unresolved, community/ persons being evicted, settlers losing rights and no transparency or grievance redress available)		
5	Gender Based Violence	LOW (No known case in the community)		
		MEDIUM (Few cases but with adequate structures in place to assist survivors both legally and medically)		
		HIGH (Cases abound and no structures in place to assist survivors)		
F	SUMMARY OF SITE SENSITIVITY			
			Tick appropriately	Comment
	[A]	HIGH		
	[B]	MEDIUM		
	[C]	LOW		
G	IMPACT MITIGATION			
	Impact Identified			
	Mitigation options			
H	DETERMINATION OF ENVIRONMENTAL CATEGORY BASED ON SCREENING			
			Tick appropriately	COMMENT
	[A]	REQUIRES AN ESIA		
	[B]	REQUIRES PREPARATION OF ADDITIONAL E&S INFORMATION TO SUPPORT ESMF, e.g., GBV, LIMP		
	[C]	DOES NOT REQUIRE FURTHER ENVIRONMENTAL OR SOCIAL DUE DILIGENCE – REFER TO ESMF		
	PREPARED BY:			
	DATE:			

ANNEX 2 – TOR for the preparation of ESMS by Financial Institutions (FIs)

FIs will prepare ESMS to set out how they will assess and manage E&S risks and impacts associated with the subprojects they finance. They will promote good E&S management practices and further promote good environmental and sound human resources management within the FI.

The main elements of the ESMS will comprise the following:

Environmental and social policy

The Policy will include organizational commitments, objectives, and metrics with regard to the FI's environmental and social risk management. The policy will clearly state applicable requirements for FI subprojects, and will include the following:

- (a) All FI subprojects will be prepared and implemented in accordance with relevant environmental and social national and local laws and regulations;
- (b) All FI subprojects will be screened against exclusions in the legal agreement;
- (c) All FI subprojects will be screened for environmental and social risks and impacts; and
- (d) All FI subprojects which involve resettlement (unless the risks or impacts of such resettlement are minor), adverse risks or impacts on Indigenous Peoples or significant risks or impacts on the environment, community health and safety, labor and working conditions, biodiversity or cultural heritage will apply relevant requirements of ESSs.

The environmental and social policy of the FI will be endorsed by the FI's senior management.

Environmental and social procedures

The FI will put in place and maintain clearly defined environmental and social procedures which reflect and implement the FI's Environmental and Social Policy. The procedures will be proportionate to the nature of the FI and the level of potential environmental and social risks and impacts associated with the FI subprojects.

The FI's environmental and social procedures will include measures to:

- (a) Screen all FI subprojects against any exclusions in the legal agreement;
- (b) Screen, review, and categorize the FI subprojects according to their potential environmental and social risks and impacts;
- (c) Require that all FI subprojects are assessed, prepared, and implemented to meet national law and, in addition, where an FI subproject involves resettlement (unless the risks or impacts of such resettlement are minor), adverse risks or impacts on Indigenous Peoples or significant risks or impacts on the environment, community health and safety, labor and working conditions, biodiversity or cultural heritage, the relevant requirements of the ESSs are applied;

- (d) Ensure that the measures needed to satisfy the requirements of (c) above are set out in the legal agreement between the FI and the sub-borrower;
- (e) Monitor, keep, and regularly update environmental and social information on FI subprojects;
- (f) If the risk profile of an FI subproject increases significantly, apply relevant requirements of the ESSs¹² and document these appropriately; and
- (g) Monitor the environmental and social risk of the FI portfolio.

Organisational capacity and competency

The FI will develop and maintain organizational capacity and competency for implementing the ESMS with clearly defined roles and responsibilities. The FI will designate a representative of the FI's senior management to have overall accountability for environmental and social performance of the FI subprojects, including the implementation of this ESS and ESS2 and resources necessary to support such implementation.

The representative will:

- (a) designate a staff member to be responsible for day-to-day implementation of the ESMS, including the environmental and social procedures;
- (b) ensure that adequate resources are available for management of and training in environmental and social issues; and
- (c) ensure that adequate technical expertise, either in-house or external expert support, is available to carry out due diligence and manage the environmental and social risks of the FI subprojects, including providing implementation support as required.

Monitoring and Reporting

The FI will monitor the environmental and social performance of the FI subprojects in a manner proportionate to the risks and impacts of the FI subprojects, and provide regular progress reports to the FI's senior management. This will include periodic review of the effectiveness of the FI's ESMS.

Stakeholder Engagement

In certain circumstances, depending on the risks and impacts of the project and the type of subprojects, the FI upon the advice of the PIU/WB, will be required to conduct stakeholder engagement. The relevant provisions of ESS10 will be included in the FI's environmental and social procedures.