



LIBERIA

December 1, 2016

FIFTH AND SIXTH REVIEWS UNDER THE EXTENDED CREDIT FACILITY ARRANGEMENT, REQUEST FOR WAIVERS OF NONOBSERVANCE OF PERFORMANCE CRITERIA, AUGMENTATION OF ACCESS, AND EXTENSION OF THE ARRANGEMENT—INFORMATIONAL ANNEX

Prepared By

The African Department
(In consultation with other departments)

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RELATIONS WITH THE FUND

(As of October 31, 2016)

Membership Status: Joined: March 28, 1962.

Article XIV

General Resources Account:	SDR Million	%Quota
Quota	258.40	100.00
Fund holdings of currency	226.08	87.49
Reserve Tranche Position	32.33	12.51
SDR Department:	SDR Million	%Allocation
Net cumulative allocation	123.98	100.00
Holdings	153.64	123.93
Outstanding Purchases and Loans:	SDR Million	%Quota
RCF Loans	32.30	12.50
ECF Arrangements	83.41	32.28

Latest Financial Arrangements:

	Date of Arrangement	Expiration Date	Amount Approved (SDR Million)	Amount Drawn (SDR Million)
ECF	Nov. 19, 2012	Dec. 31, 2016	83.98	69.21
ECF ¹	Mar. 14, 2008	May 17, 2012	247.90	247.90
EFF	Mar. 14, 2008	Sep. 25, 2008	342.77	342.77

¹ Formerly PRGF.

Projected Payments to Fund

(SDR Million; based on existing use of resources and present holdings of SDRs):

	Forthcoming				
	2016	2017	2018	2019	2020
Principal			2.10	10.46	20.04
Charges/Interest		0.00	0.00	0.20	0.16
Total		0.00	2.10	10.46	20.04

Implementation of HIPC Initiative:

Enhanced Framework

Commitment of HIPC assistance

Decision point date

March 2008

Assistance committed

By all creditors (US\$ Million) ¹	2,739.20
<i>Of which:</i> IMF assistance (US\$ Million)	721.10
(SDR equivalent in millions)	440.90
Completion point date	June 2010

Disbursement of IMF assistance (SDR Million)	
Assistance disbursed to the member	440.90
Interim assistance	30.14
Completion point balance	410.76
Additional disbursement of interest income ²	10.99
Total disbursements	451.89

Delivery of Debt Relief at the Completion Point:

Debt relief (SDR Million)	548.53
Financed by: Liberia Administered Account	116.20
Remaining HIPC resources	432.33
Debt relief by facility (SDR Million)	

Delivery Date	Eligible Debt		Total
	GRA	PRGT	
June 2010	342.77	205.76	548.53

Implementation of Catastrophe Containment and Relief (CCR):

Date of Catastrophe	Board Decision Date	Amount Committed (SDR million)	Amount Disbursed (SDR million)
N/A	Feb 23, 2015	25.84	25.84

Safeguards Assessment

The November 2015 update safeguards assessment confirmed a weak governance and control environment at the Central Bank of Liberia (CBL). The assessment's key concerns are being addressed by program measures. In addition to the forensic audit, these include strengthening the CBL's investment policies, the approval of its financial plan (prior actions for the 4th review), and the establishment of an emergency liquidity assistance (ELA) framework (structural benchmark for the seventh review). Remaining recommendations include legal amendments to align the CBL Act with best practices, strengthening the internal audit function, and enhancing audit and control oversight.

¹ Assistance committed under the original framework is expressed in net present value (NPV) terms at the completion point, and assistance committed under the enhanced framework is expressed in NPV terms at the decision point. Hence these two amounts cannot be added.

² Under the enhanced framework, an additional disbursement is made at the completion point corresponding to interest income earned on the amount committed at the decision point but not disbursed during the interim period.

Exchange Rate Arrangement

Liberia maintains an exchange rate system that is free of restrictions on payments for current and capital transfers. The currency of Liberia is the Liberian dollar. The U.S. dollar is also legal tender. The de facto exchange rate regime is classified as 'other managed arrangement' since November, 2011 when the exchange rate departed from the stabilized 2 percent six-month band. The de jure exchange rate regime classification remains 'managed floating'. The Central Bank of Liberia (CBL) intervenes in the foreign exchange market to smooth volatility. The exchange rate between the Liberian dollar and United States dollar at November 30, 2016 was L\$100.5=US\$1 (mid-point between buying and selling rates).

Article IV Consultation, Review of the Extended Credit Facility (ECF) Arrangement, and Request of the Rapid Credit Facility (RCF) Arrangement and Debt Relief under the Catastrophe Containment and Relief Trust (CCRT).

Ad-hoc review under the ECF arrangement for augmentation of access and modification of performance criteria was discussed by the Board on September 26, 2014 (Country Report No. 14/299, September 2014) and is posted on the IMF website.

Request for disbursement under the RCF and debt relief under the CCRT were discussed by the Board on February 23, 2015 (Country Report No. 15/49, February 2015) and is posted on the IMF website.

The fourth review of the ECF arrangement and requests for waivers of non-observance of performance criteria, modification of performance criteria, and rephrasing and extension of the arrangement was discussed by the Board on December 21, 2015 (Country Report No. 16/8, January 8, 2016) and is posted on the IMF website.

The 2016 Article IV consultation discussions were held in Monrovia during April 20–May 4, 2016. The staff report (Country Report No. 16/238, July 2016) was discussed by the Executive Board on July 8, 2016 and is posted on the IMF website.

Technical Assistance 2014–16

Topic	Date
Fiscal Affairs Department	
Revenue Administration	February–March and April–May 2014, November 2014–April 2015 (Remote), July–August, September–October, and November–December 2015, January, March, April, and May, November 2016 Long-term residential advisor has been deployed in the LRA since January 2016.

Topic	Date
Fiscal Affairs Department	
Public Financial Management Reform	January, February, November 2016
Natural Resource Revenue	January and March 2016
Fiscal Decentralization	December 2015
Capacity Building and Sector Audit Training, including Computer assisted Audit Techniques in Telecommunications.	April 2014
Fiscal Framework for a New Model Petroleum Production Sharing Contract and Revenue Modeling	June 2014
Budget Formulation and Public Sector Investment Plan	June 2015
Public Investment Management Assessment	July 2016
Statistics Department	
Balance of Payments	July 2014 and January–February, June–July 2016
Government Financial Statistics	September 2016
National Accounts and Consumer Price Index	May 2014, April–September (Remote), June–July, November 2015, March, July, August, September 2016
Monetary and Capital Markets Department	
Banking Supervision	January, April, July 2014. February, April–May, August, November 2016
Central Bank Accounting	August 2016
Monetary Analysis and Payment System	November 2016
Basel II/III Training Workshop	November 2016
Liquidity Forecasting	May 2014, August 2015, and January–February 2016
Crisis Preparedness and Management Framework	October–November 2015

Resident Representative

A resident representative has been posted in Monrovia since April 2, 2006. Mr. Sobolev assumed the position in July 2009 and his term expired in September 2013. Mr. Amo-Yartey assumed the post as a new resident representative on May 1, 2014.

JOINT WORLD BANK-IMF WORK PROGRAM, 2012–17

(As of November 16, 2016)

Title	Products	Timing of mission	Expected delivery date	Status
A. Mutual information on relevant work programs				
1. WB work program	1. Public Expenditure Review Notes	November 2011	July 2013	Completed
	2. First Poverty Reduction Support Credit (PRSC I)	May 2013	August 2013	Approved and disbursed
	3. Second Poverty Reduction Support Credit (PRSC II)	October 2013	September 2014	Approved and disbursed
	4. Supplemental Financing to Second Poverty Reduction Support Credit	October 2015	February 2016	Approved and disbursed
	5. Third Poverty Reduction Support Credit (PRSCIII)	March 2015	September 2016	Approved
	6. Fourth Poverty Reduction Support Credit (PRSCIV)	March 2016	October 2017	Planned
	7. Household Income and Expenditure Survey-II	On-going	January 2017	Survey on-going
	8. Economic Diversification Study	January 2017	June 2017	Concept
2. IMF work program	1. Negotiation successor ECF	July–Sept. 2012	November 2012	ECF Program approved on Nov. 19, 2013
	2. Article IV Consultation	July–Sept. 2012	Nov. 2012	Completed
	3. First review of ECF Program	March 2013	July 3, 2013	Completed
	4. Second review of ECF Program	Sept. 2013	Nov. 2013	Completed
	5. Third review of ECF Program	March 2014	July 3, 2014	Completed
	6. Ad-hoc review of ECF Program for augmentation of access		September 26, 2014	Completed
	7. Request for RCF and Debt Relief under the CCR Trust		February 23, 2015	Completed
	8. Fourth Review of ECF Program	October 2015	December 2015	Completed
	9. Article IV Consultation	April 2016	July 2016	Completed
	10. Joint Fifth and Sixth review of ECF program	October 2016	December 2016	On-going
	11. Article IV Consultation	April 2017	July 2017	On-going

Title	Products	Timing of mission	Expected delivery date	Status
3. WB/IMF Joint work program	1. Updated Debt Sustainability Analysis	October 2015	December 2015	Complete
	2. Technical Assistance for PFM Reforms and Decentralization.	June 2015		On-going
	3. Assist the Authorities in Developing National Accounts and Consumer Price Index	June 2015	June 2016	Completed
	4. Economic Survey	September 2016	January 2017	Planned
B. Requests for work program inputs				
4. Fund request to Bank	1. Regular updates on the Liberia Reconstruction Trust Fund, disbursements of loans, including PRSC		Quarterly and as needed	
	2. World Bank Relations Note		As needed	
5. Bank request to Fund	1. Regular updates of performance under the Fund-supported program, macroeconomic projections and data following each IMF mission		Continuous	
	2. IMF Relations Note		As needed	

RELATIONS WITH THE WORLD BANK GROUP¹

(As of November 16, 2016)

A. Bank Group Strategy

1. The current Country Partnership Strategy (CPS) for Liberia was discussed by the Board of the World Bank Group on July 30, 2013. The overarching objective of the CPS (2013–17) is to support the Government’s Agenda for Transformation (AfT) to contribute to sustained growth, poverty reduction and shared prosperity while exiting fragility and building resilience. In this regard, the CPS pillars are aligned with three key pillars of the AfT: (i) **Economic Transformation** to reduce constraints to rapid, broad-based and sustained economic growth to create employment; (ii) **Human Development** to increase access and quality of basic social services and reduce vulnerability; and (iii) **Governance and Public Sector Institutions** to improve public sector and natural resources governance. In addition, the CPS is focused on the themes of capacity development and gender equity both of which will be mainstreamed throughout the Bank Group’s portfolio.

2. The World Bank Group’s program under the CPS involves a combination of development policy lending, investment lending and analytical work in support of the strategic pillars. The IDA allocation for the lending program for the CPS period is approximately US\$308 million, including IDA 16 (up to June 2014) and the full IDA 17 allocation. The majority of the IDA financing during the CPS period will focus on investment in the energy and transport sectors to help remove binding constraints to growth and improve well-being. IDA financing under the CPS will also support building institutional and human capacity essential for the effective implementation of the AfT and the country’s long-term vision plan.

3. The International Finance Corporation (IFC) investment over the CPS period is expected to average US\$25–35 million per year. The current IFC portfolio comprises US\$24.4 million in equity; US\$37.3 million credit and trade lines; US\$13 million seed investment in the West Africa Venture Fund for direct on-lending to, or equity in SMEs (US\$6.8 million allocated for Liberia and balance for Sierra Leone) and US\$33.5 million debt financing approved and committed to the rubber and cocoa sectors. The priority sectors for IFC’s investments include agribusiness, infrastructure including power, financial services and mining. IFC’s advisory service will include strategic engagement in investment climate improvement, leasing, finance services infrastructure and private sector development.

4. In response to the Ebola Virus Disease (EVD) outbreak, the World Bank Group has provided extraordinary support to Liberia, well beyond the scope of the CPS including commitment of some US\$177 million from the Crisis Response Window (CRW). In the wake of the Ebola crisis, the World Bank Group has undertaken a rapid review of its strategy and portfolio to ensure they remain aligned with the country’s development needs. In response to the sharp and

¹ Prepared by the World Bank.

sustained reduction in the prices of Liberia key exports of rubber and iron ore and the adverse effects on budgetary revenues, on October 26, the Board of the World Bank Group approved US\$20 million from the Crisis Response Window to help cover the shortfall in immediate financing needs caused by the persistent commodity price shock.

B. Active Projects

5. There are currently fourteen active² IDA projects in Liberia, including two regional projects, with a total commitment of approximately US\$400.8 million of which approximately US\$188.3 million is undisbursed. Four new projects were approved in FY2016 for a total of US\$32.0 million of IDA resources. These three projects are summarized below:

6. The Liberia Urban Water Supply Project was approved on March 24, 2016 for US\$10 million. The project development objectives are to increase access to piped water supply services in the project area in Monrovia and improve the operational efficiency of Liberia Water and Sewer Corporation (LWSC). The project has two components: (a) infrastructure improvements in Monrovia including targeted repairs and rehabilitations of the existing distribution network and extension of the distribution network to new areas and customers, and (b) capacity building for the LWSC, including the development of improved project management and monitoring and evaluation arrangements.

7. The Liberia Social Safety Net Project was approved on April 28, 2016 for US\$10 million. The project development objective is to establish the key building blocks of a basic national safety net delivery system and provide income support to households who are both extremely poor and food insecure in the Republic of Liberia. The project consists of the following three components: (i) *Strengthening of the National Social Safety Net System*. This component supports the development of an information system for the delivery of social assistance, data collection and household registration and an eligibility screening mechanism to assess the poverty and food insecurity conditions of households; (ii) *Cash Transfers to Extremely Poor and Food Insecure Households*. This component covers the provision of income support to about 10,000 extremely poor and food insecure households through regular cash transfers; and (iii) *Project Management and Capacity Building*, covering capacity building of the Ministry of Gender, Children and Social Protection to implement the project and strengthening coordination at the national and subnational levels.

8. The Liberia Youth Opportunities Project was approved on November 6, 2015 for US\$10 million. The Project Development Objectives are to improve access to income generation opportunities for targeted youth and strengthen the government's capacity to implement its cash transfer program. The project has four components: (i) *Pre-employment Social Support and Household Enterprises for Urban Youth*, addressing youth labor market participation and behavioral constraints; (ii) *Productive Public Works and Life Skills Support*, providing vulnerable youth in rural

² Includes effective and or disbursing operations.

areas with immediate consumption smoothing support through productive public works and life skills training; (iii) *Capacity Building for Cash Transfer Program*, supporting the building blocks for a basic safety net system, including (a) improving targeting; (b) strengthening ICT systems and electronic payments systems; (c) establishing information management systems; (d) ensuring a functional M&E system; and (e) strengthening of social accountability and grievance redress systems; and (iv) *Project Implementation and Coordination*, supporting implementation and coordination across ministries and agencies.

9. The Liberia Renewable Energy Access Project was approved on January 11, 2016 for US\$27 million, including US\$25 million from the Strategic Climate Fund. The objective of the project is to increase access to electricity and to foster the use of renewable energy sources. The project has three main components. The first component—the largest—supports the expansion of access to reliable electricity to about 9,000 new users in an economic and agricultural in the North-Western part of Liberia, one of the hardest hit during the Ebola crisis. The second component provides technical assistance to support the government’s program to expand decentralized electrification and foster the use of renewable energy. The third component supports the development of a national market for solar systems that could help provide access to modern energy services to more than 100,000 people.

C. Economic and Sector Work

10. The World Bank has completed a comprehensive Public Expenditure Review (2013), which explores various options for fiscal space enlargement. Given the large amount of additional expenditure required for the implementation of the government’s second Poverty Reduction Strategy- the Agenda for Transformation, it is critical that all options are examined to accommodate these expenditures. The PER focuses on measures for: (a) improving the efficiency of public expenditure; (b) increasing the amount of external grants; (c) mobilizing greater revenue from taxes, non-tax revenue and natural resources; and (d) public sector borrowing.

11. The World Bank has also completed a human development Public Expenditure Review covering the education, health and social protection sectors (2012). Public spending on the human development sector in Liberia is low by Sub-Saharan Africa (SSA) standards. The PER therefore examines a number of key public expenditure issues affecting progress in attaining the MDGs. The Review considers the sources and levels of funding, budgetary allocations across and within the sectors, and the quality, equity and efficiency of public expenditure on human development.

12. The World Bank has recently completed a policy note on Jobs “Creating More and Better Jobs in Liberia: Issues and Options (2014)”. The Government of Liberia is deeply concerned by what is perceived to be relatively high rates of joblessness in an economy that is recovering from fourteen years of civil conflict. A comprehensive policy response to the Government’s concern is constrained by a lack of critical knowledge. Furthermore, traditional metrics for measuring the performance of the labor market poorly cover the dominant urban and rural informal sectors, or the extent of underemployment. The note is therefore intended to help fill

the critical knowledge gap through a systematic analysis of the labor market, focusing on issues related to both the demand and supply sides. The analysis draws on quantitative information from the 2007 and 2010, Core Welfare Indicator Questionnaires Survey (CWIQS); the 2010 Labor Force Survey; the 2012 Poverty Note as well as the host of quantitative and qualitative analyses done on Liberia and in the region over the last five years. The note focuses on issues on both the demand and supply sides of the labor market as well as the effects of employment protection legislation.

D. Financial Relations (as at November 16, 2016)

Active and Disbursing Projects ¹					
(U.S. Dollars)					
Project	Approved Amount (USD Eq)	Approval Date	Closing Date	Undisbursed Balance ¹ (USD Eq)	Disbursed Outstanding Balance (USD Eq)
	400,800,000.00			188,286,235.93	167,600,314.07
Liberia Youth Opportunities Project	10,000,000.00	6-Nov-15	31-Dec-20	9,817,560.00	0.00
Liberia Health Systems Strengthening	10,000,000.00	30-May-13	30-May-18	3,467,552.80	5,668,232.20
Liberia: Public Sector Modernization Project	2,000,000.00	10-Feb-14	30-Sep-19	34,985.01	1,873,984.99
Liberia Accelerated Electricity Expansion Project (LACEEP)	35,000,000.00	30-May-13	30-Jun-18	16,703,972.79	15,203,097.21
LR Smallholder Tree Crop Revitalization Support Project	15,000,000.00	5-Jun-12	30-Nov-18	5,050,199.82	8,176,235.18
WAPP APL4 (Phase 1) - Cote d'Ivoire, Sierra Leone, Liberia, and Guinea Power System Re-development	144,500,000.00	31-May-12	31-Oct-19	103,920,747.28	23,298,467.72
Liberia Integrated Public Financial Management Reform Project	5,000,000.00	15-Dec-11	30-Jun-17	21,217.22	4,342,142.78
Liberia Road Asset Management Project - LIBRAMP	50,000,000.00	20-Sep-12	30-Jun-22	27,045,734.44	17,951,415.56
Liberia Road Asset Management Project - LIBRAMP	67,700,000.00	7-Jun-11	30-Jun-22	19,250,288.11	39,518,716.89
Emergency Monrovia Urban Sanitation Project (EMUS)	4,000,000.00	7-Apr-11	30-Dec-16	0.00	3,545,230.00
West Africa Agricultural Productivity Program APL (WAAPP-1C)	6,000,000.00	24-Mar-11	31-Dec-16	0.00	5,317,845.00
LIBERIA Electricity System Enhancement Project (LESEP)	22,000,000.00	26-Jan-12	31-May-17	2,053,518.20	17,308,891.80
LIBERIA Electricity System Enhancement Project (LESEP)	10,000,000.00	30-Nov-10	31-May-17	190.08	8,862,884.92
LR-Urban and Rural Infrastructure Rehabilitation Project	19,600,000.00	24-Jan-14	30-Jun-17	920,270.18	16,533,169.82

¹ Amounts may not add up to original principal due to changes in the SDR/US exchange rate since signing.

IDA Disbursements and Debt Service (Since HIPC Completion Point)						
US\$ Million	Jul 2010– Jun 2011	Jul 2011– Jun 2012	Jul 2012– Jun 2013	Jul 2014– Jun 2015	Jul 2015 Jun 2016	Jul-Sep 2016
Total disbursements	61.83	55.27	40.18	183.6	131.0	64.4
Repayments	0.33	0.00	0.00	0.00	0.00	0.00
Net disbursements	61.49	55.27	40.18	183.6	131.0	64.4
Interest and fees	0.05	0.12	0.25	0.79	0.96	0.34

RELATIONS WITH THE AFRICAN DEVELOPMENT BANK¹

(As of November 10, 2016)

There are 19 active AfDB projects in Liberia, in addition to projects funded by trust funds. The portfolio has a total commitment of approximately UA 273.86 million, equivalent to US\$377.93 million, of which about 30 percent is disbursed. A brief description of these projects is provided below.

- 1. Integrated Public Financial Management Reform Project (IPFMRP):** The AfDB's UA 3.0 million grant support for this project was approved on September 10, 2012. Supported by four donors—the AfDB, World Bank, USAID, and SIDA—this US\$28.55 million project represents an innovative approach for the Bank to support a comprehensive government program for PFM reform. By using a pooled funding arrangement, the project harmonizes support from the four donors, increasing development effectiveness while decreasing the administrative burden on the Government. The project has five components, which are mutually reinforcing: (i) enhancing budget planning and credibility; (ii) strengthening budget execution, accounting and reporting; (iii) strengthening revenue administration; (iv). Enhancing transparency and accountability; and (v) project management and capacity building. This support ends on March 31, 2017.
- 2. Regional Payment Systems Development Project:** This UA 5 million supplementary grant enables Liberia to join the West Africa Monetary Zone (WAMZ) Payments System Development Project. The project aims to improve the financial sector basic infrastructure in the WAMZ region through the upgrade of the payments systems of The Gambia, Guinea, Sierra Leone, and Liberia. The project components include: Real Time Gross Settlement (RTGS) system; Retail Payments Automation (RPA), a clearing system comprising Automated Checks Processing (ACP); Automated Clearing House (ACH); Central Banking Applications (CBA) system; and telecommunication infrastructure. The project will increase participation in the formal financial sector and enhance financial flows at the regional level. This Project closes on December 31, 2016.
- 3. Liberia–Urban Water Supply and Sanitation Project (UWSSP):** This UA 26.1 million grant project aims to improve Monrovia's water and sanitation facilities. The project will: (i) provide access to adequate, safe and reliable water supply and public sanitation services in Monrovia, Buchanan, Kakata, and Zwedru; and (ii) enhance the institutional, operational, management capability, and the long-term financial viability of LWSC. The Project's components are: (i) Rehabilitation and augmentation of water treatment and distribution systems; (ii) Provision of public sanitation facilities; (iii) Institutional support; (iv) Environmental and Sanitation Sensitization.
- 4. Agriculture Sector Rehabilitation Project (ASRP):** This UA 18.4 million project is financed by a UA 12.5 million grant from the Bank, UA 3.4 million grant from IFAD, and the balance funded in kind by the Government of Liberia. The project covers eight of the fifteen counties in Liberia. The goal of the ASRP is to contribute to food security and poverty reduction. Its specific objective is to

¹ Prepared by the African Development Bank.

increase the income of smallholder farmers and rural entrepreneurs including women on a sustainable basis. The project is implemented under three components: Agriculture Infrastructure Rehabilitation; Agricultural Production and Productivity Improvement; and Project Management, with Agriculture infrastructure constituting 60 percent of the cost. This support ends on December 31, 2016.

5. Smallholder Agricultural Productivity Enhancement and Commercialization (SAPEC)

Project: This UA 34.08 million project will be funded by a UA 29.08 million grant from the Global Agriculture and Food Security Program (GAFSP), a UA 4.0 million ADF loan, and UA 1.0 million by in-kind contributions from the Government of Liberia. The intervention seeks to reduce rural poverty and household food insecurity by increasing income for smallholder farmers and rural entrepreneurs particularly women, youths and the physically-challenged. SAPEC will be implemented in 12 of the 15 counties of Liberia over 2014 to 2018 and seeks to scale-up the on-going Agricultural Sector Rehabilitation Project (ASRP). The project consists of four components, namely: (i) Sustainable Crop Production Intensification; (ii) Value Addition and Marketing; (iii) Capacity Building and Institutional Strengthening; and (iv) Project Management.

6. Maryland Oil Palm Plantation (MOPP)—Private Sector: The project is located in Maryland and Grand Kru Counties in South East Liberia and entails the following: (i) clearing, rejuvenating, and operating a 9,000 hectare abandoned palm oil plantation in Maryland county; (ii) developing two oil palms nurseries; (iii) establishing a 6,000 hectare out grower farmer scheme benefitting 750 families; and (iv) constructing an oil mill with a processing capacity of 90 tons of fresh fruit bunches per hour. The project cost totals USD 203.3 million with USD 164.9 million to finance the industrial component and USD 38.4 million for the out grower scheme. The Project has had implementation issues and there are on-going negotiations to cancel currently to cancel the loan.

7. Equity investment of US\$1.2 million in the share capital of Access Bank (ABL): Access Bank Liberia (ABL) is a start-up microfinance bank sponsored in 2009/2010 by Access Microfinance Holding AG, with co-support by the International Finance Corporation (IFC) and the European Investment Bank (EIB). A capital increase of US\$209,000 was approved in 2012. Access Bank is also benefitting from a US\$ 460,000 grant funded by the Fund for Africa Private Sector Assistance (FAPA), approved in 2015, which is supporting technical assistance.

8. Fostering Innovative Sanitation and Hygiene in Monrovia: The objective of the grant of Euro 1.2 million from the African Water Facility administered by the ADB is to increase access to sustainable and affordable sanitation services with improved hygiene and livelihood for Monrovia's urban poor. The specific objectives include: (a) increase access to safe, sustainable and affordable sanitation services; (b) reduce the vulnerability of the urban poor populace to WASH related diseases caused by water contamination; and (c) implement an effective, efficient and sustainable FS management system with production of affordable FS fertilizer to increase scalable food security. The grant ends in February 2017.

9. Paving Fish Town—Harper Road Project (Phase I): The objective of the Project is to provide efficient road transport access to South East Counties of Liberia and, by extension, to

neighboring Mano River Union States. The project will involve upgrading from gravel to bitumen standard the Fish Town–Harper Road (Phase 1): Harper–Karloken section (50km) at an estimated cost of UA 43.04 million including GoL counterpart funding of UA 1.0 million. The expected outcomes include: (a) improved socio-economic inclusion of population in south-east region; (b) attraction of investments with employment creation and stronger government presence; (c) facilitated cross-border trade in MRU member states; and (d) employment generation during construction and post construction phase.

10. Mano River Union (MRU) Road Development and Transport Facilitation Program: The MRU Road Development and Transport Facilitation program will upgrade to bitumen standard 276.35 km of roads in eastern Guinea, West and South-West Côte d’Ivoire, and eastern Liberia. The Program will be executed from June 2015 to June 2019 for an estimated net total cost of UA 221.97 million. Liberia’s portion, covering Karloken-Fish Town (80 km) and Harper-Cavalla junction (16 km), is a UA 76.88 million loan from ADF and TSF. The project will also include the construction of joint border control posts.

11. Regional Electricity Interconnection Project: Cote d’Ivoire, Liberia, Sierra Leone and Guinea (CLSG). The CLSG electricity interconnection project will construct a 1,357-km-long double circuit high voltage (225 kV) line to connect the national networks of the four countries (Cote d’Ivoire, Liberia, Sierra Leone and Guinea (CLSG)). This line is part of the backbone of the Mano River Union countries and one of the priority projects of the West African Power Pool (WAPP) Master Plan. The project will help establish a dynamic electric power market in the West African sub-region and secure power supply for participating countries which have a comparative advantage in importing power rather than producing it domestically. The project, estimated at an overall cost of UA 331.51 million, will be implemented over the 2014–17 period. The contribution of the Bank Group (ADF, FSF and NTF) amounts to UA 128.15 million (or 38.7 percent of the total cost). Some 24 million residents in the impact area will benefit from reliable electric power at competitive cost. The project will raise the average electricity access rate in the four countries from 28 percent in 2012 to 33 percent by 2017. The increased electricity access will contribute to improving the welfare of the beneficiaries and lead to the development of social and income-generating activities.

12. Ebola Response Projects: Between 2014 and 2015, the AfDB prepared various multinational projects in response to the Ebola Virus Disease (EVD). While a number closed, the following are still on-going:

- a. **Ebola Fight Back Budget Support Program:** This is a UA 100.2 million multinational program across Côte d’Ivoire, Guinea, Liberia and Sierra Leone, of which Liberia’s portion is a UA 40.2 million loan. The operation contributes towards addressing the fiscal gap created by the epidemic in the countries, supporting measures to respond to the crisis, and the need to address longer term issues to develop economic resilience. This support ends in December 2016.
- b. **Strengthening West Africa Public Health Systems (SWAPHS):** This UA 40 million multinational project, of which a USD 11.4 million grant is directly allocated to Liberia, is intended to achieve three broad strategic outcomes: building human resource capacity and

systems for emergency response and preparedness, infrastructure development, and strengthening governance and regional institutions.

- c. **Post Ebola Recovery Social Investment Fund (PERSIF)** (UA 2 million grant): This program is providing seed funding to establish a Social Investment Fund to finance demand-driven, small-scale activities on the basis of calls for proposals issued by the Fund. It is expected to play a catalytic role in improving community response to outbreaks, thereby contributing to inclusive growth, gender equality and poverty reduction in the three affected countries.

13. **Technical Assistance from Fragile States Facility and other Trust Funds:**

- a. **Promoting local, participatory governance for County Development Funds:**
UA 114,833 grant to minimize corruption and ensure effective delivery of development initiatives in the 15 counties of Liberia by: (i) increasing the public's awareness of the two major funds—County Development and Social Development Funds—allocated for development in the counties; (ii) building the capacity of 750 youths to engage decision makers and managers of the funds; and (iii) actively participating in the planning, monitoring, and reporting on the funds.
- b. **Capacity Building and Technical Support to the National Housing Authority:**
UA 240,000 grant to develop capacity for architects, engineers, draftsmen and surveyors to oversee effectively the design and implementation of housing projects. The capacity building will also improve internal functions like budgeting, monitoring, procurement and financial reporting and IT system
- c. **Technical Assistance and Capacity Building Support to the Liberia Institute of Statistics and Geo-Information Services (TCB-LISGIS):** This is a UA 500,000 grant that will support LISGIS to strengthen institutional and staff capacity, to conduct analysis, publish and disseminate results from the HIES and other related surveys. The data will be used to monitor the implementation of Liberia's national development strategy—the Agenda for Transformation 2012–17, and the Bank's Country Strategy Paper 2013–17.
- d. **Youth Entrepreneurship and Employment Project (YEPP):** This is a US\$2.3 million project funded by the Transition Support Facility, TSF Pillar III and Fund for Africa Private Sector Assistance FAPA, and is aimed at improving entrepreneurial skills of the youth. The Project will contribute to building a competitive private sector in Liberia by strengthening the capacities of selected tertiary institutions that will design and deliver entrepreneurship and employment generation programs.

14. Program of Assistance to Trade Support Institutions in Liberia (PATSIL): This UA 658,735 project focuses on human capacity building by improving the human resource capacity of key trade support institutions to analyze and enhance policy framework of the trade sector, formulate and implement trade policies, improve institutional productivity and performance of the Ministry of Commerce and Industry and National Ports Authority through provision of logistical support.

STATISTICAL ISSUES

(As of September 30, 2016)

I. Assessment of Data Adequacy for Surveillance

General: Data have serious shortcomings that significantly hamper surveillance. Shortcomings are most serious in the areas of national accounts, government finance, and balance of payments statistics.

National Accounts: Comprehensive national accounts data are not available. Fund staff estimate GDP by activity using the production approach and primary source data provided by the Liberia Institute of Statistics and Geo-Information Services (LISGIS). Estimates for GDP by expenditure are not available.

During May–September 2012, the LISGIS, assisted by a World Bank consultant, conducted (a second round) National Accounts Annual Survey (NAAS 2012) collecting information for the years 2010 and 2011. The processing of the NAAS 2012 was completed in June 2014, but several issues were identified within the data when reviewed by STA experts. Consequently, the set of GDP estimates for 2008–2013 presented serious inconsistencies. The AFRITAC West 2 and STA experts have made final adjustments to GDP figures to be released in the near future for the period 2008–13. AFRITAC West 2 experts are now providing assistance to LISGIS in compiling estimates for 2014 and 2015.

Shortcomings remain with the underlying NAAS 2012 data so it has been strongly recommended that an Economic Census be conducted with respect to 2016. This undertaking will be strongly supported by both AFRITAC West 2 and the World Bank.

A full 12-month Household Income and Expenditure Survey (HIES) was started in January 2016. The data collected to date have been processed and will be used in developing preliminary estimates of household final consumption expenditure (HFCE).

Price Statistics: Currently, the LISGIS produces a CPI with December 2005 as the base year. Prices are collected only in Monrovia, and the weights were last updated in 2006, based on data from neighboring countries. The AFRITAC West 2 and the EDDI¹ 2 projects are assisting the LISGIS to introduce a new market basket and weights based on the six month 2014 HIES. A December TA mission, the third during 2016, will assist the LISGIS in finalizing and disseminating an updated CPI from the January 2017 CPI release onwards. By 2019 it is expected that the weights will be further updated based on the results of the full 12-month HIES undertaken in 2016 and national price collection will be introduced.

The LISGIS does not currently compile a PPI for Liberia because this requires that an Economic Census be conducted. It is expected that an Economic Census be conducted with respect to the year 2016 with the results becoming available during 2018.

¹ Enhanced Data Dissemination Initiative (EDDI) phase 2 funded by the UK Department for International Development-supported.

<p>Government Finance Statistics: Liberia has only reported annual GFS data up to 2013 for budgetary central government, excluding social security, but further improvements are expected once expenditure data on donor-financed projects becomes available and a detailed analysis of extra budgetary funds has been completed. Challenges remain in the area of capturing cash expenditure data in IFMIS, so a non-cash reporting basis, based on either commitment or adjusted cash is deemed necessary for the time being. A September 2016 TA mission comprehensively assessed the structure of the Chart of Accounts and produced a bridge table to GFSM 2014 classifications. A compilation sheet was also developed for the authorities to facilitate reporting of GFS data on an ongoing basis and provided hands-on training to more than 50 staff. The mission found that strengthening the recording of cash expenditure would greatly contribute to the quality of fiscal reports. The authorities expressed willingness to improve cash expenditure recording and implement data sharing agreements between the Comptroller and Accountant General's Office and other fiscal reporting units, with particular focus on actual expenditure data. The authorities also plan to initiate expenditure data collection for aid-financed projects and will address the issue at the next stakeholder meeting with donors and Project Implementation units.</p>	
<p>Monetary and Financial Statistics (MFS): Liberia does not submit monetary data using Standardized Report Forms (SRFs), but still uses the old reporting forms 10R (for the central bank sectoral balance sheet) and 20R (for banks). Data are generally submitted with long delays, and latest available period is May 2016. STA provided technical assistance to the Central Bank of Liberia (CBL) in April 2013, to help the CBL compile MFS data using the SRFs. However, the introduction of SRFs has yet to materialize.</p>	
<p>Financial sector surveillance: The CBL has been in recent years a recipient of technical assistance under the Japan Sub-Account (JSA) project for English-speaking African countries. In this project, the CBL has developed FSIs for deposit takers but these have so far not been sent to STA or released for publication. At the same time, the CBL submits some supervisory ratios to AFR on a bilateral basis for bilateral surveillance purposes.</p>	
<p>External sector statistics: The CBL has improved the ESS, but they are not yet adequate for surveillance. In August 2015, the CBL developed a three-year work plan to address the issues on ESS and to improve data quality especially for coverage and accuracy. Balance of payments statistics are compiled quarterly since August 2016 on a <i>BPM6</i> basis and. Since early 2016 enterprise surveys have been conducted more efficiently and comprehensively. The International Investment Position (IIP) is not compiled. Several areas need improvement, particularly with regard to primary source data, methodology, compilation practices, and frequency and timeliness in data dissemination. Coverage needs to be improved in current, capital (development aid, remittances, investment income) and financial accounts (direct investment, portfolio investment, and other investment including USD cash in circulation).</p>	
II. Data Standards and Quality	
Participant in the enhanced General Data Dissemination System (e-GDDS). Metadata for most data categories were updated in January 2013.	No Data ROSC mission has been conducted.
III. Reporting to STA	
The authorities report quarterly balance of payments data and government finance statistics for the IFS, GFSY, and BOPSY). Liberia does not submit FSIs to STA for publication on the IMF website.	

Liberia: Table of Common Indicators Required for Surveillance							
	Date of Latest Observation	Date Received	Frequency of Data ⁷	Frequency of Reporting ⁷	Frequency of Publication ⁷	Memo Items:	
						Data Quality – Methodological Soundness	Data Quality – Accuracy and Reliability
Exchange Rates	8/31/2016	10/24/2016	D	M	D		
International Reserve Assets and Reserve Liabilities of the Monetary Authorities ¹	8/2015	10/24/2016	M	M	Q		
Reserve/Base Money	8/2015	10/24/2016	M	M	Q		
Broad Money	8/2015	10/24/2016	M	M	Q		
Central Bank Balance Sheet	8/2015	10/24/2016	M	M	Q		
Consolidated Balance Sheet of the Banking System	8/2015	10/24/2016	M	M	Q		
Interest Rates ²	8/2015	10/24/2016	M	M	Q		
Consumer Price Index	8/2015	10/24/2016	M	M	Q		
Revenue, Expenditure, Balance and Composition of Financing ³ – General Government ⁴	NA	NA	NA	NA	NA		
Revenue, Expenditure, Balance and Composition of Financing ³ – Central Government	9/2015	10/22/2015	M	M	Q		
Stocks of Central Government and Central Government-Guaranteed Debt ⁵	9/2015	10/22/2015	M	M	Q		

Liberia: Table of Common Indicators Required for Surveillance (concluded)

	Date of Latest Observation	Date Received	Frequency of Data ⁷	Frequency of Reporting ⁷	Frequency of Publication ⁷	Memo Items:	
						Data Quality – Methodological Soundness	Data Quality – Accuracy and Reliability
External Current Account Balance	8/2015	10/24/2016	M	M	Q		
Exports and Imports of Goods and Services	8/2015	10/24/2016	M	M	Q		
GDP/GNP	2008	3/1/2011	A	I	I		
Gross External Debt	9/2015	10/22/2015	M	M	Q		
International Investment Position ⁶	NA	NA	NA	NA	NA		

¹ Any reserve assets that are pledged or otherwise encumbered should be specified separately. Also, data should comprise short-term liabilities linked to a foreign currency but settled by other means as well as the notional values of financial derivatives to pay and to receive foreign currency, including those linked to a foreign currency but settled by other means.

² Both market-based and officially-determined, including discount rates, money market rates, rates on treasury bills, notes and bonds.

³ Foreign, domestic bank, and domestic nonbank financing.

⁴ The general government consists of the central government (budgetary funds, extra budgetary funds, and social security funds) and state and local governments.

⁵ Including currency and maturity composition.

⁶ Includes external gross financial asset and liability positions vis-à-vis nonresidents.

⁷ Daily (D); weekly (W); monthly (M); quarterly (Q); annually (A); irregular (I); and not available (NA).