Document of
The World Bank

FOR OFFICIAL USE ONLY

Report No: PAD1492

INTERNATIONAL DEVELOPMENT ASSOCIATION

PROJECT APPRAISAL DOCUMENT

ON A

PROPOSED GRANT

IN THE AMOUNT OF US$37.5 MILLION

FROM THE LIBERIA FOREST LANDSCAPE SINGLE DONOR TRUST FUND

TO THE

REPUBLIC OF LIBERIA

FOR A

LIBERIA FOREST SECTOR PROJECT

APRIL 19, 2016

Environment & Natural Resources Global Practice
Africa Region

CURRENCY EQUIVALENTS
(Exchange Rate Effective April 11, 2016)
Currency Unit = Liberian Dollar (LR$)
LR$91 = US$1

FISCAL YEAR
July 1 – June 30

ABBREVIATIONS AND ACRONYMS

AFC	Authorized Forest Community
AFOLU	Agriculture, Forestry and Other Land Use
AfT	Agenda for Transformation
CBO	Community-Based Organization
CFDC	Community Forestry Development Committee
CFE	Community Forestry Enterprise
CFMA	Community Forest Management Agreement
CFWG	Community Forestry Working Group
CI	Conservation International
CPS	Country Partnership Strategy
CQ	Consultants' Qualification
CRL	Community Rights Law
CRL-R	Community Rights Law Regulation
CSO	Civil Society Organization
CTF	Conservation Trust Fund
DA	Designated Account
D&FD	Deforestation and Forest Degradation
ENNR	East Nimba Nature Reserve
EPA	Environmental Protection Agency
ER	Emission Reduction
ESMF	Environmental and Social Management Framework
ESRP	Economic Stabilization and Recovery Plan
EU	European Union
EXPAN	Expansion of the Protected Area Network [Project]
FAO	Food and Agriculture Organization of the United Nations
FBS	Selection under a Fixed Budget
FCPF	Forest Carbon Partnership Facility
FDA	Forestry Development Authority
FFI	Fauna & Flora International
FGRM	Feedback and Grievance Redress Mechanism
FLEGT	Forest Law Enforcement, Governance and Trade program
FM	Financial Management
FMC	Forest Management Contract
FO	Farmers' Organization
FTI	Forestry Training Institute
GEMS	Governance and Economic Management Support

GHG	Greenhouse Gas
GIMPA	Ghana Institute of Management and Public Administration
GoL	Government of Liberia
GoN	Government of Norway
GRM	Grievance Redress Mechanism
GRS	Grievance Redress Service
GVL	Golden Veroleum Liberia
HCS	High Carbon Stock
HQ	Headquarters
ICB	International Competitive Bidding
IDH	*Initiatief Duurzame Handel* (Sustainable Trade Initiative)
IFC	International Finance Corporation
IFMIS	Integrated Financial Management Information System
IUFR	Interim Unaudited Financial Report
INDC	Intended Nationally Determined Contributions
ISR	Implementation Status and Results Report
LA	Liberia Land Authority
LC	Land Commission
LFI	Liberia Forest Initiative
LFSP	Liberia Forest Sector Project
LISGIS	Liberia Institute of Statistics and Geo-Information Services
LoI	Letter of Intent
LRP	Livelihoods Restoration Plan
LULUCF	Land use, land-use change and forestry
MD	Managing Director
M&E	Monitoring and Evaluation
METT	Management Effectiveness Tracking Tool
MFDP	Ministry of Finance and Development Planning
MLME	Ministry of Land, Mines, and Energy
MoA	Ministry of Agriculture
MoU	Memorandum of Understanding
MP	Management Plan
MRV	Measurement, Reporting and Verification
NCB	National Competitive Bidding
NCCS	National Climate Change Secretariat
NCCSC	National Climate Change Steering Committee
NFI	National Forest Inventory
NFMS	National Forest Management Strategy
NGO	Nongovernmental Organization
NMSMC	National Multi-stakeholder Monitoring Committee
NORAD	Norwegian Agency for Development Cooperation
NPV	Net Present Value
NRM	Natural Resources Management
NTFP	Non-Timber Forest Products
OP	Operational Policy
PDO	Project Development Objective

PF	Process Framework
PFMU	Project Financial Management Unit
PG	Program Goal
PIU	Project Implementation Unit
PPA	Proposed Protected Area
PP	Procurement Plan
PPP	Public-Private Partnership
PROSPER	People, Rules, and Organizations Supporting the Protection of Ecosystem Resources
PST	Private Technical Service Providers
PUP	Private Use Permit
QBS	Quality-Based Selection
QCBS	Quality- and Cost-Based Selection
REDD+	Reducing Emissions from Deforestation and Forest Degradation and fostering conservation, sustainable management of forests, and enhancement of forest carbon stocks
REL	Reference Emission Levels
RIU	REDD+ Implementation Unit
R-PP	REDD+ Readiness Preparation Proposal
RTWG	REDD+ Technical Working Group
SESA	Strategic Environmental and Social Assessment
SFM	Sustainable Forest Management
SIIB	Special Independent Investigating Body
SIS	Safeguards Information System
SoA	Statement of Account
SOE	Statement of Expenditure
STCRSP	Smallholder Tree Crop Rehabilitation Support Project
TA	Technical Assistance
TSC	Timber Sale contracts
TSP	Technical Service Provider
UN	United Nations
USAID	U.S. Agency for International Development
WAAPP	West Africa Agricultural productivity project

Regional Vice President:	Makhtar Diop
Country Director:	Henry G. R. Kerali
Senior Global Practice Director:	Paula Caballero
Practice Manager:	Magda Lovei
Task Team Leaders:	Paola Agostini/Neeta Hooda

LIBERIA
LIBERIA FOREST SECTOR PROJECT

TABLE OF CONTENTS

Page

PAD DATA SHEET

Liberia

Liberia Forest Sector Project (P154114)

PROJECT APPRAISAL DOCUMENT

AFRICA

0000009270

Report No.: PAD1492

Basic Information		
Project ID P154114	EA Category B - Partial Assessment	Team Leader(s) Paola Agostini, Neeta Hooda
Lending Instrument Investment Project Financing	Fragile and/or Capacity Constraints [ ] Financial Intermediaries [ ] Series of Projects [ ]	
Project Implementation Start Date 20-Apr-2016	Project Implementation End Date 30-June-2020	
Expected Effectiveness Date 30 - May-2016	Expected Closing Date 30-June-2020	
Joint IFC No		

Practice Manager/Manager	Senior Global Practice Director	Country Director	Regional Vice President
Magda Lovei	Paula Caballero	Henry G. R. Kerali	Makhtar Diop

Approval Authority
Approval Authority
RVP Decision
RVP-level approval for the trust fund

Borrower: Republic of Liberia			
Responsible Agency: Forestry Development Authority			
Contact:	Hon. Harrison S. Karnwea	Title:	Managing Director
Telephone No.:	+231-886-513358	Email:	hkarnwea@yahoo.com

Project Financing Data(in USD Million)		
[ ] Loan	[ ] IDA Grant	[ ] Guarantee

[ ]	Credit	[X]	Grant	[ ]	Other

Total Project Cost:	37.50	Total Bank Financing:	0.00
Financing Gap:	0.00		

Financing Source	**Amount**
Borrower	0.00
Liberia Forest Landscape Single Donor Trust Fund	37.50
Total	37.50

Expected Disbursements (in USD Million)

Fiscal Year	2016	2017	2018	2019	2020					
Annual	1.00	5.20	9.50	7.90	13.90					
Cumulative	1.00	6.20	15.70	23.60	37.50					

Institutional Data

Practice Area (Lead)

Environment & Natural Resources

Contributing Practice Areas

Agriculture, Climate Change

Cross Cutting Topics

[X] Climate Change

[ ] Fragile, Conflict & Violence

[X] Gender

[ ] Jobs

[ ] Public Private Partnership

Sectors / Climate Change

Sector (Maximum 5 and total % must equal 100)

Major Sector	Sector	%	Adaptation Co-benefits %	Mitigation Co-benefits %
Agriculture, fishing, and forestry	Forestry	80	30	70
Agriculture, fishing, and forestry	General agriculture, fishing and forestry sector	20	30	70
Total		100		

☐ I certify that there is no Adaptation and Mitigation Climate Change Co-benefits information applicable to this project.

Themes		
Theme (Maximum 5 and total % must equal 100)		
Major theme	Theme	%
Environment and natural resources management	Environmental policies and institutions	30
Environment and natural resources management	Other environment and natural resources management	30
Environment and natural resources management	Climate change	20
Environment and natural resources management	Biodiversity	20
Total		100

Proposed Development Objective(s)
Improved management of, and increased benefit-sharing in, targeted forest landscapes.

Components	
Component Name	**Cost (USD Millions)**
Strengthened Regulatory and Institutional Arrangements for Implementation of REDD+	8.00
Strengthened Capacity for Management of Targeted Forest Landscapes	23.80
Forest Monitoring Information System	2.30
Project Management, Monitoring and Communication	3.40

Systematic Operations Risk- Rating Tool (SORT)	
Risk Category	**Rating**
1. Political and Governance	High
2. Macroeconomic	Substantial
3. Sector Strategies and Policies	Substantial
4. Technical Design of Project or Program	Moderate
5. Institutional Capacity for Implementation and Sustainability	High
6. Fiduciary	Substantial
7. Environment and Social	Substantial
8. Stakeholders	Substantial
9. Other (Depreciation of the Norwegian Krone (NOK))	High
OVERALL	Substantial

Compliance

Policy		
Does the project depart from the CAS in content or in other significant respects?	Yes [ ]	No [X]
Does the project require any waivers of Bank policies?	Yes [ ]	No [X]
Have these been approved by Bank management?	Yes [ ]	No [ ]
Is approval for any policy waiver sought from the Board?	Yes [ ]	No [X]
Does the project meet the Regional criteria for readiness for implementation?	Yes [X]	No [ ]

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

Conditions

Source Of Fund	Name	Type
LFSP	Project Implementation Manual	Effectiveness

Description of Condition

The Project Implementation Manual, in form and substance satisfactory to the World Bank, has been adopted by the Project Implementing Entity (Section 5.01 (d) of the Grant Agreement [GA])

Source Of Fund	Name	Type
LFSP	Memoranda of Understanding	Effectiveness

Description of Condition

The MOUs have been entered into between the Project Implementing Entity and each of Ministry of Agriculture, Environmental Protection Agency, Liberia Institute of Statistics & Geo-Information Services Statistics, and Ministry of Land, Mines and Energy (Section 5.01 (e) of the GA)

Source Of Fund	Name	Type
LFSP	Subsidiary Agreement	Effectiveness

Description of Condition

The Subsidiary Agreement has been executed on behalf of the Recipient and the Project Implementing Entity, and a satisfactory legal opinion related to the same has been provided to the Association.

(Section 5.01 (c) and Section 5.02 (c) of the GA)

Source Of Fund	Name	Type
LFSP	Project Agreement and Grant Agreement Legal Opinions	Effectiveness

Legal Opinions related to the Project Agreement and Grant Agreement satisfactory to the Bank have been submitted (Section V, Article 5.02)

Source Of Fund	Name	Type
LFSP	Disbursement to Land Commission / Authority	Disbursement

Description of Condition

No withdrawal (Cat 3), until: (a) the Recipient has provided evidence satisfactory to the World Bank that the Liberia Land Authority (LA) has been legally established in a form and with functions, resources, staffing and mandate, satisfactory to the World Bank, and is fully functional; and (b) the Project Implementing Entity and LA have entered into their respective MOU.(Sec IV B.1.(b), Schedule 2 (GA)

Team Composition

Bank Staff

Name	Role	Title	Specialization	Unit
Paola Agostini	Team Leader (ADM Responsible)	Lead Environment Specialist	Task Team Leader	GENGE
Neeta Hooda	Team Leader	Senior Carbon Finance Specialist	co Task Team Leader	GCCFL
Charles Taylor	Procurement Specialist (ADM Responsible)	Consultant	Procurement Specialist	GGODR
Komana Rejoice Lubinda	Procurement Specialist	Senior Procurement Specialist	Procurement Specialist	GGO01
Saidu Dani Goje	Financial Management Specialist	Financial Management Specialist	Financial Management Specialist	GGO31
Abimbola Adubi	Team Member	Sr Agricultural Spec.	Agriculture Specialist	GFA01
Ana Maria Gonzalez Velosa	Team Member	Consultant	Environmental Economist	GENDR
Anders Jensen	Team Member	Senior Monitoring & Evaluation Specialist	Monitoring and Evaluation Specialist	GEN05
Erik Reed	Team Member	Consultant	Climate Change Specialist	GEN07
Errol George Graham	Team Member	Program Leader	Sr Economist	AFCW1
George Campos Ledec	Safeguards Specialist	Lead Ecologist	Environment Specialist	GEN01

Gerardo Segura Warnholtz	Team Member	Sr Natural Resources Mgmt. Spec.	Community Forestry Specialist	GENGE
Gloria Malia Mahama	Safeguards Specialist	Social Development Specialist	Social Safeguards Specialist	GSU01
Julie Rieger	Counsel	Senior Counsel	Country Lawyer	LEGAM
Lesya Verheijen	Team Member	Consultant	Operations Officer	GENDR
Luis M. Schwarz	Team Member	Senior Finance Officer	SR. Finance Officer	WFALA
Nevena Ilieva	Team Member	Operations Adviser	Operations Adviser	GEN07
Nicholas Meitiaki Soikan	Safeguards Specialist	Social Development Specialist	Social Development Specialist	GCCFL
Sachiko Kondo	Team Member	Natural Resources Management Specialist	Natural Resources Management Specialist	GEN01
Sachiko Morita	Counsel	Senior Counsel	Senior Counsel	LEGEN
Sekou Abou Kamara	Team Member	Environmental Specialist	Environmental Specialist	GEN01
Yesmeana N. Butler	Team Member	Program Assistant	Program Assistant	GEN01
Yeyea Gloria Kehleay Nasser	Team Member	Team Assistant	Team Assistant	AFMLR

Extended Team

Name	Title	Office Phone	Location

Locations

Country	First Administrative Division	Location	Planned	Actual	Comments
Liberia	Sinoe	Sinoe County	**X**		
Liberia	Nimba	Nimba County	**X**		North section of the county (the project will not support community forestry activities in this area but will provide any relevant support on regulatory and institutional strengthening)
Liberia	Montserrado	Montserrado County	**X**		
Liberia	Lofa	Lofa County	**X**		

Liberia	Grand Gedeh	Grand Gedeh County	**X**		
Liberia	Grand Cape Mount	Grand Cape Mount County	**X**		
Liberia	Bomi	Bomi County	**X**		
Liberia	Grand Kru	Grand Kru County	**X**		
Liberia	River Cess	River Cess County	**X**		
Liberia	Gbarpolu	Gbarpolu County	**X**		
Liberia	River Gee	River Gee County	**X**		
Liberia	Montserrado	Central Monrovia	**X**		

Consultants (Will be disclosed in the Monthly Operational Summary)	
Consultants Required ?	Consultants will be required

I. STRATEGIC CONTEXT

A. Country Context

1. **Liberia's resurgence from one of the greatest economic collapses of modern times has been impressive.** However, vast challenges remain going forward. The country emerged from a 14-year conflict period in 2003, when a global peace agreement was signed. The civil war badly crippled much of Liberia's economy, damaged its physical infrastructure, and undermined its institutional capacity. A good track record of prudent macroeconomic management coupled with social stability has helped Liberia weather the 2008–09 global crisis, and post a strong recovery since. The growth of Gross Domestic Product (GDP) annually averaged over 7 percent from the end of the civil war to 2014.[1] Liberia made notable progress in the reduction of poverty between 2007 and 2010,[2] but the poverty rate remains high. A little under half of the population lived below the national poverty line in 2010. In 2014, Liberia ranked 175th of 187 countries on the Human Development Index and 145th of 152 countries on the Gender Inequality Index, highlighting the immense poverty and social development needs of the country. Liberia's medium-term economic prospects are good, but the country remains vulnerable to external shocks and emergency crises such as the Ebola epidemic that occurred in 2014–15. Liberia still faces many challenges in laying the foundation to transition from post-conflict recovery to long-term development.

2. **The forest sector has the potential to contribute to the reduction of extreme poverty and increased shared prosperity.** The forest sector contributed US$159.7 million to the economy in 2011, which is approximately 15.2 percent of the GDP.[3] Liberia contains about 4.3 million ha of lowland tropical forest that comprises 43 percent of the remaining Upper Guinea forests of West Africa extending from Guinea to Togo. While the overall extent of these forests has declined to an estimated 14.3 percent of their original size, Liberia still hosts two massifs of forest including evergreen lowland forests in the southeast and the semi-deciduous mountain forests in the northwest. The Upper Guinea Rainforest, part of which is in Liberia, is listed as one of 35 global biodiversity hotspots. Most of Liberia's rural population is dependent on forests and their various products and ecosystem services. Forests play an important role as a safety net for vulnerable and marginalized people, especially those living around forest areas. The country's forests are under threat due to the continued clearance and degradation of their remaining blocks for the expansion of agriculture and mining activities both at industrial and subsistence levels. Deforestation and forest degradation (D&FD) remained low during the civil conflict, but as peace was restored, pressure on the forest and its natural resources has been escalating. The pressure increased from illegal and uncontrolled logging, overall poor management, and inadequate government oversight over the forest sector. Globally, D&FD is the second leading cause of global warming, making the loss and depletion of forests a major issue for climate change. Specifically, between 1990 and 2010, Liberia lost about 12.2 percent of its forest cover with an average annual deforestation rate of 0.61 percent.

[1] Republic of Liberia. 2015. "The Economic Stabilization and Recovery Plan."
[2] For instance, the national poverty rate fell by 11 percentage points between 2007 and 2010 despite the global food price crisis and recession (Republic of Liberia. 2015. "The Economic Stabilization and Recovery Plan").
[3] Global Forest Watch.

B. Sectoral and Institutional Context

3. **Challenges remain for Liberia in managing its forests to contribute in a balanced way to long-term, sustainable economic growth, support the livelihoods of local and rural communities, and ensure that its important national and global heritage is conserved.** The first major efforts to manage and regulate the forest sector in Liberia began in the 1950s. During this time, operators began commercial logging activities, and legislation was established to set out a mechanism by which national parks and reserves could be identified and protected. This was followed in 1976 by the creation of the Forestry Development Authority (FDA). The FDA was established as a state-owned enterprise, with a broad remit to conduct research, provide training, and "devote all publicly owned forestlands to their most productive use for the permanent good of the whole people, considering their direct and indirect values.[4]" The activities of the FDA over the next 25 years focused largely on timber concessions and promoting export of timber from Liberia.

4. **The timber economy prospered in the past, but not for the benefit of all Liberians.** Before the 1980 coup, for instance, the timber industry accounted for a third of Liberia's export earnings—though it did relatively little to contribute to rural development because big commercial interests had largely captured the industry. During the civil war, between 1989 and 1996, the rebel National Patriotic Front of Liberia under Charles Taylor controlled most of the territory of Liberia outside Monrovia. Later, when Taylor was the president, from 1997 to 2003, he controlled the entire state apparatus. During both periods, timber played a significant role in his desire and ability to control territory and as a means to conduct war.

5. **In 2003, the United Nations Security Council imposed sanctions on Liberia to prohibit trade in roundwood and timber products, as revenues from timber exports were used to finance the country's 14-year civil war.** Following this, and the signature of the Accra Comprehensive Peace Agreement that ended Liberia's civil war in 2003, the new National Transitional Government established a road map for reforms toward a more sustainable, transparent and development-focused approach to forestry. This allowed for the lifting of United Nations (UN) sanctions on timber export in 2006. The lifting of UN sanctions was explicitly an outcome of progress made in launching an ambitious forests sector reform process. This has become an example for other countries facing similar challenges.

6. **Reforms, policies, and initiatives have been conducted by the government (with World Bank support).** These serve the common interest in managing Liberia's forests in a balanced way for long-term sustainable economic growth, supporting the livelihood of local and rural communities, and ensuring that its important national and global heritage is conserved. Some of the reforms included the National Forest Reform Law of 2006; the National Forest Sector Strategy of 2007 that provided the framework for the sector's legal, participatory, and transparent operation; and the Community Rights Law (CRL) with Respect to Forest Lands of 2009, which recognized local community rights to own forest resources on community forestlands. The Liberia Extractive Industries Transparency Initiative was also established in 2009 to assist the country in ensuring that the exploitation and/or extraction of the country's mineral and other resources are verifiably paid or provided; duly accounted for; and prudently utilized for the benefit of all Liberians and on the basis of equity and sustainability. These reforms introduced the 'three C's (3Cs)' approach (and most recently the 4th C, Carbon, was included) that aims to balance and

[4] The Forestry Development Authority (FDA) Act, 1976 (As Amended).

integrate Community, Commercial, Conservation, and Carbon use of the forests. Consistent with the approach, the FDA was also restructured, creating three distinct departments, each responsible for one of the 'Cs', in addition to cross-cutting units of law enforcement, planning, research, and development. Further in the reform process, in May 2011, a Voluntary Partnership Agreement (VPA) was signed with the European Union (EU) to establish a system for traceability and verification of legality of timber to a nationally agreed definition and as part of the Forest Law Enforcement, Governance, and Trade (FLEGT) program.

7. **One of the most significant elements in the sector reform and the Bank's engagement with Liberia has been the involvement of the country in the efforts to reduce emissions from deforestation and forest degradation and to foster conservation, sustainable management of forests, and enhancement of forest carbon stocks (REDD+).** With support from the Forest Carbon Partnership Facility (FCPF), Liberia is advancing in a REDD+ strategy that will build the country's capacity to be ready to participate in the future in a large-scale system of positive incentives for REDD+. In 2012 Liberia obtained financing to conduct a consultative and quantitative analysis of the different land use options for development of the national REDD+ strategy for Liberia.[5] To date, Liberia has advanced significantly in enhancing the national policy dialogue and legal framework that will enable it to manage forests with community engagement and leverage results-based payments. In addition, the technical aspects of the strategic social and environment assessment, the REDD+ strategy, and monitoring systems to detect changes in forest cover have been supported through the FCPF and are on track to be tested for the targeted landscapes in this project. The proposed project will contribute to the national REDD+ strategy development.

8. **The reform process has, of course, not been trouble free.** Indeed, the challenges of introducing good governance are still to be addressed and the agenda remains unfinished. In 2012, a Liberian government investigation reported systemic legal violations, including fraud and corruption, in the issuance of logging licenses called Private Use Permits (PUPs), which covered a quarter of Liberia's geographic area. In response, the government ordered a moratorium on the issuance of further PUPs as well as large-scale Community Forest Management Agreements (CFMAs) recognizing the weak regulatory framework for any commercial activities in community forests. This moratorium still continues, and regulations are being prepared to establish minimum levels of benefits for the resources' owners and protect them from possible elite capture and exploitation by logging operators.

C. Higher Level Objectives to which the Project Contributes

9. **The proposed project will contribute to the Bank's corporate goals of ending extreme poverty and boosting shared prosperity.** Most of Liberia's rural population depends on forests and their ecosystem services and products. Forests also play a key role as a safety net for vulnerable and marginalized people, an alternative source of income during low-harvest seasons, and essential in providing non-timber forest products like charcoal and firewood. Supporting the forest sector will thus directly contribute to achieving the Bank's corporate goals targeting the poorest population in the country. Creating enabling policy, legal, and institutional conditions for community forestry will also have a direct impact on shared prosperity as it will give local communities concrete opportunities to manage and derive economic benefits from sustainable

[5] This refers to the earlier-mentioned grant received from the FCPF (US$3.6 million plus a recent additional funding of US$5 million).

forest management (SFM) and conservation. The proposed project is also in line with the Bank's African Climate Change Action Plan presented in Paris in December 2015 during the 21st Conference of Parties (COP 21) of the United Nations Framework Convention on Climate Change (UNFCCC). The proposed project is included in the plan given its contribution toward climate resilient landscapes and the overall purpose of accelerating resource mobilization and action for priority climate resilient and low-carbon initiatives in Africa.

10. **The proposed project will contribute to the implementation of Liberia's Country Partnership Strategy (CPS) for the period FY2013–17.** The objective of the CPS is to support the government's Agenda for Transformation (AfT) contributing to sustained growth, poverty reduction, and shared prosperity, while addressing fragility and building resilience. As stated in the CPS, the Bank will remain engaged in the forest sector through the REDD+ agenda, which will support the preparation and validation of a strategy to reduce emissions from D&FD. The proposed LFSP is also aligned with Liberia's second Poverty Reduction Strategy, the AfT, launched in 2012. The proposed operation will specifically align with the pillar related to economic transformation as well as the environment cross-cutting issue. The AfT also recognizes that due to its vast forest reserves, the country is in a position to benefit from carbon sequester programs if the markets develop.

11. **The proposed LFSP is also part of the post-Ebola Economic Stabilization and Recovery Plan (ESRP).** The ESRP was, prepared and formulated through a consultative process with Liberia's development partners in April 2015 and with the primary aim to get the economy back on track toward the primary goals of the country's medium- and long-term development plans. The ESRP stated that the forest sector would stagnate in 2015 and its major challenges were the lack of stakeholder capacity and weak governance. The overall Liberia Forest Program supported by the Government of Norway (GoN) is mentioned in the plan as a key contribution to address these challenges. The LFSP will, in particular, contribute to an ESRP objective related to revitalizing growth to pre-crisis levels whilst ensuring that it is inclusive and that it creates more and better jobs. The project's targeted landscapes include most of the areas severely impacted by the Ebola crisis including the Lofa county which was the initial epicenter.

12. **The project will contribute to the establishment of systems needed for implementation of Liberia's Intended Nationally Determined Contributions (INDCs)** submitted to the UNFCCC as preparation for the December 2015 Paris Climate Summit that concluded in a major global agreement to address climate change. The INDC presents an agenda to be integrated into the country's long-term sustainable development vision by 2030. The project will contribute to the achievement of the INDC both for the mitigation and adaptation components through the measurement, reporting, and verification (MRV) system; as well as through the adaptation activities included in the INDC. The project also supports Liberia's goal to increase awareness and strengthen participation of local dwellers in forest conservation; protect forest and biodiversity-rich forest zones; and increase the amount of forestland through reforestation of degraded lands.

Partnership between the Government of Liberia and the Government of Norway

13. **In September 2014, the Government of Liberia (GoL) and the GoN signed a partnership through a Letter of Intent (LoI).** The LoI aims to (a) support the development and implementation of Liberia's REDD+ strategy to ensure significant net reductions in greenhouse gas (GHG) emissions from D&FD; (b) contribute to sustainable development in Liberia through

protecting natural forests, restoring degraded lands, and developing Liberia's agricultural sector; and (c) work together to support progress on global efforts regarding climate change and sustainable development in general and REDD+ in particular.

14. **The proposed project is part of the Liberia Forest Program supported by the GoN.** This support includes (a) the proposed LFSP (US$37.5 million); (b) a Rubber Renovation Program, with the International Finance Corporation (IFC) to support the renewal of rubber plantations (US$5 million), approved as an emergency operation for post Ebola recovery; and (c) a contribution towards a Poverty Reduction Support Development Policy Operation (US$5 million). Once the LFSP implementation gets underway successfully, the process will be followed by the program's following phase: a results-based carbon payment operation that will pay for verified emission reductions (ERs) and carbon sequestered in target landscapes.

15. The program goal (PG) to which the proposed project will contribute is **reduced deforestation and degradation in targeted forest landscapes.** The program has three indicators:

1. Area under forest cover in targeted forest landscapes (ha)
2. ERs and carbon sequestration (tCO_2e)
3. People in targeted forest and adjacent communities with increased monetary or non-monetary benefits from forests (number) (core sector indicator - forestry).

Theory of Change

16. The causal relationship from project inputs through outputs and outcomes to the overall PG, which is 'reduced deforestation and degradation in targeted forest landscapes', is depicted in Figure 1. The project is built around three key project components, producing broad sets of outputs that together constitute the integrated landscape approach that is expected to lead to medium- and long-term change in management of targeted forest landscapes. The outputs included in the figure are representative of the respective project components and consolidated for clarity. A detailed list of activities and outputs is included for each project component in annex 2. The fourth project component entails project management, monitoring, and communication activities cutting across the other components as indicated.

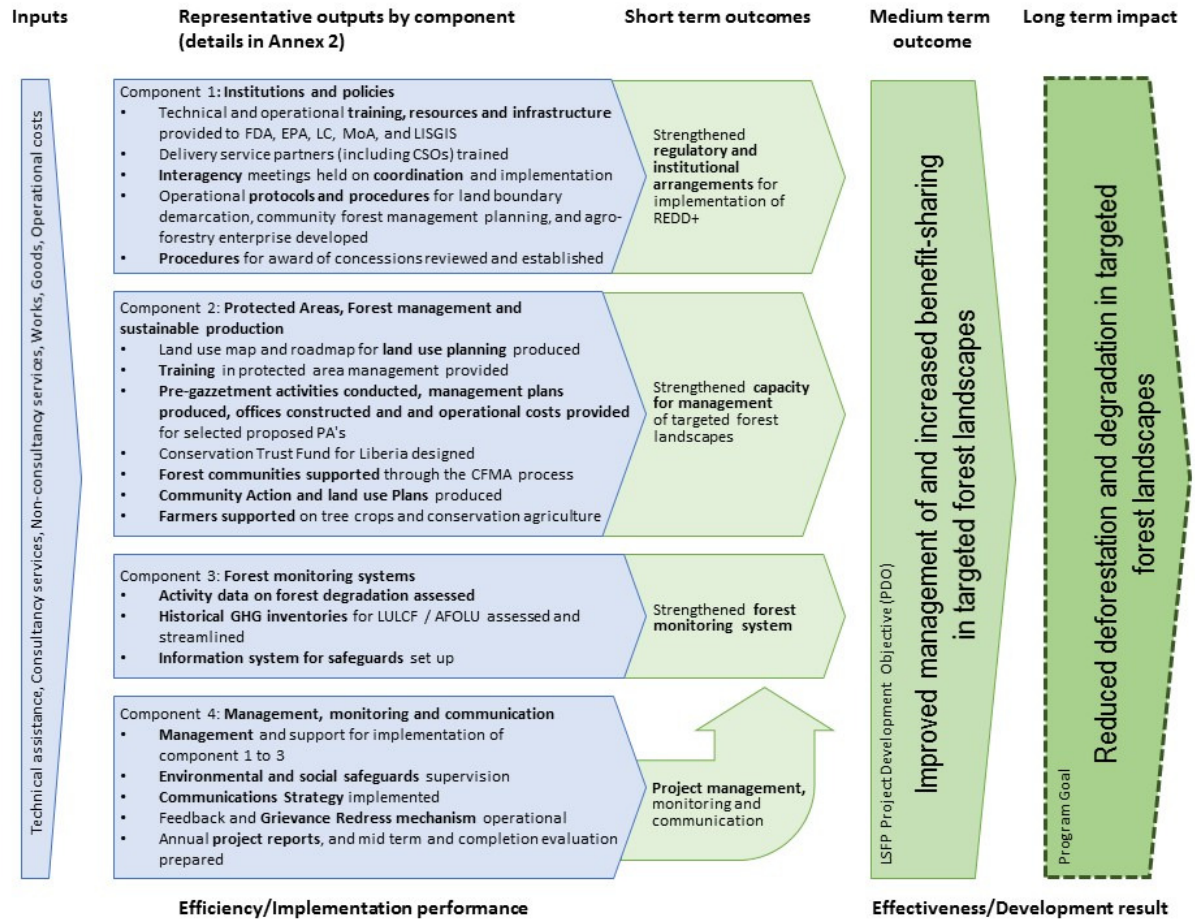
17. The outputs within each component reflect how the project will support both (a) improvements in the enabling environment (such as institutions, policies, and capacities) and (b) investments in direct actions for sustainable management and use of forests (such as management of community forests, protected areas, and agriculture). Because some components include activities and outputs from both category (a) and category (b), the intervention logic is not as strictly one-to-one as indicated in the figure. The overall flow of this is, however, well reflected.

18. The activities and outputs under each project component will result in short-term outcomes as indicated in the figure. Over the life of the project, it is expected that this will further lead to improved forest management within the target landscapes and that communities will benefit from sustainable use of the forest resources (that is, the medium-term outcome). The figure should be seen in conjunction with the Results Framework (annex 1), which includes indicators for both the short-term and medium-term outcomes.

19. The **long-term impact** in the figure is depicted with a dotted line to clarify that the long-term impact/PG is not entirely attributed to the LFSP. The project makes a substantial contribution to the achievement of reduced D&FD with other important factors and initiatives in play such as

private sector activities, government land use policies, and complementary projects supported by other donors. Moreover, reduced deforestation and degradation is a long-term impact and the full effect of interventions will materialize beyond the project period. Measurement of the change in deforestation and degradation as verified ERs will take place as soon as the MRV system is in place and with the establishment of the emissions reference, but the verified ERs result is outside of the Results Framework for this project.

Figure 1. Results Chain



20. The LFSP sets the foundation for integrated landscape management and long-term collaboration among different stakeholder groups and sectors in the targeted landscapes. The four project components support interventions addressing different aspects of what will together be a holistic approach.

21. **The enabling environment** (such as institutional capacities, community organizations, capacity of civil society and nongovernmental organizations (NGOs) and regulatory frameworks) for such interventions is currently weak. The LFSP will support the strengthening of such capacities under project Component 1. Interventions will target government as well as non-government agencies, especially at decentralized levels, to ensure effective implementation and support for sustainable management of natural resources. This component will also ensure improved coordination among stakeholders.

22. Project interventions for sustainable management and use will contribute to improved management in protected areas, community forests, agricultural land use, land use planning, and livelihoods. It is the cumulative effect of these outcomes that will realize socioeconomic development and reduce deforestation and degradation.

23. Data collection (activity data, inventories), data management, tracking, and reporting capacities for natural resource-related information are extremely weak in Liberia. Strengthening of the forest monitoring system and safeguards information will be supported under Component 3. A functional monitoring system is fundamental for independent verification of ERs and for Liberia to leverage results-based payments. A road map for institutionalizing the capacities within key agencies with clear mandate, roles, and responsibilities has been prepared and will be supported by the project.

24. Project Component 4 will provide management capacity for responsible and efficient implementation of the other components. The relevant government entity already has its capacity stretched and will be supported with additional dedicated resources for operational and financial management (FM), including quality control for adherence with operational safeguards.

25. The LFSP will cooperate with and build on work done or being designed by other initiatives - Conservation International (CI), Fauna & Flora International (FFI), the U.S. Agency for International Development (USAID), *Kreditanstalt für Wiederaufbau* (German government-owned development bank – KfW), *Initiatief Duurzame Handel* (sustainable trade initiative, IDH), VPA, Tropical Forest Alliance - within the targeted landscapes to ensure resources are allocated to activities that complement existing support and lead to a net positive impact on deforestation and degradation.

II. PROJECT DEVELOPMENT OBJECTIVES

A. PDO

26. The project development objective (PDO) is improved management of, and increased benefit sharing in, targeted forest landscapes.

PDO Level Indicators

- Community forest area in targeted forest landscapes managed according to defined criteria (ha)
- Management Effectiveness Tracking Tool (METT) score of protected areas within targeted forest landscapes[6] (disaggregated by protected areas)
- People in targeted forests and adjacent communities with increased monetary or non-monetary benefits from forests (number) (core sector indicator - forestry)

[6] The METT score is widely used by the Bank and other organizations to assess how effectively protected areas are being managed. It was designed as one of a series of management effectiveness assessment tools around the World Commission on Protected Areas Framework. It comprises a detailed questionnaire (30 questions) that covers a broad range of management effectiveness issues, with the total score for each protected area ranging from 0 to about 100.

- People in and around protected and community forestry areas in targeted landscapes who participated in consultations on management of forests (number)
- Direct project beneficiaries (number), of which female (percentage) (core indicator).

Project Beneficiaries

27. The main beneficiaries of the proposed LFSP are the Liberian communities most directly dependent on forest resources. The direct beneficiaries will be the communities located in the targeted landscapes in (a) the Northwest region (Bomi, Lofa, Gbarpulo, and Grand Cape Mount Counties); and (b) the Southeast region (south section of Grand Gedeh County and Sinoe, Grand Kru, River Gee, and Rivercess Counties). Communities located in the north Nimba region will benefit from the support provided by the project for regulatory and institutional strengthening.

28. Other beneficiaries include youth and women in rural communities that are adjacent to existing and proposed targeted protected areas. The facilitation of existing and creation of new small-scale and community-based natural-resource-based (including forest and non-forest products) enterprises that have a production or processing element, gainfully employs youth, and reduces their reliance on unsustainable forest resource use.

29. The government at the national, county, and local levels will benefit from clearer regulations for decentralized forest management and linkages between spatial planning and forestland use planning. The public agencies will also benefit from capacity strengthening activities that will emphasize service delivery and law enforcement, forest information systems and mapping, monitoring and evaluation (M&E), communications, FM, and community engagement, including through support for the development and strengthening of benefit sharing/social agreements, gender equality, and community forest management. These capacity-building activities will provide them with skills and knowledge for the implementation of a sustainable forest agenda. Local people and communities will be direct beneficiaries of the implementation of the REDD+ strategy and thus the proposed project.

III. PROJECT DESCRIPTION

30. **As a project led by the FDA with cross-sectoral support from other line ministries, bilateral partners, NGOs, and civil society organizations (CSOs), the LFSP is designed to contribute toward Liberia's transition from purely commercial management of forests to one that integrates the objectives of the 4Cs.** The LFSP represents a paradigm shift in forest resource management insofar as it includes using climate finance as a catalyst for forest conservation and continued carbon sequestration. Achieving the project objectives will allow for improvement in forest management and increase in the sharing of benefits accrued through forest use. This in turn will enable future investments linked to carbon sequestration and results-based payments. The project will incorporate the landscape approach moving beyond forest sector interventions to take into account multiple interrelated interventions (such as agriculture and land use planning) at the landscape level and considering improvements in both ecosystems and livelihoods. This innovative approach will strategically combine physical, institutional, and community responses for sustainable management of targeted landscapes. The approach will

integrate the following activities: improving land use planning, supporting existing and new protected areas, enhancing people's livelihoods through community forestry, and placing agriculture on a more sustainable footing to reduce deforestation pressures.

31. **As a key premise of the project, the proposed LFSP will be aligned with and build on the forest reform process and particularly the REDD+ efforts.** The REDD+ process consists of three phases: Phase I - readiness; Phase II - investments and reforms; and Phase III - performance-based carbon payments. In Phase I (readiness), a national REDD+ strategy identifying country-specific goals and a plan of action for land use options within REDD+ is designed. In Phase II (investments and reforms) the REDD+ strategy is finalized and implemented through the facilitation and improvement of enabling conditions (legal framework, capacity building, governance structures, and monitoring and verifications systems) and investments in conservation, commercial, and community forestry activities. Phase III (performance-based carbon payments) provides payments for verified ERs, achieved, among others, through activities undertaken in the second phase. Each of the phases is supported by a number of agencies and financial mechanisms, some administered by the Bank. Particularly, the REDD+ formulation grant (US$0.2 million) and the current US$3.6 million grant under implementation from the FCPF is supporting Phase I (with an additional financing of US$5 million that became effective in September 2015). The LFSP will support implementation of Phase II. Besides the REDD+ readiness process, the project will build on a long history of interventions in the forest sector led by the government, private sector, and civil society supported by multiple development agencies. Lessons learned will be considered as well as gathered for future interventions and phases of the program.

32. **The project will finance technical assistance (TA), works, goods, workshops, training, services, and operational costs to support the implementation of the REDD+ strategy** focusing on investments for early implementation of strategic land use options in targeted landscapes. The project will also support the development of institutional capacities, which will strengthen the enabling environment to sustain decentralized implementation of sustainable forest sector management, with the engagement of local communities. Furthermore, the proposed project will include the implementation of a MRV system to track the country's forest cover and progress made in the reduction or removal of GHG emissions over time.

33. **Choice of target areas.** During project preparation, the FDA commissioned a spatial analysis of potential priority areas for REDD+ interventions to inform the selection of priority sites for the engagement. The analysis covered geographic, economic, and social aspects of the three preselected landscapes (the Northwest, North Nimba, and Southeast), to help prioritize target areas for the project and optimize the impacts of interventions for addressing the drivers of D&FD. The study used four main criteria: (a) value for conservation; (b) vulnerability to forest degradation; (c) vulnerability to deforestation; and (d) feasibility of effective interventions. As a result, the northwest landscape (comprising Bomi, Lofa, Gharpolu, and Grand Cape Mount Counties) was found to be effective at capturing the priority districts in this part of Liberia. Considering the strong presence of other partners in the Nimba region, the project will not support forest management activities directly in this area but will provide support for regulatory and institutional strengthening where key gaps, not addressed by other partners, are identified. Finally, the southeast landscape was included comprising portions of Grand Gedeh, Sinoe, Grand Kru, River Gee, and Rivercess Counties. Further refinement of the selection process for specific interventions at the district level

will be conducted before implementation of the ground investments for the corresponding subcomponents. (See annex 7 for a summary of the spatial analysis and a map of targeted areas.)

34. In relation to the criteria of value for conservation, within the selected targeted landscapes, the protected area network covers a relatively large proportion of the territory (17 percent in the northwest and 20 percent in the southeast). In addition, over 25 percent of the highest value forest in the southeast landscapes is covered by the protected area network. For the northwest landscape the percentage is over 21 percent, while nationally the value is 18 percent.

35. **The targeted areas capture the principal drivers of degradation as identified in the REDD+ Readiness Preparation Proposal (R-PP) for Liberia** (FDA, 2012). Their vulnerability to forest degradation is due to the following identified threats: (a) existing and proposed commercial 'sustainable' logging activities (Forest Management Contracts (FMCs) and CFMAs); (b) current levels of community-shifting agriculture and associated activities (hunting and non-timber forest products (NTFP)) (based on buffers around settlements related to population); (c) increased community use of forest in and around concessions where employment and incomes will increase (based on an increased buffer size); and (d) increased accessibility provided by roads and tracks (based on a buffer from the road). The project will support multifaceted and multistakeholder approaches to finding sustainable solutions to these threats, working with local authorities, communities, private sector, NGOs, and other actors in the targeted landscapes.

A. Project Components

36. The LFSP will support the following components (see annex 2 for more details by subcomponent and main activities).

Component 1. Strengthened Regulatory and Institutional Arrangements for Implementation of REDD+ (US$8 million)

37. This component will finance TA, consultants, and non-consultant services, goods, works, trainings and workshops, and operational costs needed to reform and harmonize the existing legal regime and to strengthen institutional and professional capacities for improved management of forest landscapes. The component will be divided into two subcomponents.

38. *Subcomponent 1.1: Strengthened Capacity in Institutions (Public, Private, CSOs) for Improved Management of Forest Landscapes* will provide the following:

(a) Support for existing multi-stakeholder coordination mechanisms established as part of the REDD+ readiness process and SFM.

(b) Both core and targeted support of the FDA and Environmental Protection Agency (EPA) to enhance core institutional capacities for the project's implementation and for SFM, together with targeted support for those agencies responsible for project-specific activities, such as the Land Commission (LC)[7]; Ministry of Agriculture (MoA); Ministry of Lands, Mines, and Energy (MLME); and the Liberia Institute of Statistics and Geo-Information Services (LISGIS). The focus of these activities will be to implement

[7] The LC is under transition to the Liberia Land Authority (LA). A bill for establishment of the LA is under consideration by the GoL.

project-specific activities and, at the same time, to build skills and knowledge, systems and procedures, and regulatory and enforcement capabilities for more sustainable and effective forest management in these relevant agencies.

(c) Deconcentration of FDA and EPA resources and capabilities through the provision of goods and works for renovation and construction of regional offices and operating costs to introduce a service delivery orientation in support of protected areas and community forest management. Interagency task teams will also be resourced and deployed under the leadership of the FDA to enable responsible ministries (the MoA, LC, MLME, and LISGIS) to execute their technical and operational responsibilities in the field.

(d) The establishment of partnerships between the FDA and local service delivery providers (whether community-based organizations (CBOs)/CSOs, vocational training institutes, or small and medium enterprises) to support local communities in their forest management activities.

(e) The professional development of FDA and EPA staff, through skills development and training, work placements, and study tours, and curriculum development of regional agriculture and forestry training institutes (FTIs).

39. *Subcomponent 1.2: Legal Reform.* The second subcomponent will support the GoL in the process of relevant legal reform and effective implementation of REDD+ related laws and policies, such as harmonization of the CRL; the National Forest Reform Law (2006); the Land Rights Policy (2013); and their attendant regulations, in coordination with ongoing projects that are addressing similar issues. The project will also facilitate a process of learning by doing and applied research to enable the continued enhancement of legal/regulatory procedures for SFM, providing the flexibility to introduce and test new alternatives, as needed and as project implementation provides lessons that could inform regulations.

Component 2. Strengthened Capacity for Management of Targeted Forest Landscapes (US$23.8 million)

40. The component will finance TA, works, goods, training and workshops, subprojects, and operational costs for land use planning, conservation, community forestry, sustainable agroforestry, and forest management to support local communities and their organizations within the targeted landscapes to improve the sustainable management and conservation of natural resources and improve the economic and social benefits derived from them. The component will be divided into the following four subcomponents:

(a) *Subcomponent 2.1: Improved Land Use Planning* will support the preparation of the current land use map at the sub-national (for the targeted landscapes) and national levels. Together with results achieved and lessons learned from the inclusive strategic planning processes and land use planning at the community level (Subcomponent 2.3), a road map report to scale up land use planning beyond the community level will be developed. The activities are aimed at advancing an integrated landscape management approach for sustainable management of natural resources at landscape scale. Over time the products from these activities will be useful for national GHG accounting from the land use (forestry and agriculture) sector.

(b) *Subcomponent 2.2: Strengthened Management of Protected Areas of Targeted Forest Landscapes* will support the enlargement, strengthened on-the-ground management, and

financing of Liberia's protected area network, detailing adequate resources necessary to safeguard selected existing and future protected areas within the targeted landscapes and complementing the support received from other sources.

(c) *Subcomponent 2.3: Community Forestry in Targeted Forest Landscapes* will support activities on a demand-driven basis to assist forest communities to: strengthen community governance and institutions to manage community forestlands and common pool resources (in accordance with the CRL and the Land Rights Policy); promote and support productive natural resources management (NRM) investments; and improve livelihoods by creating jobs opportunities, and improve income from the use of communities' customary lands and forest resources.

(d) *Subcomponent 2.4: Strengthened Capacity for Sustainable Agriculture* promotes sustainable agricultural practices and reduces slash-and-burn agriculture in the targeted landscapes. Using a demand-driven approach and structured economic interest groups within the targeted communities in Grand Gedeh, River Gee, and Bomi Counties, agroforestry and food crop cultivation will be supported for farming households within the communities.

Component 3. Forest Monitoring Information System (US$2.3 million)

41. This component will finance TA, goods, workshops, and operational costs to support the following subcomponents:

(a) *Subcomponent 3.1: Measurement, Reporting and Verification (MRV) and Reference Level Development* will support the establishment of a successfully tested and operational national system for MRV. This will build on an existing road map (see annex 8) and the progress achieved by the national REDD+ Readiness Program supported by the FCPF in coordination with the ongoing VPA support to the FDA in the context of the existent chain of custody for timber. The MRV system will need to comply with international best practice guidelines for operational data collection, synthesis, analysis, and reporting, allowing for the monitoring, estimation, and accounting of carbon emissions and removals in comparison with the projected reference scenario being developed as part of the REDD+ Readiness Program under FPCF support. The FDA, together with the LISGIS, will have the primary responsibility for monitoring information and reporting.

(b) *Subcomponent 3.2: Development of an information system for safeguards* will finance the operationalization and update of an information system on safeguards being designed with the support of the FCPF.[8] The LFSP will support the implementation of such a system in targeted landscapes covering the measures proposed in the REDD+ strategy, monitoring compliance with the World Bank's Safeguard Policies (among other criteria and international best practice). In addition, this subcomponent will support development of the national guidelines on community consultations in forestry projects that follow international best practices. These guidelines will be Liberia-specific and, once developed, will be used by the project, other

[8] The safeguards information under this subcomponent refers to an REDD+ inspired Liberian information system, which encompasses a range of project-related information that goes beyond the scope of the Bank's Environmental and Social Safeguard Policies.

activities of the FDA, and other partners. Capacity building of the FDA and other implementing agencies on the use of information systems for safeguards will also be provided.

Component 4. Project Management, Monitoring, and Communication (US$3.4 million)

42. Support will be provided through this component for the FDA's day-to-day project implementation and management including procurement, FM, M&E, preparation of annual work plans, and organization of audit reports. The component will provide support for office operating costs for the existent FDA-REDD+ Implementing Unit as well as the operation costs for joint quarterly meetings to be held by the implementing agencies. The component will support the operationalization of an M&E system that will report on the expected project's results, systematizing the project's lessons learned. The component will also support the implementation of a communication strategy to inform different and diverse stakeholders about the project and its results, building on results achieved with FCPF support as well as through other projects. In addition, resources will be provided for the management and supervision of the World Bank's social and environmental safeguards and functioning of the grievance redress mechanism (GRM). Finally, the component will provide support for the preparation of the midterm and project completion reports as required by the World Bank.

B. Project Financing

43. The project cost of US$37.5 million will be financed through a grant from the GoN. This grant is part of the Liberia Forest Program supported by the partnership established between the GoL and the GoN and formalized through an LoI on September 23, 2014.[9]

44. Currently US$36.7 million is available (TF0A2427). As the GoN commitment is in Norwegian Krone, IDA applies a standard currency risk provision to the total grant amount. The first Grant Agreement for this Project will be for this amount. The project costing has been adjusted so the activities can move ahead. A supplementary Grant Agreement will be prepared when the remaining US$0.8 million is available, which is expected to be by the project mid-term.

Project Cost and Financing

Project Components	Project cost (US$, million)	Grant Financing (US$, million)	% Financing
1.Strengthened Regulatory and Institutional Arrangements for Implementation of REDD+	8.0	8.0	100
2.Strengthened Capacity for Management of Targeted Forest Landscapes	23.8	23.8	100
3. Forest Monitoring Information System	2.3	2.3	100
4. Project Management, Monitoring, and Communication	3.4	3.4	100
Total Costs	**37.5**	**37.5**	100
Total Project Costs	**37.5**		
Total Financing Required	**37.5**		

[9] https://www.regjeringen.no/en/aktuelt/Liberia-and-Norway-launch-climate-and-forest-partnership/id2001339/.

C. Lessons Learned and Reflected in the Project Design

45. The preparation process for the LFSP has gathered lessons from several pieces of analytical work conducted for the forest sector[10], the implementation of other projects in the region in related areas, and the World Bank/FCPF's experience with REDD+ in at least 37 countries in the world. Some of the specific lessons informing project design are provided here.

46. **There is a need for continued and ongoing consultation and community engagement.** So far the consultation and community engagement component of the REDD+ process in Liberia has demonstrated that this work must go beyond simple awareness raising and one-off community engagement. Investment activities promoted on the ground under REDD+ require a tremendous amount of consultations executed by multiple actors, and several forms of approval from various stakeholders, relating to community engagement and consent, clarification of tenure and rights to forest resources (including benefit sharing and GRMs), and, crucially, the exploration and clarification of carbon rights. These processes are complex and should not be underestimated with regard to difficulty or time. For Liberia in particular, these efforts will require a paradigm shift with regard to the way in which communities currently use forest areas. The LFSP will build on and complement community engagement processes promoted by other projects including the REDD+ readiness process supported by the FCPF and the VPA; the People, Rules, and Organizations Supporting the Protection of Ecosystem Resources (PROSPER); the community forest management program financed by the USAID; and other key activities financed by CSOs and CBOs. The LFSP design has been prepared based on the extensive feedback received from various stakeholders including consultations led by the GoL and building on achievements from the ongoing REDD+ readiness preparation process. Latest consultations were held from October 21 to 24, 2015, at the targeted landscapes, followed by a national meeting in December 2015, and the FDA is set to continue consultations as deemed appropriate to ensure community ownership of the project and informed engagement by project beneficiaries.

47. **Ensure interventions are adaptable, replicable, and not resource intensive.** The design of the components will allow for scaling up activities by adapting existing systems, keeping the activities simple and flexible, and ensuring that components generate their intended benefits. The project will be phased out starting, for example, working with relatively stronger communities that will generate useful lessons for working on other communities in the following years. An adaptive

[10] Some of the analytical works: (a) "Mainstreaming Social and Environmental Considerations into the Liberian National Forestry Reform Process - A Strategic Environmental Assessment for Implementation of the 3Cs of the Forest Reform Law 2006." (WB, 2010); (b) "Implementing Liberia's VPA: Assessment of Institutional Options - Final Draft (IDL Group, 2011); (c) "Windows of Opportunity for Liberia's Forestry Sector. Results of the Poverty and Social Impact Analysis (PSIA) of Liberia's Forest Sector Policy Reforms." (WB, 2012); (d) "Liberia Forest Sector Diagnostic" and "Liberia: Assessment of Key Governance Issues for REDD+ Implementation through Application of PROFOR Forest Governance Tool (WB, 2012); (e) "Liberia Institutional Review" (Tim Schoonenberg and Daphne Hewitt -LTS -Draft, July 2012); (f) "Chopping Progress - An assessment of Liberia's forestry sector and its impact on state-building" (Center for International Conflict Resolution School of International & Public Affairs Columbia University, 2013); (g) Institutional Assessment Report and Capacity Development Plan. (USAID/GEMS, July 2013); and (h) "Liberia - Environmental Threats & Opportunities". *Beth Hahn, Jim Barber, Darren Johnson, Harnon Whymah Garbo*" (USAID).

management approach will also be incorporated to manage the change to the evolving legal framework.

48. For example, for Subcomponent 2.4 that includes promotion of tree crops, the team will use the implementation mechanisms established for the Liberia Smallholder Tree Crop Rehabilitation Project (STCRSP, P113273) that is under implementation by the MoA.

49. **For REDD+ to be successful in Liberia, a reliable, responsive, interministerial process**, **supported by development partners from across the global stage, will be indispensable.** Facilitating interministerial collaboration has proven to be a challenging endeavor. Given the multisectoral threats to integrated land use planning in Liberia's landscapes, interagency communication and engagement will be central to effective and SFM. Consequently, the National Climate Change Steering Committee (NCCSC) and National Climate Change Secretariat (NCCS) will be strengthened through the project being key coordination and advisory mechanisms in the national climate change and REDD+ process. Coordination between development partners will be ensured through these existing mechanisms, including the National Multi-stakeholder Monitoring Committee (NMSMCC) and the Community Forest Working Group, among others.

50. **The private sector's full and active participation is necessary for the program's success moving forward.** Liberia will not be able to achieve sustainable, low-carbon development without the private sector addressing its own contributions to carbon emissions while simultaneously striving to increase investment, productivity, growth, and employment within the REDD+ framework. The LFSP will engage with the private sector at three levels: (a) community forest enterprises establishing joint ventures with involvement of the private sector; (b) public-private partnerships (PPPs) for sustainable agriculture with individual farmers including the expansion of the tree crops model that has already been tested; and (c) promotion of biodiversity offsets with the mining sector. The project will not support outgrower schemes involving large-scale monocultures in agriculture concession areas. During implementation, the project could still provide TA to farmers so they strengthen their ability to negotiate terms and contracts with the private sector around environmentally, economically, and socially sustainable schemes. In addition, the LFSP will complement actions conducted by other projects such as the *Green Growth: Achieving forest conservation in commercially productive landscapes in Indonesia, Liberia and Brazil* that aims to create, through the High Carbon Stock (HCS) approach,[11] deforestation-free supply chains at scale by forging committed PPPs for jurisdictional and landscape approaches to be implemented with support from the IDH and financial leverage from the GoN.[12] For example, where the agriculture concession boundaries are adjacent to protected or community forest areas, the proposed project could provide support for income-generating

[11] The HCS approach is a methodology that distinguishes forest areas for protection from degraded lands with low carbon and biodiversity values that may be developed. It puts 'no deforestation' into practice. (http://highcarbonstock.org).

[12] Three landscapes with high conservation value and HCS will be targeted by this project to establish production protection agreements in Liberia. Some of the outcomes are (a) commercial, community, and conservation interests are addressed in a Green Growth Plan, executed by public-private partners in the three landscapes; (b) production protection agreements between companies, government, and communities in the three landscapes, contributing to reduced emissions from deforestation and forest degradation; (c) the risk-sharing facility for investment in community palm oil production; (d) improved (food) crop production/diversification activities by community members to improve livelihoods; and (e) conservation, social, and commercial outcomes that are verified through a robust monitoring and reporting process.

activities such as agroforestry in communities that are not directly working with concession companies to minimize the risk of threat to forest protection in the landscape as a whole.

IV. IMPLEMENTATION

A. Institutional and Implementation Arrangements

51. The design and implementation of the LFS project will build on the REDD+ management structures already established for the REDD+ strategy as shown in figure 3.1 (Annex 3). Details for the institutional and implementation arrangements are included in Annex 3. The FDA, which is assigned overall responsibility for the implementation of REDD+ activities, will be the responsible agency for overall project implementation. Housed in the FDA, the REDD+ Implementation Unit (RIU) will be responsible for the proposed LFSP, working in collaboration with relevant directorates of the FDA (Conservation, Community, and Geographic Information System (GIS) Departments). The RIU will also work closely with regional, district, and park offices to coordinate and support FDA staff in the implementation of project activities.

52. For the implementation of the LFSP, the FDA will have cross-sectoral support from other line ministries, bilateral partners, NGOs, academia, and CSOs at central and decentralized levels. In addition, the FDA will formalize collaboration with the following key agencies through Memorandums of Understanding (MoUs): (a) the EPA who will benefit from institutional strengthening activities (Subcomponent 1.1) and will support the information systems for forest and safeguards (Subcomponents 3.1 and 3.2) as well as the implementation of the project's Environmental and Social Management Framework (ESMF) (Component 4); (b) the MoA that will benefit from technical and operational resources (Subcomponent 1.1) to implement the project's sustainable agriculture investments envisaged under Subcomponents 2.3 and 2.4; (c) the LC[13] that will benefit from the technical and operational resource needed to support the FDA in activities related to Subcomponents 1.2 and 2.3 and will be the main implementer for Subcomponent 2.1; (d) the LISGIS that will also receive technical support under Subcomponent 1.1 and will facilitate the work on monitoring forest cover and land use changes involved in Subcomponent 2.1 and Component 3; and, finally, (e) the MLME that will be involved where the project is required to engage artisanal mining communities at the regional or park level, as envisaged under Subcomponents 1.1 and 2.3, as well as in possible biodiversity offsets schemes in Subcomponent 2.2. The project will support strengthening activities for the implementing agencies to ensure that they are equipped to deliver results. The involvement of multiple agencies will ensure an integrated landscape approach to tackling the multisectoral drivers of D&FD.

53. Project implementation at regional and local levels will be strongly supported by interagency task teams composed of the EPA, FDA, MoA, and other agencies through regional offices and service delivery partners (private sector, NGOs, CSOs, and CBOs). These will be coordinated by the FDA and will operate from the regional offices. These teams will provide operational support to enable those agencies that do not have resources or a permanent presence in the regions to ensure that they are able to play their part in project implementation at the community or district level. In addition, the project will provide support, including capacity building and training, to service delivery partners who will work with the FDA and other lead

[13] The LC is under transition to being set up as LA. The bill for establishment of the LA is under consideration of the GoL.

agencies in implementation and provide services to communities, in particular under Subcomponent 2.3 and after project closure.

54. **The NCCSC[14] will act as the body in charge of ensuring intersectoral coordination.** The NCCSC will meet once a year at the end of the fiscal year to review reports on project performance and results and budget and approve the new operational plan and budget. The NCCS will work closely with the Community Forestry Working Group (CFWG),[15] on all activities related to community forest management. The FDA's managing director (MD) will be in charge of convening quarterly meetings to follow up on the project implementation and progress, including activities and responsibilities registered in the MoUs between the FDA and other implementing agencies. Also, the project team will share project progress reports and key findings with the NMSMCC inaugurated under the VPA and chaired by the FDA, to coordinate donors, establish synergies, and engage sector partners in the objectives of the project. Annex 9 includes an overview of the related activities implemented by development partners as well as other World Bank projects. No new platform will be created for coordination among different development agencies, but the scope of existing mechanisms such as the REDD+ Technical Working Group (RTWG), and the Community Forestry Working Group, NCCSC could be reviewed and modified in the context of the project.

B. Results Monitoring and Evaluation

55. **The M&E for the proposed project is guided by the project Results Framework** (annex 1) that is also the basis for the evaluation of the project at midterm and completion. The FDA will play the coordinating role for the M&E and will be responsible to ensure that data and information are produced on time and are of sufficient and necessary quality. Given the low capacity within the FDA, M&E capacity-building activities will be undertaken both for the FDA's technical staff and decision makers. Project performance and results will be reported, on an annual basis, to the NCCSC and the GoN and on a semiannual basis to the World Bank according to legal agreements.

56. **M&E for the proposed project has been developed** as (a) a tool for results-based management that incorporates data and information on progress toward achievement of the outcomes under the PDO and facilitates corrective measures to be taken in time if necessary; (b) a link between the proposed forest sector project to the results-based carbon payment operation for verified ERs with regard to results, that is, the proposed project is on the right track to create conditions for successful implementation of ERs; (c) a framework for accountability of progress toward the international REDD+ agenda and to international development partners, that is,

14 The NCCSC is a high-level policy coordination committee responsible for overall climate change policy in Liberia. The NCCS provides coordination, monitoring, and evaluation, as the operational arm of the NCCSC. The RTWG is a platform for all stakeholders, including other sector agencies, civil society, development partners, and the private sector. It reaches down through the national- and county-level forest forums to stakeholder and communities closer to the forest and directly affected by REDD+ issues. The RTWG is chaired by the FDA and co-chaired by the EPA and the Ministry of Planning and Economic Affairs. The RTWG provides technical advice to inform and guide decisions about program development in Liberia.

15 The CFWG was established in 2007, initially to assist in drafting legislation for community forestry. Under a renewed mandate, the CFWG serves as a liaison between the FDA and community groups. Currently, all applications for community forestry are passed through the CFWG as a test of validity. Members are allowed to review applications for community forestry in batches of ten and only at the FDA headquarters (HQ).

Norwegian Agency for Development Cooperation (NORAD); (d) a platform for communication of results of the project and benefits generated for target beneficiaries and stakeholders; and (e) a method to meet the World Bank's routine reporting requirements, that is, the Implementation Status and Results Report (ISR), which is developed for each project and is publicly disclosed; data and information requirements for the midterm review of the project; and data and information requirements for the project completion report. In addition, international independent verification of ERs required for future carbon payments will be undertaken, as part of Subcomponent 3.1 and made public twice during the project's life.

57. **With support from a separate TA fund, the project will carry out an impact evaluation.** To gather the baseline information for the impact evaluation, surveys and data gathering will be conducted during the first six months of project implementation at the targeted landscapes. The scope of the evaluation will be determined in consultation with the World Bank experts given that information is extremely scarce in Liberia and the capacity for data collection is low. However, the focus will be toward assessing the project's impacts with regard to revenues to beneficiary communities and improvement in livelihoods. The evaluation will also consider other experiences and existent data from other projects such as the Children and Youth in Africa supported by the Italian government.

C. Sustainability

58. The sustainability of the LFSP is found in the long-term financial and nonfinancial benefits that are achieved as a result of activities that the project will implement in targeted landscapes.

(a) **Improvements in the enabling environment** (such as institutional, technical, and implementation capacity and the regulatory framework for sustainable management of forests)

(b) **Investments in direct actions for sustainable management and use of forests** (such as management of and economic activity in community forests, protected areas, and agriculture) and payments for ERs

(c) **The ownership, implementation, and mainstreaming of the LFSP** across government institutions including forest, agriculture, and environment and land management, mining, and energy sectors as well as CSOs and private service providers, making sustainable resource management practices an integral part of national land use planning and development efforts.

59. **Financial incentives**. Financial incentives will ensue in the form of livelihood benefits, access to natural resources, and potential payments for ERs. Nonfinancial benefits from project interventions focused on improved forest management will be critical to sustainability of project results. This will include regulatory measures related to community ownership of forests, co-management of protected areas with communities' engagement, and sustainable charcoal production.

60. Improvements to the enabling environment and interventions for sustainable management of forests will generate inherent sustainability through actions such as (a) improved institutional capacities, community organizations, enhanced capacity of civil society and NGOs, and regulatory frameworks; (b) community natural-resource-based enterprises and value chain development; and (c) establishment and strengthening of multisector/multiagency task teams that support holistic implementation of sustainable management, land use planning, and safeguards management.

61. Several elements have been incorporated in the LFSP design to ensure sustainability of results and investments.

- Community small and medium enterprises envisaged under the community forestry component will support SFM by forest-dependent communities and will also act as a source of livelihood. These enterprises will have the capacity to design and manage economically and environmentally sustainable businesses that will last beyond the project duration.
- The land use planning exercise undertaken as part of the LFSP will be a tool for short-, medium-, and long-term decision making regarding all involved sectors, that is, forestry, mining, and agriculture.
- The project will also finance the establishment and potential scale-up of a conservation trust fund (CTF) that will support conservation activities in the forest landscapes, including in protected areas. Subject to successful capitalization, the fund will contribute to the financial sustainability of Liberia's protected area system. The CTF will be capitalized by a combination of public and private financing coming from diverse sources including forest fee and taxes, carbon payments, donors' direct financing, and biodiversity offsets. The possibility of capitalization with the project's funds, once the fund has been set up in a satisfactory manner, will be reviewed at midterm, and if found appropriate, a project restructuring could be proposed to allow such capitalization.
- The project will strengthen capacities in private technical service providers (TSPs) and CSOs. The experience in implementing sustainable resource activities under the project will maintain these practices after the project closure.
- Policy reforms currently being promoted through other projects will facilitate the enabling environment for the sustainability of the project's results. One of these is the Poverty Reduction Support Development Policy Operation that aims to sustain and deepen government-owned efforts to reform governance and public sector performance and to support the broadening of economic and human development improvements. This project, as part of the Liberia Forest Program, can potentially establish strategic reform initiatives that will strengthen the sustainability of project goals.[16]
- Sustainability of the investments will be complemented by the results-based carbon payment operation for verified ERs that will pay for the ERs and carbon sequestered by the activities implemented through the LFSP. Under an optimistic scenario, the structures and mechanisms developed or strengthened during the project lifetime and the lessons learned from the pilot investments will allow for the carbon payments to materialize. In assuming 40 percent effectiveness of the reference emission levels (REL) on average, it is expected that between 2.2 and 3.4 million tons of CO_2e per year could be generated. Assumptions remain that other supporting activities in the landscape such as agriculture concessions and artisanal mining do not result in significant emissions. The engagement of private sector concessionaries such as through IDH in oil palm, rubber, and so on will be critical and synergistic to the generation of ERs at the level of the landscape. Policy measures such as the land use policy will be critical to ensuring mitigation outcomes and

[16] One reform currently in consideration relates to staff retirement plans that will allow for team members financed by the LFSP to be incorporated at the end of the project to the FDA's new vacant posts.

their sustainability. The project interventions alone cannot guarantee net ERs within the landscape.

- In an optimistic scenario, it can be envisaged that Liberia leverages up to US$11 million per year (assuming US$5 per ton CO_2) starting from year 5 of project implementation for verified ERs. These payments would be available once the program achieves, independently verifies, and reports on reduced emissions. The ER payments could be used primarily to ensure sustainability of land use interventions as well as to scale up action within targeted landscapes. Part of the payments could be reinvested in landscapes for example through a CTF, part could go to the FDA in the form of budget support to sustain efforts, and part directly to communities with demonstrated results. The structure for the disbursement of proceeds from carbon payments will be determined once the project demonstrates satisfactory progress and is on the trajectory toward generating ER results. Results-based financing could be channeled through an ER Purchase Agreement or another mechanism to be discussed with the GoL as part of the next phase of the program.

62. While long-term sustainability has been a key design criterion for the project, sustenance of activities and support beyond the project period will require political will and commitment. This includes increased budget allocation for the FDA, and strategic staffing and mainstreaming of skilled personnel within the FDA to prevent loss of the built capacity. The FDA is in discussions with the Ministry of Finance and Development Planning (MFDP) and it is agreed that the FDA will integrate staff that are brought on board through the project in a phased manner during the project period.

63. Additional risks to sustainability of the project, external to the project design, are discussed in the Key Risks section.

V. KEY RISKS

A. Overall Risk Rating and Explanation of Key Risks

Risk Category	Rating
1. Political and Governance	High
2. Macroeconomic	Substantial
3. Sector Strategies and Policies	Substantial
4. Technical Design of Project or Program	Moderate
5. Institutional Capacity for Implementation and Sustainability	High
6. Fiduciary	Substantial
7. Environment and Social	Substantial
8. Stakeholders	Substantial
9. Land Tenure	Substantial
10. Other - Depreciation of the Norwegian Krone (NOK)	High
OVERALL	Substantial

64. **Political and Governance: High.** The current security situation in Liberia remains fragile, but largely stable. Regional instability also continues to have spillover effects. REDD+ will only succeed in a context of good governance with strong levels of political commitment, where rules for carbon transactions are transparent; revenue-sharing schemes are fair, respected, and known to stakeholders; and funds are managed properly, which are also key design criteria for the LFSP. The upcoming elections in 2017 also pose a risk with respect to momentum on the agenda for natural resource management, including through the project. The project will build on other initiatives that are working toward promoting good governance and will support the policy dialogue to follow up on the recommendations from the 2013 Forestry Sector Diagnostic.

65. **Macroeconomic: Substantial.** Liberia is heavily dependent on foreign direct investments and primary exports for its fiscal revenues, foreign exchange, and many of its jobs. It is also dependent on imported fuel and food, including the primary staple—rice. The country is vulnerable to external shocks and risks of fiscal slippage, exchange rate depreciation, and inflation. As an example, the government has recently revised its annual budget to meet the US$70 million (about 15 percent of the national budget) drop in income due to a drop in commodity prices. In the context of the LFSP, the macroeconomic situation may not allow the government to incorporate all the recurrent operational costs required to ensure sustainability of project investments. This risk reaches beyond the project and cannot be mitigated by the project but will be monitored by the implementing team.

66. **Sector Strategies and Policies: Substantial.** Conflicting sectoral policies can undermine the LFSP's efforts. Policies and incentives related to the extractive industries (including mining and unsustainable forestry) could conflict with reforms, action plans, and initiatives supported by the project. To mitigate the risk, the LFSP will facilitate a coordinated and transparent dialogue with partners and sectors, leading to better understanding of the trade-offs involved with REDD+ and enabling the GoL to take more informed decisions around land use planning. Even within the forest sector, the LFSP target landscapes overlap with other projects and interventions coordinated by other donors/agencies managed under the responsibility of government authorities with limited capacity. Coordination and alignment between projects and actors are thus critical to ensure that the government capacity is strengthened and not exhausted. Similarly, multiple approaches to community consultations and engagement in the same region may reduce the effectiveness of the individual projects and waste communities' time unless they are well coordinated. To mitigate these risks, the project will proactively engage in coordination and alignment between projects and agencies operating in the same region through coordination mechanisms such as the NCCS. Liberia receives significant support from bilateral development partners. Several donor-supported initiatives are actively promoting the agenda for sustainable resource management and governance. Proactive engagement in donor coordination will help further mitigate the risk of lack of alignment of multiple sources of support.

67. **Institutional Capacity for Implementation and Sustainability: High.** Liberia's limited institutional capacity could risk the fulfillment of the project's objectives. Liberia's civil war has corroded the country's institutions and civil service capabilities and weakened their capacity to deliver public goods. REDD+ is an innovative mechanism that requires strong capacity in various areas, and yet the agencies' implementation capacity and ability to maintain regulatory oversight is still weak. To mitigate this risk, the LFSP has a strong focus on activities toward strengthening the technical and operational capacity of the FDA and EPA, as principal stakeholders, together with other key stakeholders involved in REDD+ (Subcomponent 1.1). The capacity enhanced with

project support will require mainstreaming into the FDA and other agencies during the project period. The GoL has committed to this mainstreaming. However, lack of adequate budget support to the FDA in post project years poses a risk to the sustainability of these efforts. Dialogue to this effect between the GoL and MFDP will be initiated during the project implementation on strategic issues and staff integration in a phased manner during the project period. Institutional support to existing institutions will be conducted in close collaboration with the VPA Support Unit and USAID/GEMS project. In addition, the World Bank has commissioned an institutional review of forest sector institutions that will build on existing studies and provide further results during early implementation. The project will be implemented in a phased manner and ground work will start with stronger communities to generate tractable lessons learned. The LFSP will provide significant support toward technical and institutional capacity enhancement of key implementing agencies for them to fulfill their mandate on sustainable forest management specifically for management of protected areas and community forests. The recurring costs for protected area management (staffing, operational, maintenance of equipment, staff trainings) will be significant. Likewise for community forests, costs for CFMA establishment and maintenance of support to communities beyond project closure as well delayed project implementation are real issues that pose significant risks. The Sustainability section details mitigation measures integrated into the project design so that the FDA and relevant agencies do not lose the momentum and overall strategic direction of protected area and community forest management initiated through the LFSP. Dialogue with the MFDP and FDA will be initiated early into project implementation for a robust project exit strategy, including increased budget support to the FDA to allow gradual mainstreaming of efforts in a phased manner during the project period.

68. **Fiduciary: Substantial.** To assess the adequacy of the FM arrangements for managing the project, an FM assessment was carried out at the FDA and the Project Financial Management Unit (PFMU) on June 8, 2015 and updated in January 2016. The risk rating is rated Substantial given the multiple implementing entities and the FM capacity challenges. The areas that give rise to the Substantial risk rating include the submission of Statement of Accounts (SoAs) by the entities, auditing, liquidation of advances, the signers' arrangement for the operations accounts, and coordination of the multiple entities by the independent implementing entities. Risk mitigation measures include the use of the PFMU in the Ministry of Finance and Development Planning, which has experience with the World Bank's FM procedures, and the provision of on-the-job training to the project finance officers at the FDA and other implementing entities. The finance departments of the FDA, EPA, MoA, LISGIS, and MLME, including the PFMU, will maintain financial records for the project and maintain separate operations accounts for the subcomponents being implemented by them. The PFMU will submit to the World Bank quarterly consolidated interim unaudited financial reports (IUFRs) 45 days after the end of each quarter. In addition, the PFMU/FDA will submit annual audit reports 6 months after the end of each fiscal year, in accordance with the Grant Agreement.

69. **Environmental and Social: Substantial.** The project is intended to have positive effects on improving the sustainable governance of the forest and benefit sharing. Notwithstanding, REDD+ entails some social risks (for example, elite capture of benefits, conflicts over land and REDD+ benefits, increased criticisms from CSO groups, higher expectations on project benefits) and some environmental risks (related to the sustainability of project-supported forestry and agricultural activities). There is also potential vulnerability of women and disadvantaged groups because of unequal gender roles in managing forest resources and land tenure disparities. Because of their special ties to land, women typically are vulnerable to activities that affect natural resources

on which they depend. The initial REDD+ readiness grant with its additional financing is supporting Liberia to identify the potential risks associated with REDD+ and the mitigation options. To do this, a Strategic Environmental and Social Assessment (SESA) and ESMF will be used to integrate key environmental and social considerations into REDD+ readiness by combining analytical and participatory approaches. Building on the above, under the proposed project an ESMF and Process Framework (PF) have been prepared to specifically contribute to manage and mitigate the environmental and social impacts from the implementation of this project. These safeguard instruments incorporate consultation and participatory planning and GRMs to take into account stakeholder concerns. The investments conducted by the proposed project will build on the results of the SESA and the ESMF. The PF and ESMF were widely consulted, and community as well as other stakeholder inputs have been incorporated.

70. **Stakeholders: Substantial.** As a post-conflict country, Liberia faces serious challenges and potential hindrances to the REDD+ process and, more broadly, the forest governance reform. These include limited confidence of forest-dependent people in government and concessionaires; uneven bargaining power between different interest groups; differing perceptions of participation process; corruption; and misunderstanding and exaggerated expectations from REDD+. As mitigation of this risk, the project will benefit from the SESA, which will identify potential stakeholder risks that should be addressed. To mitigate and handle expectations appropriately, the participatory and consultative approach that has been applied to the REDD+ process will continue so that key stakeholders will be involved and well informed of the activities developed and the results achieved, while also being participants in all stages. The LFSP is an opportunity for the GoL to demonstrate its commitment to address issues that in the past have constrained the realization of the goal of sustainable management of forests for communities and the national economy. The project, however, is not a panacea to the issues inherent to Liberia's forest use. Some of the issues will not be avoidable, but the project will aim to ensure that all the stakeholders have the same level of understanding of the issues. The project includes indicators that will reflect community participation in forest management. In addition, good practice in social safeguards requires the implementation of feedback mechanisms to enable stakeholders to participate. Therefore, a genuine commitment to the proper functioning of a GRM will be mainstreamed to build trust and mitigate harm to the local community. Citizens' engagement to provide feedback on project efficiency at some intervals during project implementation will be undertaken.

71. **Land Tenure: Substantial.** The uncertainty attached to tenure and land use rights generates several 'unknowns' related to the allocation of potential benefits from REDD+, and with regard to land management responsibilities. In a historical shift toward the recognition of community land rights, CRL 2009 explicitly provides for community ownership, and more than 100 communities have since made applications to have those claims appraised. In addition, the cabinet approved a new Land Rights Policy in 2013, and this has since been further developed into law. The draft Land Rights Law is currently under consideration by the Senate Committee. These developments have very significant implications on the national rollout of REDD+, with local people and communities likely to be the direct beneficiary of REDD+ benefits in many areas currently considered state forest. The risk of non-passage of the Land Rights Act has been considered and the project's activities are based on the existing legal framework provided by the land policy and the CRL and its regulations (CRL-R).

72. **Depreciation of the NOK and delayed disbursements: High.** The funds allocated by the GoN to finance the LFSP were established in the Norwegian krone and, thus, are susceptible to

changes based on the exchange rate. During project preparation, the NOK has depreciated causing a significant reduction in the funds available. This required making adjustments and scaling down the project activities. The depreciation risk is exacerbated by the fact that Norway will disburse its funds to the trust fund in installments, exposing each installment to this risk. An additional risk is also present with potential delays in disbursements, as the World Bank will only be able to disburse funds to Liberia once they are deposited in the trust fund, so any delay in the contributions from Norway will affect the flow of funds to the project. To mitigate these risks, a contingency is the project budget.

VI. APPRAISAL SUMMARY

A. Economic and Financial Analysis

73. The Liberia Forest Sector project development impact is to foster sustainable forest management while providing monetary and non-monetary benefits for the communities living in the targeted areas. Through a multi sectoral approach, the project will contribute to improvements in land use planning, support existing and new protected areas, enhance people's livelihoods through community forestry, and place agriculture on a more sustainable footing to reduce deforestation pressures. The project aims to enhance the sustainable use of the resource in order to realize multiple benefits from the forests. In the absence of the project the deforestation and degradation will continue and benefits to the communities will not be realized. The results chain in the PAD demonstrates the link between project inputs, outputs and outcomes. As demonstrated in annex 5, the cost benefit analysis indicates a positive return on the investment.

74. **Rationale for Public Sector Financing.** The GoL has undertaken measures to reform the forest sector since the 2003 United Nations sanctions to trade timber products were lifted in 2006 and has made commitments in its national development and climate change agenda for sustainable use of forests. The project will strengthen the enabling environment (including legal and regulatory reform and institutional capacities) for improved sustainable forest management and benefit sharing. Moreover, the project investment will result in public goods of global, national and local importance that justify the allocation of public services and financing.

75. **The World Bank's Comparative Advantage and Value Added**. The World Bank has been involved in the forest sector in Liberia for over 10 years, in the post conflict era starting in 2003. During these years, the Bank has provided technical and policy assistance through the Liberia Forestry Initiative, the GEF projects, the Forest Carbon Partnership Facility Grant, and analytical work. The World Bank has supported the Government of Liberia's long standing commitment to reform the forest sector, balancing and integrating community, commercial, conservation, and carbon uses of the forests. For this project in particular, a multi sector task team with specialists from agriculture, climate change, governance, biodiversity and forests has been assisting GoL at various stages of the project preparation and will do so for implementation. In addition to the World Bank's work in Liberia, it has an extensive experience in the forestry and related sectors in other countries.

76. An economic analysis was conducted focusing on Component 2. Particularly, quantifiable benefits have been estimated for activities involving three subcomponents: management of community forestry, rehabilitation of tree crops and agriculture, and strengthening and expansion

of protected forest areas generating carbon benefits. The data and targets for the projects are based on the Results Framework (annex 1). Non-quantifiable benefits, not considered in this analysis, may be significant. Locally, they include greater clarity over land tenure, security of access to forests and conservation of biodiversity, and benefit sharing and empowerment of the marginalized communities including women and youth, regional development, or ecological or ecosystem services. **Based on experience in Liberia and elsewhere, the strengthened management of community forestry will generate both non-monetary and monetary benefits.** The economic analysis is based on the net present value (NPV), which is the flow of inflation-adjusted costs and benefits, discounted over time to reflect the investment cost, to permit comparison with alternative potential uses of the grant funds. The flow of costs and benefits is calculated over 25 years, approximating the life cycle of a forest composed equally of fast-growing softwoods and slower-growing hardwoods with sustainable replacement during that period (into perpetuity, if the policy is maintained). With regard to monetary benefits a calculation was done based on the target values for the employment to be created for the production and processing of forest products. This is calculated to have an NPV of US$56 million at a 6 percent rate.[17]

77. Regarding the subcomponent that will promote the sustainable agriculture and particularly the rehabilitation of tree crops, the NPV is US$59 million at a 6 percent rate. Data for this calculation were taken from the analysis conducted for the STCRSP that the proposed subcomponent will build on and continue in selected counties.

78. **Strengthening management of protection areas will generate carbon benefits**. Between 1990 and 2010, Liberia lost about 12.2 percent of its forest cover with an average annual deforestation rate of 0.61 percent; it is assumed that this rate would continue in the absence of the project. An analysis of the value of the incremental carbon sequestered, assuming a blend of 50 percent hardwoods and 50 percent softwoods, is US$21 million annually for the protected areas covered by the project.

79. These figures together (US$136 million) greatly exceed the proposed grant to implement Component 2, US$24 million, or even the total project budget of US$37.5 million. If a discount rate of 10 percent were to be used (due to increased risk for forestry operations), the benefits would be US$66 million.

B. Technical

80. The LFSP design is technically robust for several reasons. The policy and institutional elements are aligned with government activities and focus on unlocking the opportunities created by decentralization of forest management, by reversing key constraints, building institutional capacity, and strengthening the mechanism for engaging communities and other local stakeholders in forest management and sustainable resource use. The project provides resources to facilitate needed dialogue, outreach and awareness raising, analysis, and capacity to address legal, policy, and institutional capacity constraints. In addition, the activities to be financed by the project have been selected after technical discussions with the FDA and other key stakeholders and considering the technical and financial needs for achieving the development objectives within the REDD+ process, as well as the support provided by other partners (including the FCPF). Careful

[17] According to the recommendations received from the "Discounting Costs and Benefits in Economic Analysis of World Bank Projects" that is being reviewed.

coordination and timing of multiple donor activities during the grant implementation phase will be crucial. The LFSP builds on analytical reports conducted in the country (see paragraph 45).

81. The LFSP will also be supported with the lessons, complementarities, and synergies with past and ongoing projects, both in the forest sector as well as other sectors such as agriculture and mining. For instance, lessons will be gathered from several projects implemented with the financial support of the GEF, to consolidate and expand Liberia's protected area network and support communities to increase their participation in wildlife management, enhance their awareness of forest conservation issues, and develop alternative sources of livelihood to reduce rural dependence on forests and wildlife.[18] In addition, the proposed project will build on and scale up the results of the STCRSP for the activities included in Subcomponent 2.4. Finally, the TA for developing a national-level CTF will be guided by the steps outlined in the March 2015 World Bank report, National Biodiversity Offset Scheme: A Road Map for Liberia's Mining Sector.

C. Financial Management

82. The FM arrangements have been designed to facilitate the LFSP's implementation and to support the development of fiduciary capacity for the implementing entities. The PFMU housed at the Ministry of Finance and Development Planning (MFDP), responsible for fiduciary management of the Bank-supported projects, will support the project and prepare a consolidated work plan and budget for the project on an annual basis. The work plans and budgets will include the planned project expenditures under each component. FDA's project management will be expected to coordinate and monitor the implementation progress against the work plan/budget. The work plans will be submitted no later than two months before the start of each fiscal year[19].

83. The arrangement established for the financial reporting allows the PFMU to submit the quarterly financial reports, IUFRs, 45 days after the end of each quarter. The project coordinator will review and sign off on each IUFR before the PFMU submits the IUFRs. The project will use the existing IUFR format currently in use by the PFMU. Given the participation of other entities including the EPA, MoA, LC, LISGIS, and MLME in project implementation, the FDA will enter into an MoU with each of these implementing entities. The MoU provides for each implementing entity to submit to the FDA/PFMU the SoA detailing the receipts and payments of the preceding month within 10 days after every month. The PFMU, in collaboration with the FDA, will collate, review, and incorporate such SoAs in the consolidated project IUFR on a quarterly basis. The project team, at the end of each fiscal year, will prepare and submit to the independent auditor the annual financial statements in accordance with International Public Sector Accounting Standards (cash basis). However, given the special purpose of the project financial statements, advances granted by the project will not be recognized as expenditures until the goods and/or services have been delivered by the contractors.[20]

[18] The projects are "Sapo National Park" (P076740), "Establishment of the Protected Area Network" (P105830) and "Expansion of the Protected Area Network" (EXPAN, P114580).

[19] For the first year of implementation the work plan will be due on May 31, 2016 due to processing timing, as recorded in the Minutes of Negotiation signed on April 11, 2016.

[20] This is a special purpose project and to ensure that funds are used for the purpose intended, advances would be secured with bank guarantees and such advances not expensed outright until value has been received for such advances. This is applicable to all Bank-supported projects in Liberia as a mitigation measure for the use of funds through advances.

84. The internal controls will be governed by the PFMU FM Manual and the Public Financial Management Law of Liberia. The internal auditors will undertake separate internal audit activities for each implementing entity and submit one internal audit report within 45 days after the end of each quarter. The project will follow adequate segregation of duties between the FDA and the PFMU over expenditure controls as per the FM Manual. The Project management team at the FDA and other implementing entities will be responsible to initiate, approve, and authorize all project expenditures for their respective entities, while the PFMU will be responsible for processing the authorized payments.

85. A single designated account (DA) will be opened in the Central Bank of Liberia. The project's funds to be disbursed into the DA will be managed by the PFMU/MFDP and FDA. The PFMU/MFDP and the FDA, based on agreed work programs and budgets, will in turn disburse the amounts due to each of the implementing entities to the operations accounts. The FDA will use from the DA the amount falling due to the FDA, to defray the project eligible expenditures. The MFDP will put in place suitable signers' arrangements for the DA as well as for the operations accounts for the projects. The statement of expenditure (SOE) method of reporting on use of grant proceeds will be used. The following disbursement methods are applicable to the project: reimbursement, advance, direct payment, and special commitment.

86. The project's financial statements will be audited by an independent auditor. The auditor will be selected four months into project effectiveness, in accordance with the terms of reference acceptable to the Association. Rendition of annual audited financial statements to the Bank, six months after the end of each GoL fiscal year, will be required in accordance with the provision of the Grant Agreement. The project audit will comprise the audit report and the management letter. The auditor will be expected to express a single opinion to cover project financial statements in accordance with the Association's audit policy. The audit will be conducted in accordance with the international standards on auditing.

D. Procurement

87. Procurement under the LFSP will be handled by three implementing agencies, namely, the FDA, the MoA, and the EPA (under supervision of FDA), with the FDA also undertaking procurement for activities implemented by the LISGIS, MLME, and the LA.

88. An assessment of procurement capacity of the FDA, which will be the lead implementing agency, was carried out in June 2015. The assessment revealed that there is a procurement unit, which is headed by an experienced national procurement specialist with adequate experience in procurement under Bank-funded projects and with procurement following the Liberia Public Procurement and Concession Act of 2005, amended and restated in 2010.

89. The Project Implementation Unit (PIU) of the MoA will handle the envisaged procurement for the MoA activities. The PIU is also headed by a procurement specialist with experience in Bank procurement procedures.

90. The EPA has a procurement unit that handles procurement using the Liberia Public Procurement and Concession Act of 2005 amended and restated in 2010. As part of the project arrangement, the EPA will undertake its procurement under the direct supervision of the FDA. The FDA is expected to coach and mentor EPA staff in Bank procedures. The project will further assist the EPA in improving its capacity in procurement by sponsoring two procurement staff to attend

the workshop on Bank procurement procedures at the Ghana Institute of Management and Public Administration (GIMPA).

91. For each contract to be financed by the project, the different procurement methods or consultant selection methods, the need for prequalification, estimated costs, prior review requirements, and time frame were agreed between the GoL and the project team in the Procurement Plan (PP) covering the first 18 months of the project. The PP will be updated at least annually or as required to reflect the actual project implementation needs and improvements in institutional capacity.

E. Social (including Safeguards)

92. From a social standpoint, the project is intended to benefit forest-dependent communities by strengthening their capacity to manage designated community forests, promoting improved benefits sharing from different types of forest-based activities, and supporting the development of more sustainable forest-based livelihoods.

93. OP/BP 4.12 - Involuntary Resettlement is triggered because project-supported protected areas might affect existing livelihoods by restricting access to natural resources by local communities, which typically engage in activities such as agriculture, hunting, artisanal mining, and pit-sawing. The Process Framework (PF) prepared for this project and disclosed on February 9, 2016, indicates the participatory approach and follow-up actions that the project will use to minimize any adverse impacts upon local livelihoods and to provide support for the development of more sustainable or alternative livelihoods where needed. The PF provides guidelines for community participation to determine the measures necessary to mitigate these risks and implement alternate livelihoods that use forest resources in a sustainable way. The PF sets the conditions under which OP/BP 4.12 will be applied in the project, outlines the principles and procedures to be followed if negative social impacts occur, and seeks to prevent eligible individuals, households, and communities from becoming worse off as a result of the project. The PF also identifies the roles and responsibilities and capacity-building and budget requirement to effectively implement these mitigation measures. Within Subcomponent 2.2, the project includes direct funding for follow-up livelihood support activities to the affected communities. Certain activities under Subcomponent 2.3 will provide additional support to enhance sustainable forest- and agriculture-based livelihoods.

94. Based on Liberian experience to date with protected area management, no physical displacement is anticipated, and there will be no need to relocate villages or households. The establishment or strengthening of protected areas under Subcomponent 2.2 will deal with established, preexisting human settlements through boundary adjustments and internal park zoning, rather than by requiring their relocation. This has been the approach used in the previous World Bank-supported Expansion of the Protected Area Network (EXPAN) Project in Liberia. Some Liberian protected areas, notably the Lake Piso Multiple-Use Reserve, also allow human settlements within their boundaries. Stakeholder forums conducted during LFSP preparation confirmed a strong interest within many communities to undertake co-management of protected areas with the FDA.

95. The project will also support small civil works (such as the construction of office space, staff accommodations, and ranger outposts) on governmental (public) or voluntarily provided community lands. Similarly, public or community lands will be used for various livelihood support

activities (such as cocoa, rice, coffee, cassava, tree plantations for firewood, and charcoal). The ESMF and PF outline a subproject screening mechanism and guidelines for addressing any risks of land use conflict involving local populations and to ensure that any lands used for project works were indeed acquired voluntarily and do not involve conflicting claims. In addition, all civil works will be screened for environmental and social risks, and, if needed, follow-up safeguards instruments, in addition to the ESMF and PF, will be prepared and implemented before any works commence.

96. As part of Subcomponent 2.2 on protected areas, Livelihoods Restoration Plans (LRPs) will be prepared, as necessary during implementation, budgeted, and implemented. The goal of the LRP is to provide appropriate mitigation and livelihood restoration measures by characterizing any adverse impact on livelihood that is being caused by the protected area expansion. Communities around the protected areas and households will be provided with opportunities to restore their livelihoods to at least pre-project levels. A realistic exit strategy that provides a path to sustainable outcomes should be part of the LRP. These plans will be submitted to the Bank for approval before implementation of the activities.

97. Liberia is well known for its cultural and spiritual practices, like Poro and Sande (sacred bush schools in the forest), which are well recognized in Liberia just as in other West Africa countries, like Sierra Leone. These sacred societies, as they are commonly called, are important aspects of community life, and they are recognized under the national legislation. The Poro and Sande societies are fraternities of men and women organized into groups of people in the same age bands. Their purpose is to teach life skills and reinforce cultural knowledge and practices. Membership of each society determines who belongs and who is accepted in a particular community. In cases where the project will interact with these highly guarded and secretive societies, guidance from the PF in consultation with local communities will be sought. Under the EXPAN Project, a procedure for managing the sacred societies and possible relocation of the sites where necessary was established. The LFSP will seek to uphold these good practice examples, including consultation with traditional chiefs.

98. Although the term ‘indigenous peoples’ can have various meanings in the Liberian context, the Bank does not consider any of Liberia's ethnic groups or rural communities to meet the specific criteria of OP/BP 4.10. Thus, the LFSP does not make separate provisions for any Liberian communities based on ethnic background or origin. Accordingly, all Liberians are to be treated equally under the LFSP with respect to their ethnic background.

99. The project is benefiting from lessons learned from existing REDD+ activities and safeguards due diligence, including the ongoing SESA and consultation process, which provided significant input into the PF. The SESA is a national study that covers all areas, including the LFSP-targeted landscapes, which will help ensure proper consideration of the broader social and environmental dimensions in the REDD+ process, in line with the international best practices (including Bank policies). The ESMF will capture and address the issues that have been and will be raised during the SESA process and provide clear guidance and procedures for mitigating any negative impacts as well as maximizing benefits to communities. The SESA will address the key environmental and social issues associated with the analysis and preparation of REDD+ strategy options as well as REDD+ projects, activities (including investments), policies, and regulations.

100. Issues of land and land use change usually have high stakes and trigger scrutiny from NGOs and CSOs, which can be constructive but sometimes also generates criticisms or misperceptions

about the project's benefits. Special consideration will be given to the rights of local communities, vulnerable groups, and women in particular to ensure inclusiveness and transparency. This concern is particularly relevant, given the role of women in natural resources management and use in Liberia. A stakeholder engagement plan will be prepared during the early stages of project implementation to facilitate engagement with stakeholders at an early stage. Under the REDD+ readiness phase, robust stakeholder engagement institutions were established. These institutions will be strengthened to provide a platform for CSOs and CBOs to provide their inputs to the project. The SESA Task Force, REDD+ Strategy Working Group, and other thematic groups will be reevaluated and their terms of reference revisited to ensure broader and inclusive representation.

101. Besides the Bank Grievance Redress Mechanism (GRM), the project will endorse a more local and practical approach that will support the development of complaints management capabilities in local FDA offices and the development of clear links between existing community dispute resolution mechanisms/procedures and the FDA's complaints management capacity. Under the FCPF REDD+ Readiness Project, funds were allocated for the establishment of a Feedback and Grievance Redress Mechanism (FGRM) that is aimed at identifying other existing GRMs in Liberia (including existing customary communal governance structures) and institutionally strengthening these through capacity building. The FGRM will make it possible to look at various options and consultation on those options, analysis of best practices for handling grievances at different levels, especially for inclusion in the REDD+ strategy, and developing monitoring protocol and indicators. The LFSP will benefit from the piloting of this FGRM in its targeted landscapes. The LFSP will, therefore, not create additional GRMs, but it will build on the FGRM developed / strengthened by the FCPF.

F. Environment (including Safeguards)

102. Liberia's forests comprise the world's largest remaining area of the biologically rich and unique Upper Guinean Rainforest ecosystem. These forests face numerous threats and challenges, including land use conflicts; uncertain land and forest ownership; overlapping concessions for mining and other non-forest land uses; the spread of large-scale commercial agriculture (particularly oil palm); smallholder agricultural expansion; illegal logging and fuelwood harvesting; and widespread bushmeat hunting that is depleting the wildlife in many areas. This project will, therefore, be situated in a context that poses many environmental and social challenges and risks. However, the project interventions themselves will be designed to be beneficial and sustainable from an environmental as well as social standpoint.

103. Although the project will be implemented within environmentally and socially sensitive areas (Liberian forests), project interventions are designed to be environmentally positive overall. The following environmental safeguards policies are triggered: OP 4.01 (Environmental Assessment); OP 4.36 (Forests); OP 4.04 (Natural Habitats); OP 4.09 (Pest Management); and OP 4.11 (Physical Cultural Resources). None of the planned project investments or activities are expected to generate significant adverse environmental impacts. Consistent with the intent and approach of the REDD+ program, this project seeks to reduce D&FD within Liberia. It will do this by promoting improved planning of forests and adjacent landscapes, long-term conservation of protected forest areas, and sustainable management of community forests and other wooded landscapes. The project will finance a variety of planning, capacity building, and on-the-ground interventions to promote the conservation and sustainable use of Liberian forests. The project will support SFM and environmentally compatible agricultural activities that are intended to reduce the

ongoing pressures for D&FD. It will not finance any large-scale civil works (such as new roads) that could be environmentally problematic. In addition, all civil works will be screened for environmental and social risks, and, if needed, follow-up safeguards instruments, in addition to the ESMF and PF, will be prepared and implemented before any works commence.

104. The main safeguards-related issues associated with the project's site-specific investments include (a) the need to ensure that community forestry activities are sustainable from an environmental (including forest management) standpoint and consistent with the requirements of the Bank's OP/BP 4.36 (Forests), Paragraphs 10 and 12); (b) ensuring that support for improving smallholder agriculture provides an alternative to further deforestation, rather than promoting any additional forest clearing; and (c) providing appropriate livelihoods-related support to communities whose access to natural resources within protected areas might be restricted as a result of project activities.

105. The measures for addressing these impacts are specified in the ESMF and PF, which have been prepared in a highly participatory manner. The project will not involve any support to extensive monocultures of oil palm, rubber, or other plantation crops (including through the outgrower schemes).

106. This will be a nationwide project, with site-specific investments that will be selected within the targeted landscapes largely during project implementation. Accordingly, an ESMF has been prepared and was publicly disclosed on February 9, 2016, (in-country[21] at publicly accessible locations and through the Bank's InfoShop). To complement the proposed safeguard documents, an SESA of Liberia's forested areas is under preparation with support from the FCFP (with completion expected no later than year 1 of project implementation). The SESA will provide important complementary inputs for the project's frameworks as it is expected to provide detailed information that will facilitate land use planning and other project-supported activities. Project implementation will also include the establishment of an information system for safeguards, which will monitor compliance with the Bank safeguards policies (among other criteria). Capacity building through training of national-level and decentralized-level staff will be conducted, to ensure proper implementation and compliance with the Bank safeguards policies.

107. The ESMF describes the environmental risks (as well as the benefits) associated with the project, along with recommended mitigation measures. This safeguards instrument describes the criteria and procedures that the project should follow to help ensure compliance with the Bank's as well as national, environmental, and social standards. The ESMF indicates the environmental and social screening, formal environmental approval, and permitting requirements for project-supported investments, particularly in community forestry and smallholder agriculture. It also identifies the institutional roles and responsibilities, capacity building, and budget requirements to effectively implement these mitigation measures. In addition to the PF and ESMF, all subprojects will be screened for environmental and social risks and necessary mitigation steps undertaken according to the provisions of the Bank operational policies. The ESMF also includes a Pest Management Plan (PMP). The PMP strongly emphasizes integrated pest management but recognizes that some pesticides are likely to be used in the project, particularly to control fungal and insect infestations of cocoa and coffee.

[21] http://epaliberia.org/?page_id=2290 and http://www.fda.gov.lr/?page_id=1658

108. The FDA will be the main implementer of this project, in collaboration with other agencies including the EPA, LC, and MoA. The EPA will have the lead role in verifying the project's compliance with Bank and Liberian environmental requirements, including through the information system on safeguards under Subcomponent 3.2. The project will support one or more (as needed) environmental and social safeguards specialist(s) to oversee safeguards compliance, including ensuring that (a) Community Forest Management Plans adhere to the sustainability principles specified in the Bank's Forests Policy (OP/BP 4.36, Paragraphs 10 and 12); (b) smallholder agriculture support does not involve increased deforestation, respects land titles and customary boundaries, and follows environmentally sound pest management and agronomic practices; (c) timely livelihoods support will be provided when needed to people affected by the restriction of access to natural resources within project-supported protected areas; and (d) the project's information system on safeguards functions effectively, as intended.

109. Both the FDA and EPA have experience in addressing environmental and social safeguards issues through previous Bank-supported projects. Nonetheless, the project provides for substantial safeguards-related capacity building, including training workshops and the production of guidance reports and toolkits. Safeguards-related training for FDA regional and county officers will be a high priority (including for the staff responsible for reviewing and approving Community Forest Management Plans); EPA environmental inspectors to support safeguards implementation; and nongovernmental forestry and agricultural service providers.

Citizen Engagement, Consultations, and Feedback on the LFSP

110. Citizen engagement and participation for the project's implementation will build on the achievements from the ongoing REDD+ readiness preparation process, supported by the FCPF in which multi-stakeholder consultations have taken place, and several consultation platforms have already been established. The LFSP design has been prepared based on the extensive feedback received from various stakeholders including consultation meetings led by the GoL. After signing of the LoI by the GoN and GoL, the FDA undertook sensitization meetings in various counties. These meetings were aimed at discussing with the communities the purpose of the partnership as well as managing community expectations. Radio talk shows were conducted as well. Further meetings were held with the RTWG, SESA working group, and bilateral partners.

111. During project preparation, the Bank team and the FDA undertook extensive field visits and held discussions with various stakeholders in the targeted areas and institutions. The field visits were undertaken in Lake Piso Multiple-Use Reserve in Grand Cape Mount County, Bendu Town in Garwula District in Grand Cape Mount, Lake Piso Headquarters (HQ) in Commonwealth County in Grand Cape Mount, Forest Training Institute & Environmental Protection Authority offices in Senjai, Bomi County, SLC Community in Kongba District in Gbarpolu and Timah Village in Kongba District in Gbarpolu proposed Gola National Park HQ, Gbarpa Town in Gbehlay – Geh in Nimba County, Zortapa Town, Gbehlay-Geh in Nimba County, Zualay Town in Gbehlay-Geh District, Nimba County, Yekepa Town in Gbehlay-Geh in Nimba County, Sanniquellie Company in Nimba County, Greenville City, Kabada and Numupoh Communities (Kpanyan Statutory District), and Jalay`s Town (Juarzon Statutory District) where the Sapo National Park HQ is located as well the Sapo National Park HQ itself. The teams met with local communities, traditional and government leaders, representatives of private companies concessions, individual businessmen involved with chainsawing, hunters, FDA regional and zonal

staff, park rangers, and so on. The team also visited community forests and held discussions with Community Forest Management Boards.

112. To prepare the safeguards instruments for the LFSP that is, the PF and ESMF, these were consulted upon at the community and national levels, as required by the Bank Policy on Involuntary Resettlement (OP/BP 4.12). A major consultative meeting was held in September 2015 in Kakata, Magribi County, which brought together over 40 participants from different counties including superintendents, traditional leaders, and women groups to discuss the LFSP and the environmental and social implications of the project. Following this meeting, the ESMF and PF preparation team also met with officials of the LC and the EPA to discuss institutional concerns and confirm capacities. The SESA national team was also consulted and their input was sought to further enrich the preparation of the ESMF and the PF.

113. Further, two regional workshops in each of the targeted forest landscapes were conducted during project preparation (October 21–24, 2015) to seek further input from the potential beneficiaries. These consultations were based on the advanced draft of the project documents. The meetings targeted farmers, forest dependent communities, traditional chiefs, local NGOs, and other relevant stakeholders. Before the regional consultations, a project preparation workshop was organized by the FDA on September 16, 2015, to share with stakeholders the progress made on project design. The regional consultations held were a follow-up on the project preparatory workshop. During the mission in December 2015, a targeted meeting was also held with the NGO coalition. In this meeting, the FDA presented the advances in project preparation and discussed the role of the NGOs as partners in project implementation, including preparation of consultation plans for the implementation phase. A national-level workshop bringing together approximately 70 participants from the community, CSOs, and national and international NGOs was finally held on December 9, 2015, to receive further input and inform stakeholders on the progress and the next steps in the project finalization. The suggestions were considered in finalizing the project.

114. The FDA took advantage of other planned events organized by forest sector partners to serve as feedback platforms for the project. The project was discussed during a conference co-organized by Liberia's FDA, Global Witness, and the Rights and Resources Initiative that was attended by representatives from the Liberia LC, the NGO Coalition of Liberia, and development partners supporting the forest sector. The GoL, forest community representatives, and national and international experts discussed the challenges facing Liberia's forest sector.

115. Finally, in implementing the LFSP, the FDA and other government agencies will ensure meaningful and effective consultations, in a transparent and inclusive manner, consistent with current Liberian legal requirements, for relevant project activities, including protected area establishment and demarcation, community forestry, and promotion of sustainable agriculture. This means that forest-dependent communities, along with other local and national stakeholders, will be specifically consulted throughout the planning and implementation of project activities in a culturally appropriate and gender and intergenerationally inclusive manner, with ample information sharing about the proposed activities and their expected results. The forest-dependent and local communities involved will also be provided an opportunity for good-faith negotiation about specific project activities, with sufficient time provided for community decision-making processes to take place. The FDA or other agencies will document the consultation and negotiation process that was followed, including evidence of broad community support for the planned activities and any specific agreements reached. National guidelines on community consultation in forestry projects will be developed to standardize consultation process on the forest.

Gender Integration in the LFSP

116. The LFSP will consider gender aspects during implementation and undertake a socially inclusive approach—one in which vulnerable or traditionally excluded social groups such as women are treated as partners in the planning, operation of funds, and the deployment of support for various activities under the various components of the LFSP. Undertaking concrete and deliberate actions under this project will ensure full and effective participation of women and men in all stages of the project implementation.

117. The FDA and other implementing entities, including the TSPs, will fully integrate gender considerations into the forest sector activities. Specific activities under community forestry including support to community forestry enterprises (CFEs) will give special consideration for women participation, to bridge the gap with regard to economic empowerment of women. This project will support women-led enterprises, including support to income-generating activities around the forest areas that will benefit women directly and indirectly.

118. The M&E Results Framework will generate gender-disaggregated data to demonstrate the benefit going to both women and men. It is expected that both men and women will have equal opportunities to access, participate in, contribute to, and henceforth benefit from various activities under the LFSP leading to environmental and social sustainability. This will further improve decision making of women and men over their natural resources, including forests and forest resources. Further, it will help track and close gender gaps and select specific indicators to track impacts.

119. By doing so, the project will be promoting the current World Bank Group Gender Strategy[22] that, among other things, aims at lifting constraints on more and better jobs for women and men, focusing on developing policy frameworks for promoting conditions for women's entrepreneurship and reducing skill gaps and occupational sex segregation.

120. The FDA will work with other partners to ensure inclusion of gender in the LFSP. Targeted consultations with women and men will be conducted, with emphasis on women participation.

G. World Bank Grievance Redress

121. Communities and individuals who believe that they are adversely affected by a World Bank (WB) supported project may submit complaints to existing project-level grievance redress mechanisms or the WB's Grievance Redress Service (GRS). The GRS ensures that complaints received are promptly reviewed in order to address project-related concerns. Project affected communities and individuals may submit their complaint to the WB's independent Inspection Panel, which determines whether harm occurred, or could occur, as a result of WB non-compliance with its policies and procedures. Complaints may be submitted at any time after concerns have been brought directly to the World Bank's attention, and Bank Management has been given an opportunity to respond. For information on how to submit complaints to the World Bank's corporate Grievance Redress Service (GRS), please visit http://www.worldbank.org/GRS. For information on how to submit complaints to the World Bank Inspection Panel, please visit www.inspectionpanel.org.

[22] World Bank Group. 2015. "World Bank Group Gender Strategy (FY2016–23): Gender Equality, Poverty Reduction, and Inclusive Growth."

Annex 1: Results Framework and Monitoring

LIBERIA: Forest Sector Project

Project Development Objective (PDO): Improved management of, and increased benefit sharing in, targeted forest landscapes.

				Targets (cumulative[23])								
PDO Level Indicators	**Core**	**Unit of Measure**	**Baseline**	**YR1**	**YR2**	**YR3**	**YR4**	**YR5**	**Frequency**	**Data Sources and Methodology**	**Responsibility for Data Collection**	**Description/Comments**
PDO Indicator 1: Community forest area in targeted forest landscapes managed according to defined criteria	☐	Ha	0	0	0	100,000	350,000	600,000	Annual	Field direct observation Sample-based field surveys (semistructured interviews) in community forestry areas	M&E function of the FDA	Defined criteria: 1. The Management Plan (MP) developed in consultation with forest dependent communities approved by the FDA 2. Clear demarcation of borders 3. Area approved by FDA as community forestry areas. 4. Existence of applicable benefit sharing mechanism The benefit sharing arrangements at the community level are not restricted for carbon payments but for income coming from other sources too. Currently there are certain mechanisms established for revenues from forest concessions. The project

[23] With exception of indicators 1.3, 1.4, 1.5, 1.6, 1.7, and 3.1 as specified in the comments section

												will review these arrangements to consider its applicability for carbon payments and modify as needed The target hectares are based on the total of community forest areas included in an initial list of CFMA applications provided by the FDA and submitted at the time of project preparation. These communities will be supported through all the steps toward community forest management. The end-of-project target is based on approval of 50% of these applications. The selection of communities will be finalized in year 1 of implementation
PDO Indicator 2: Management Effectiveness Tracking Tool (METT) score of protected areas within targeted forest landscapes[24](disag		METT score (0–100)							Biannual	METT assessment	M&E function of the FDA	Some of these protected areas have already been gazetted while others have not, but the project will support the ground investments that are expected to result in METT score increases. Data will be collected

[24] The METT is widely used by the Bank and other organizations to assess how effectively protected areas are being managed. It was designed as one of a series of management effectiveness assessment tools around the World Commission on Protected Areas Framework. It comprises a detailed questionnaire (30 questions) that covers a broad range of management effectiveness issues, with the total score for each protected area ranging from 0 to about 100.

gregated by protected area):												twice during project lifetime—at the midterm review and at the project end
- Sapo NP			55			62		65				
- Lake Piso MUR			49			64		74				
- Wonegizi NR			39			55		65				
- Gola Forest NP			48			60		70				
PDO Indicator 3: People in targeted forest and adjacent communities with increased monetary or non-monetary benefits from forests, of which female	☒	Number (number)	0	0	30,000 /12,000	40,000 /16,000	65,000 /26,000	75,000 /30,000	Annual	Sample-based field surveys (semistructured interviews) in and around protected areas and in community forestry areas	M&E function of the FDA	Target beneficiaries are (1) people from communities located in protected areas and <5 km from protected area border (2a) people who are member of communities with Community Forestry Agreements and (2b) people from communities with no Community Forest Agreements but that may access, harvest, and use timber and non-timber resources and are equally responsible for following forest MPs and procedures
PDO Indicator 4: People in and around protected and community forestry areas in targeted landscapes who participated in consultations on	☐	Number	0	15,000	30,000	45,000	65,000	75,000	Annual	Project and activity reports	M&E function of the FDA	This is a civic engagement indicator

management of forests												
PDO Indicator 5: Direct project beneficiaries, of which female	☒	Number (%)	0	500 (40)	30,800 (40)	46,500 (40)	67,500 (40)	78,000 (40)	Annual	Project and activity records	M&E function of the FDA	The beneficiaries include those receiving some kind of benefit from all of the project's components/activities with no double counting
Intermediate Results												
Component 1: Strengthened Regulatory and Institutional Arrangements for Implementation of REDD+												
IR Indicator 1.1: Forest users trained, of which female	☒	Number (number)	0	100 (40)	7000 (2,800)	10,000 (4,000)	15,000 (6,000)	20,000 (8,000)	Annual	Reports from training service providers	M&E function of the FDA	Forest users are community dwellers who directly derive livelihoods from the forest and who will receive direct training (a fraction of community members) Content of training courses is needs based and will be determined during project implementation
IR Indicator 1.2: Government institutions provided with capacity-building support to improve management of forest resources	☒	Number	0	2	4	6	7	7	Annual	Project and activity records	M&E function of the FDA	Covers capacity-building projects aiming at strengthening forest administration institutions and other institutions to deliver services to the forest sector
IR Indicator 1.3: National- and subnational-level coordination and forest implementation mechanisms	☐	Yes/No	No	No	Yes	Yes	Yes	Yes	Annual	Data source: self-assessment by multi-stakeholder platform, independent assessment at	M&E function of the FDA	Annual target Defined criteria: • Operating in open, accountable and transparent manner • Operate under clear

operational according to defined criteria										midterm by third party		mutually supportive mandates with adequate, predictable, and sustainable budgets • Multisector coordination mechanisms and cross-sector collaboration established • Adequate technical supervision capacity • Adequate funds management capacity • Operating a transparent, impartial, and clear FGRM National- and subnational-level coordination and forest implementation mechanisms include the following institutions: NCCSC, NCCS, RTWG, CFWG), Forestry Advisory Management Committee, Community Forestry Development Committee (CFDC), and County Forest Forum (CFF)
IR Indicator 1.4: Reforms in forest policy, legislation, or other regulations supported	☒	Yes/No	No	No	Yes	Yes	Yes	Yes	Annual	Project and activity reports	M&E function of the FDA	Annual target Measures whether a project has supported forest sector reforms; includes support to revised policies or legal and institutional reforms

												that have been adopted by the client
IR Indicator 1.5: New industrial logging concessions awarded only after (a) independent review of all forest concessions for fiduciary and legal compliance and (b) satisfactory procedures for future award of forest concessions established, and endorsed by national multi-stakeholder body	☐	Yes/No	No	Yes	Yes	Yes	Yes	Yes	Annual	Review of minutes of national multi-stakeholder body (local, international NGOs, government agencies) meetings	M&E function of the FDA	Annual target Forest concessions: logging in forested areas Industrial logging concessions are specifically referred to as FMC, timber sale contracts (TSC), and PUP. Recommendations from reviews to be forwarded to the FDA management that will further forward recommendations to their board for action
IR Indicator 1.6: Follow up to recommended actions from relevant concession reviews tracked and made publically available biannually	☐	Yes/No	No	Yes	–	Yes	–	Yes	Bi-annual	Review of minutes of national multi-stakeholder body (local, international NGOs, government agencies) meetings	M&E function of the FDA	Annual target. Relevant reviews include the Special Independent Investigating Body (SIIB), Liberia Extractive Industries Transparency Initiatives, and those initiated by the LFSP
IR Indicator 1.7: CFMA endorsed by a national multi-stakeholder body in accordance with applicable national laws and regulations	☐	Yes/No	No	No	No	Yes	Yes	Yes	Annual	Multi-stakeholder groups (local, international NGOs, and government agencies)	M&E function of the FDA	Annual target. 'No' in year 1 indicates that the endorsement by multi-stakeholder group is not yet taking place.

										Legal review of endorsed CFMAs		Applicable national laws and regulations: CRL 2009 and CRL-R
Component 2: Strengthened Capacity for Management of Targeted Forest Landscapes												
IR Indicator 2.1: Participatory land use plans designed and piloted at the community level	☐	Number	0	0	0	10	25	30	Annual	Review of land use plans and pilot documentation	M&E function of the FDA	
IR Indicator 2.2: Proposed protected areas for which gazettment packages are presented to the office of the president	☐	Ha, number	0	0 0	115,000 1	170,000 2	260,000 3	320,000 4	Annual	Review of submission letter and draft gazettment documents	M&E function of the FDA	Encompassing four of the following five[25] proposed protected areas (PPAs) (estimated size shown has been rounded down in the cumulative annual targets because of possible adjustments in size when the actual boundaries are demarcated on the ground).
IR Indicator 2.3: People employed in production and processing of forest products	☒	Number	0	1,000	2,500	3,500	5,000	8,000	Annual	Sample-based field surveys (semi-structured interviews) in and around protected areas and in community forestry areas	M&E function of the FDA	
IR Indicator 2.4: New areas outside protected areas managed as biodiversity friendly	☒	Hectare	0	0	0	100,000	350,000	600,000	Annual	Sample-based field surveys (semi-structured interviews) outside protected areas and where the	M&E function of the FDA	'New areas' are defined as community forest areas supported by the project.

[25] Foya PPA: 164,628 ha; Kpo Mountains PPA: 83,709 ha; Grand Kru-River Gee PPA: 135,100 ha; Gbi Forest PPA: 88,409 ha; Senkwehn PPA: 80,348 ha

										project is supporting community forestry		
IR Indicator 2.5: Community Forestry Enterprises establishing joint ventures with other communities or other enterprises	☐	Number	0	0	0	1	3	8	Annual	Review and count of joint venture agreements	M&E function of the FDA	Target refers to the number of enterprises.
IR Indicator 2.6: Community forestry management area with forest use right registered as a result of the project	☐	Hectare	0	0	0	100,000	350,000	600,000	Annual	Sample-based field surveys (semistructured interviews) to forest communities supported by the project	M&E function of the FDA	
IR Indicator 2.7: Smallholder tree crops farmers with access to finance, input, markets, and technologies as a result of the project	☐	Number	0	500	800	1,500	2,500	3,000	Annual	Review of contracted concessionaires and service providers reports and count of smallholder farmers with access	M&E function of the FDA with assistance of the agriculture project managemen t unit and the STCRSP	
Component 3: Forest Monitoring Information System												
IR Indicator 3.1: MRV system established and operational	☐	Yes/No	No	No	No	Yes	Yes	Yes	Annual	Review of standard and custom reports from MRV system	M&E function of the FDA	Annual target. Operational measures: Changes in forest area, carbon content, ERs and

according to road map												data collection and analysis, reporting and independent verification according to protocol.
IR Indicator 3.2: Reference level for results-based financing for REDD+ is developed and submitted to the UNFCCC	☐	Yes/No	No	No	No	Yes	–	–	Annual	Review of submission letter and supporting documents	M&E function of EPA and the FDA	Agreement on REL approach to be communicated to UNFCCC and potentially also used/adapted for piloting results-based payments in targeted landscapes (in subsequent results based payments phase to follow this project)
IR Indicator 3.3: Information system for safeguards piloted in targeted forest landscapes	☐	Yes/No	No	No	No	Yes	–	–	Annual	Review of pilot safeguard system documentation	M&E function of the EPA	The information system includes, among others, information on co-benefits.

Note: There are no specific outcomes and indicators defined for Component 4 in the Results Framework, as efforts in project management, monitoring, and communication will be essential for contributing to the outcomes defined for the other three components. Descriptions of the expected outputs for Component 4 are found in annex 2, and this is consistent with the theory of change.

Annex 2: Detailed Project Description

LIBERIA: Forest Sector Project

1. **Under the leadership of the FDA, in coordination with the MoA, the EPA, the LISGIS, the LC, and the MLME, the LFSP will finance TA, works, goods, workshops, training, services, and operational costs to support the implementation of the REDD+ strategy,** focusing on investments for early implementation of strategic land use options in targeted landscapes. The project will also support the development of institutional capacities, which will strengthen the enabling environment to sustain decentralized implementation of sustainable forest sector management, with particular emphasis on the engagement of local communities. As part of the enabling environment, the proposed project will also include the operationalization and operations of an MRV system to track the country's forest cover and progress made in the reduction or removal of GHG emissions over time. The project will incorporate the landscape approach moving beyond forest sector interventions to take into account multiple interrelated interventions (such as agriculture and land use planning) at the landscape level and considering improvements in both ecosystems and livelihoods. This innovative approach will strategically combine physical, institutional, and community responses for sustainable management of targeted landscapes.

2. **During project preparation, the FDA commissioned a spatial analysis of potential priority areas for REDD+ interventions to inform the selection of priority sites for engagement.** The analysis covered geographic, economic, and social aspects of the three preselected landscapes (northwest, north Nimba, and southeast), to help prioritize target areas for the project and optimize the impacts of interventions for addressing the drivers of deforestation and forest degradation. The study used four main criteria: (a) value for conservation; (b) vulnerability to forest degradation; (c) vulnerability to deforestation; and (d) feasibility of effective interventions. As a result, the northwest landscape (comprising Bomi, Lofa, Gharpolu, and Grand Cape Mount Counties) was found to be effective at capturing the priority districts in this part of Liberia. Considering the strong presence of other partners in the Nimba region, the project will not support forest management activities directly in this area but will provide support on regulatory and institutional strengthening where key gaps not addressed by other partners are identified. Finally, the southeast landscape was included comprising portions of Grand Gedeh, Sinoe, Grand Kru, River Gee, and Rivercess Counties. Further refining of the selection process for specific interventions at the district level will be conducted before implementation of the ground investments for the corresponding subcomponents. (See annex 7 for a summary of the spatial analysis and a map of target areas.)

3. The LFSP will support the following components:

Component 1. Strengthened Regulatory and Institutional Arrangements for Implementation of REDD+ (US$8.0 million)

4. This component will finance the TA, works, consultants and non-consultant services, goods, training and workshops, and operational costs needed to reform and harmonize the existing legal regime and to strengthen institutional and professional capacities for improved management of forest landscapes. The component will be divided into two subcomponents.

5. *Subcomponent 1.1. Strengthened Capacity in Institutions (Public, Private, CSOs) for Improved Management of Forest Landscapes (US$7.57 million).* Institutional and professional development support will be provided with an emphasis on building the skills and knowledge, systems and procedures, and regulatory and enforcement capabilities needed for more sustainable and effective forest management. Support will also be provided to the REDD+ coordination mechanisms established as part of the REDD+ readiness process, together with recently created forest management committees.

Main Activities of Subcomponent 1.1

6. Institutional support will be provided at the following levels:

(a) **Support for national coordination bodies.** The LFSP will support those coordination mechanisms created to lead REDD+ policy formulation and coordination, consultation, advice, and implementation, especially the NCCSC, the NCCS, and the RTWG, whose setup and redesign have been supported with funds from the FCPF. These mechanisms will require support to cover operational costs once the FCPF grant ends in 2019. The project will support annual meetings of the NCCSC during the project period. In addition, the MD of the FDA will convene quarterly meetings of the multiagency task teams to monitor project progress. The project will further support multi-stakeholder coordination mechanisms such as the CFWG, Forestry Advisory Management Committee, and the CFDC/County Forest Forum, which are lead regional coordination fora and instrumental to community forest management and equitable benefit sharing under existing community forest management regulatory arrangements. The FDA representative will share the project findings at donor coordination meetings and National Multi-stakeholder Monitoring Committee (NMSMC) meetings. The Bank will support dialog with the GoL to ensure the operational costs of those effective bodies will be covered beyond the duration of the project.

(b) **National-level institutional support.** National-level institutional support will be provided in three areas. First, support will be provided as core support to the FDA for strategic planning, conservation, community forestry, public affairs, and M&E; and to the EPA for policy and planning, compliance and enforcement, and establishment of multilateral environmental agreements. The project will also support preparation of a 'State of the Environment' Report, which will include analysis of cost of environmental degradation/cost of inaction and support preparation of the National Environmental Action Plan, both of which are mandated to be prepared every five years by Liberian law. Second, the project will provide targeted support to those FDA and EPA departments responsible to implement priority project activities, including the Departments of Community Forestry, Conservation, and Research and Development at the FDA; and the Compliance and Enforcement Division of the EPA. Third, support will be also provided for those line ministries responsible for the implementation of specific tasks under the project, such as the LC for land use planning and boundary demarcation, the MoA for sustainable livelihood development (for example, agroforestry), the MLME for engagement with artisanal mining communities, and the LISGIS for monitoring forest cover. This area will also include support for the development of guidelines and procedures to implement specified activities.

(c) **Regional support to county and district FDA offices and regional interagency task forces.** The project will support the design and implementation of a deconcentration strategy to strengthen FDA and EPA regional capacities in SFM, and at the same time, it will mobilize

interagency task teams for implementation of project specific activities and augment the technical and operational capacities of the government at the regional and community levels. Specifically, the project will renovate (in Zwedru) and construct (in Bomi, Lofa, and Grand Bassa) regional FDA offices, for potential co-location of FDA/EPA offices and will provide technical and operational resources to bolster FDA and EPA regional service delivery capacities for more effective protected areas[26] and community forest management. Additional resources for communication, information management and outreach, and information technology (including internet connectivity) will be provided to FDA regional and Park offices to facilitate these information and communication exchanges and to ensure strong regional to local linkages. Regional interagency task teams will be formed in Tubmanburg, Voinjama, Sanniquellie, and Zwedru to implement project activities (land delineation and physical demarcation, preparation of management agreements, development of agroforestry activities, and so on.). These task teams will be led by community extension officers based in the regional FDA Offices and shall be comprised of relevant agencies for the given task (for example, FDA/LC/EPA or FDA/MoA). The FDA and CEOs will be responsible to coordinate with and resource the participation of other relevant agencies, particularly those agencies who do not already have a presence in the counties or regions, to ensure their active participation in defined project tasks in the field. Regional tasks teams are operational in nature and will report to the NCCS and regional coordination bodies, including the CFWG, for matters related to the community forestry.

Note: Subcomponents 2.2 and 2.3, respectively, provide additional resources for regional TA and operational costs for protected areas and community forestry management. Given the government's existing moratorium on civil service recruitment, the project will adopt a two-track approach: (i) to support/bolster existing staffing arrangements at the FDA/EPA and enable the deployment of staff (plus recruitment of up to 32 consultants as junior staff, extension workers, and natural resource management specialists) to the regional offices to support project implementation in the near term and (ii) to engage the FDA/EPA in a comprehensive review of existing forest sector institutions and deeper process of institutional reform and development to ensure that the FDA and EPA are equipped—with regard to staffing, budgets, and planning—to deliver on the GoL's SFM priorities, beyond the life of the project. Project support for human resources will be aligned with a long-term staffing plan for the FDA to ensure that capacity added/enhanced through the project is retained within the FDA upon project closure. The project will support the FDA to prepare feasible, practical, and sustainable arrangements for staffing, recruitment and retirement, and resourcing of the FDA beyond the life of the project and will follow a phased strategy (agreed between the FDA and the Bank) for the integration of added human resources at the regional level into the deconcentrated staffing structure of the FDA/EPA. The strategy will also consider a phasing-out scheme for the institution's staff close to retirement.

(d) **Support to service delivery partners to bridge any gaps and bolster existing government capacities in protected areas management and community forestry**. This activity will fund the development and implementation of service delivery partnerships between the FDA/EPA and local service delivery providers (CSOs/CBOs, local vocational training institutions, small and medium enterprises, and private individual service providers). These partnership

[26] This capacity building will also allow for the FDA to provide law enforcement services as explained in Subcomponent 2.2.

arrangements will enable the government to deliver the services needed to assist communities in better managing their targeted forest landscapes. Among the services and specialized assistance envisaged are land use and forest management planning, participatory boundary demarcation, livelihood development (agroforestry and forest enterprises), and information systems management. The project will also support the strengthening of the ongoing civil society initiatives to monitor forest management. A preliminary identification of existing national TSPs has been conducted[27] to identify prospective partners, and this will be augmented in the early stages of project implementation with a scoping of potential regional- and local-level partners. This list will be regularly updated during project implementation as various skill and service needs are identified.

(e) **Support for the professional and skill development of FDA and EPA staff.** The purpose of this activity is to build the technical skills and capabilities of the FDA and EPA, through a combination of in situ and regional skills development (for example, in forest management, bio-monitoring, enterprise development, and so on), mentoring, coaching, and work placement opportunities. This activity may also include targeted support for a select few graduate-level scholarships for mid-level FDA and EPA staff (for example, in the field of safeguard development or protected area management). The project will further work with graduate and technical colleges such as the FTI, the University of Liberia, the African Methodist Episcopal University, and Nimba Community College assisting in further developing the forest management curricula of these entities. Finally, the project will provide for a select few regional and international study visits (for example, to Mexico, Zambia, Kenya, South Africa, and Ghana) for senior civil servants, protected area personnel, and selected community leaders working on community forestry or forest protection.

(f) A Professional Career Development Plan capturing these variable opportunities will be prepared in the first six months of project implementation to serve existent staff and civil servants. Complementing these efforts, a central organizing premise of this subcomponent will be to build the institutional capacities of the FDA and participating ministries from the ground up, that is, through the informed experiences of community forest and protected areas management in practice, through careful monitoring and tracking of local-level experiences and through the integration of these priorities into the planning and budgeting arrangements of the FDA. The purpose of this approach is to ensure that the project creates 'tailored-to-fit' institutional architecture needed to sustain implementation of project goals over time and beyond the life of the project. Capacity building of existing institutions will be conducted in close collaboration with the VPA Support Unit and the USAID/GEMS project. In addition, the Bank has commissioned an institutional review of forest sector institutions that will build on existing studies and provide further results during early implementation. A mechanism for recognizing strong performing institutions will be established to facilitate efficient disbursement.

[27] International technical service providers: FFI, Wild Chimpanzee Foundation, CI, Birdlife International, Royal Society for the Protection of Birds, Tetra Tech, ACDI-VOCA, and so on. Local technical service providers: Sustainable Development Institute, Society for the Conservation of Nature of Liberia, Skills and Agricultural Development Services (Wonegizi), Liberia Reintegration Promoters (Lake Piso), Peace Building Resources Centre (Gola), GROW-Liberia, and Farmers Union Network.

Expected Outputs of Subcomponent 1.1

- State of Environment Report for Liberia produced
- One meeting per year of the NCCSC
- One meeting every quarter of implementing agencies chaired by the MD of the FDA
- Two meetings per year of the CFWG held
- Two meetings per year of the CFDC held
- Technical expertise and operational resources provided to the FDA to review Community Forest Management Plans (from the safeguards perspective)
- Operational protocols and procedures developed for land boundary demarcation, community forest management planning, and agroforestry enterprise development
- Technical and operational resources provided to the LC (or the new LA) to enable boundary demarcation and land use planning in the designated protected areas and community forests
- Technical and operational resources provided to the MoA to enable agroforestry and livelihood development activities in target landscape communities
- Technical capacity built in the LISGIS for monitoring of forest cover and land use changes
- Three FDA regional offices constructed in Bomi, Lofa, and Grand Bassa
- One FDA regional office renovated in Zwedru
- Four regional interagency teams formulated and deployed for project specific tasks
- Delivery service partners supported (including local NGOs, CSOs, and so on) through training on land use and forest management planning, participatory boundary demarcation, and so on
- At least four FTIs supported in curriculum development for SFM
- At least 10 core and specialized trainings conducted for FDA/EPA staff
- At least six FDA/EPA staff provided with regional work placement opportunities to enhance staff skills in protected area and community forest management
- At least six coaching and mentoring arrangements (or twinning partnerships) established to support on-the-job skill development of staff
- Three regional study tours conducted with a focus on protected areas management and community forestry.

7. *Subcomponent 1.2. Legal Reform (US$0.43 million).* The subcomponent aims to support the GoL with the ongoing process of legal reform and enforcement of forest-related laws and policies through a process of learning by doing and based on implementation experience. The project will also provide the flexibility to introduce and test new alternatives, as needed. Particular emphasis will be given to the harmonization of laws such as the CRL and its attendant regulations; the National Forestry Reform Law (2006) and its relevant regulations; and the proposed Land Rights Act, should that be passed during the life of the project.

8. The CRL 2009 and Land Rights Policy form the legal and policy basis for community forests and for the provision of communal land rights in Liberia. The draft Land Rights Bill, which is currently under consideration by the Liberian Senate, will galvanize the existing legal framework by recognizing communal claims to land. The draft act recognizes four categories of land (public, private, government, and communal/customary lands). The intent of the act is recognizing community ownership of land as a category of ownership akin to the private title. This law is still subject to enactment—land registration and support for the transition of the LC to the new LA is anticipated in 2016. This timetable is, however, subject to legislative approval of the new Land Rights Regime, which could result in delays. Despite its relevance, delays in the approval of the Land Rights Act and the establishment of the LA will not negatively affect project implementation as the core elements for project activities are feasible under the CRL. At mid-term, the project will take stock of developments on the Land Rights Act and sharpen the focus of relevant activities as relevant.

9. Several partners such as USAID, Rights and Resources Initiative, and the Sustainable Development Institute are assisting the LC to pilot community preparedness for titling of lands and strengthen the policy, legal, and regulatory framework for land governance; the protection of customary land rights; and stakeholder engagement in resource management. Support is also targeted toward the creation of a new LA, which will have both policy and operational functions and build on the land policy foundations established by the LC. Activities within this subcomponent, under the leadership of the FDA, the Ministry of Land, Mines and Energy, and National Bureau of Concessions, will complement these actions.

Main Activities of Subcomponent 1.2

(a) Support the review and establishment of satisfactory procedures for future award of concession to be approved by independent multi-stakeholder body
(b) Contribute to the establishment of a technical review mechanism, including an independent multi-stakeholder committee, to review and approve future logging concessions
(c) Support further development of Liberia's forest regulations and policy to ensure that conservation and community forestry are given equal priority alongside commercial interests, particularly in the areas of regulation, resourcing, and enforcement
(d) Support harmonization of the CRL with applicable regulations and any further harmonization in relation to the Land Rights Act (subject to its legislation).[28]

Expected Outputs of Subcomponent 1.2

- Procedures for future award of concessions reviewed and established
- Technical review mechanism for review and approval of logging concessions established.

Component 2. Strengthened Management of Targeted Forest Landscapes (US$23.7million)

[28] The project will support rational efforts to conduct the necessary reviews of applicable legal regulations by contributing with new lessons learned and assessments of the effectiveness of current interventions.

10. The component will finance TA, works, goods, training and workshops, subprojects, and operational costs for land use planning, conservation, community forestry, sustainable agriculture, and forests management to support local communities and their organizations within the targeted landscapes to improve the sustainable management and conservation of natural resources and improve the economic and social benefits they obtain from them.

11. *Subcomponent 2.1. Improved Land Use Planning (US$1 million):* The subcomponent will support the preparation of current land use maps at the subnational (for the targeted landscapes) and national levels. Together with the results achieved and lessons learned from the inclusive strategic planning processes and land use planning at the community level (Component 2.3), a road map report to scale up land use planning above the community level (such as land use plans at the district level) will be developed. The activities are aimed at advancing an integrated landscape management approach for the sustainable management of natural resources and for carbon ERs at a landscape scale. Over time, the products from these activities will be useful for national GHG accounting from the land use (forest and agriculture) sector. Activities conducted in this subcomponent will be within the objective of supporting the LC's existing mandate of land use planning and management. Also, under Phase I of the REDD+ readiness process with the financial support of FCPF, Liberia has developed a national forest map; this subcomponent will be implemented building on these results. This land use mapping and planning process will not displace existing on-the-ground activities and thus will not lead to the relocation of villages or households.

Main Activities of Subcomponent 2.1

12. Activities will include TA, training, operational costs, and goods and services to

(a) support the creation and functionality, under the auspices of the LISGIS/the LC (or the incoming LA), of a comprehensive integrated map of Liberia's existing land uses including geophysical, legal, and social features
(b) prepare a road map for national land use planning.

Expected Outputs for Subcomponent 2.1

- National land use map produced
- Road map for national land use planning produced.

13. *Subcomponent 2.2. Strengthened Management of Protected Areas of Targeted Forest Landscapes (US$8.2 million).* This subcomponent will contribute to the expansion, improved management, and more sustainable funding of Liberia's protected area network, providing the resources necessary to safeguard selected existing and future protected areas.

Main Activities of Subcomponent 2.2

(a) **Strengthened on-the-ground management of existing protected areas**. The LFSP will support the strengthened management of Liberia's protected area system. The selection of activities will prioritize those protected areas located in the targeted forest landscapes where key investments in improved protection and on-the-ground management are a clear priority and support from other sources is not forthcoming. As of January 2016,

Liberia has three formally gazetted protected areas: (i) Sapo National Park (180,438 ha in the southeast forest landscape, established in 1983); (ii) East Nimba Nature Reserve (ENNR; 13,574 ha, established in 2003); and (iii) Lake Piso Multiple-Use Reserve (97,159 ha in the northwest forest landscape, established in 2011). The legal gazettement of a fourth protected area, the Gola Forest National Park (97,975 ha in the northwest forest landscape), is currently pending in parliament and expected in 2016. Two other PPAs have had pre-gazettement studies and consultations carried out and legislation drafted for their establishment; they are the proposed Grebo Forest National Park (97,136 ha) and Wonegizi Nature Reserve (37,979 ha). The LFSP will support priority investments to strengthen the on-the-ground management of the Sapo, Lake Piso, Gola Forest, and Wonegizi protected areas.[29] All planned LFSP investments to strengthen protected area management will be carefully coordinated with the activities of other donors, including bilateral agencies and international conservation NGOs, to ensure complementarity and avoid duplication of effort. In the case of the proposed Grebo Forest National Park, the project could provide support for protected area infrastructure, demarcation, and/or management planning in case the expected support from German bilateral cooperation (or other sources) does not materialize; this need will be assessed during the LFSP midterm review and if funds are available, a restructuring could be proposed to cover this activity. The investments that the LFSP will support include the following:

(i) **Physical demarcation**. For Sapo National Park, the project will re-clear the external boundary path along most of the park's original (1983) land boundaries; and support a dispute resolution process concerning the boundaries of the 2003 park expansion area (near the Putu mining concession). For the Lake Piso Multiple-Use Reserve, the external boundary demarcation will be with signs at strategic points, particularly where roads abut or cross the reserve. The project might also support physical demarcation of the proposed Wonegizi Nature Reserve after it is officially gazetted by the government; this will be assessed during the midterm review. In the interim, the FDA's forest management activities at Wonegizi Nature Reserve could include placing provisional boundary markings (such as spray paint on trees) at strategic points around the reserve, in collaboration with the adjacent communities.[30]

(ii) **Protected area infrastructure.** The project will support small civil works that are needed for effective on-the-ground protected area management, including headquarters, staff accommodations, and ranger outposts in the Gola Forest National Park and Wonegizi Nature Reserve.

(iii) **Vehicles and equipment.** The project will provide (four-wheel drive vehicles, motorbikes, and small boats) as well as a wide variety of office and field equipment as needed for the Sapo, Lake Piso, Gola Forest, Wonegizi, and Grebo Forest protected areas. The equipment to be procured—based on the confirmed specific needs of each protected area—includes electric generators/solar panels, radio communications equipment (where cell phone coverage is lacking), basic office

[29] Project investments for on-the-ground management are not planned in the ENNR (other than the provision of an additional vehicle) because this protected area is outside the LFSP's two target forest landscapes; it is also receiving significant support from other sources.

[30] Funding for demarcation of the Gola and Grebo protected areas is expected from other sources.

furniture, portable computers, smart phones with cameras and global positioning system, binoculars, camping equipment, ranger uniforms, field equipment, and other high-priority items.

(iv) **Management plans.** The project will support, with participation from local communities, the preparation of a new MP for the Wonegizi Nature Reserve and an update of the MP for Sapo National Park. The project will also support the preparation and dissemination of simple, user-friendly MP summaries for the Sapo, Lake Piso, Gola Forest, Wonegizi, and Grebo protected areas, with an emphasis on clearly defined uses and zones (which uses are allowed and not, in which zones of each protected area).

(v) **Livelihood restoration.** The project's PF outlines the process for providing livelihoods-related support during project implementation to people affected by project-induced restrictions of access to natural resources within protected areas. As part of this process, project implementation will include the preparation and subsequent implementation of LRPs, which will provide tailored livelihood support and benefit sharing for nearby communities. In cases where well-organized communities have produced their own investment plans, this livelihood support will be channeled through the appropriate community mechanisms. Communities and households around the project-supported protected areas will be provided with opportunities to restore their livelihoods to at least pre-project levels. The LRPs prepared under this project will take into account any ongoing livelihoods-related support from other sources; the LFSP support will be on an additional and as-needed basis. To the maximum feasible extent, LFSP livelihood restoration investments will follow the same procedures established for organized communities under Subcomponent 2.3, consistent with providing timely livelihood support as needed to comply with the LFSP PF.

(vi) **Incremental recurrent costs of protected area management.** The project will fund the recurrent operating costs of protected area management that are specific to project implementation, including office and field supplies, field rations, fuel, support for park patrol auxiliaries (community volunteers), boundary maintenance, and equipment maintenance (including spare parts) during the expected five-year project life. However, protected area staff salaries will remain the responsibility of government counterpart funding.

(vii) **Training for protected area management**. The project will support priority training to improve the operational effectiveness of FDA staff within the protected areas. It will not include firearms training, because neither FDA nor EPA officials carry firearms, in accordance with the Liberian law. However, both the FDA and EPA have certain police powers (such as powers of arrest, but upon arrest transferring the suspects to police authorities, and confiscation of illegally used equipment and illegal forest products such as poached wildlife); project-supported training will help enhance these agencies' effectiveness in harmonizing efforts with police authorities and the judicial system.

(b) **Pre-gazettement activities for selected PPAs.** The project will support studies and TA to complete the preparation of pre-gazettement packages for priority PPAs within the targeted forest landscapes. These activities are aligned to the government's goal of

protecting forest areas with significant biodiversity value and unique ecosystem characteristics while recognizing the needs of local communities. PPAs to be assessed under the LFSP are the Foya and Kpo Mountains PPAs in the northwest forest landscape and the Grand Kru-River Gee, Gbi, and Senkwehn PPAs in the southeast forest landscape. For these PPAs, the pre-gazettement review and preparation activities supported by the LFSP will assess the feasibility of protected area establishment, including any legal, social, or other constraints. These activities are expected to include the following (taking into account any previous steps already taken or planned with funding from other sources):

(i) Verifying the existing conservation value of the PPA, from a biodiversity, ecosystem services, and/or cultural standpoint

(ii) Socioeconomic baseline studies that document the land tenure, concessions or other land claims, human uses, and settlements (if any)

(iii) Selecting the appropriate protected area management category (National Park, Nature Reserve, Multiple-Use Reserve, and so on)

(iv) Participatory boundary delineation on a detailed map

(v) Public consultations at different levels (from local to national including the mandatory 90-day notice)

(vi) Where needed, certain pre-gazettement activities related to the special status of sacred sites and cultural resources

(vii) Preparing draft legislation and supporting documents (the pre-gazettement package).

(c) **Further support for Liberia's protected areas system**. The LFSP will also support the following:

(i) **Conservation Trust Fund.** The LFSP will support the studies and TA needed to design a national-level Liberian CTF to help maintain the long-term financial sustainability of Liberia's protected area system. Conservation International (CI) supported by other partners has been engaged in planning the establishment of a CTF to address the long-term conservation needs of the ENNR. The LFSP will provide support for designing and setting up this CTF, which will be established at the national level and then piloted in the ENNR and associated community areas. The CTF is expected to be capitalized from diverse sources including forest fees and taxes, carbon payments, donors' direct financing, and biodiversity offsets. The LFSP could potentially in the future provide partial capitalization to the CTF when it is legally established and functional and if project funds remain available. However, this will need to be determined during the midterm review; if found appropriate, a project restructuring could be proposed to enable such capitalization.

(ii) **Biodiversity offsets facilitation.** The project will also support studies and TA to promote the appropriate use of biodiversity offsets from large-scale mining and potentially other types of extractive industries or other development, building on the generally successful example provided by the Arcelor Mittal mining company at the ENNR and adjacent areas of Mount Nimba. A biodiversity offsets system for Liberia could help expand the funding base for the Liberian CTF, along with providing direct protected area support or related conservation investments. The LFSP-supported

offset facilitation activities are expected to include developing metrics; convening a stakeholder advisory committee; promoting voluntary pilots; establishing thresholds for possible future mandatory participation by large mining firms; and proposing adjustments to Liberia's Environmental and Social Impact Assessment regulations and other legal requirements with regard to offsets.

(iii) **Tourism strategic study.** The LFSP will support an analytical study regarding the tourism potential within the targeted forest landscapes. The study will assess the extent to which this underdeveloped sector could provide new revenues to Liberian protected areas and to adjacent communities within the foreseeable future.

(iv) **Support for deconcentrated conservation department function.** As part of the planned deconcentration of the FDA to increase its on-the-ground presence and effectiveness, the project will provide support for recruitment of 12 junior officers for the 4 regional offices in the target areas (these will be temporary staff that are expected to be absorbed into the FDA structures after the project). The project will support on-boarding training for these new staff. In addition, each regional office will receive a 4x4 vehicle and a 4x4 vehicle will be provided to the manager of the Conservation Department to enable field supervision (a total of 5 vehicles will be supplied).

Expected Outputs of Subcomponent 2.2

- Lake Piso Multiple-Use Reserve boundary signposted
- Sapo National Park boundary cleared
- Wonegizi Nature Reserve boundary marked with temporary markings
- Gola Forest National Park HQ, staff accommodation (3 units), and outposts (2 units) constructed
- Wonegizi Forest National Park HQ, staff accommodation (3 units), and outputs (2 units) constructed
- Management Plans for Sapo National Park and Wonegizi Nature Reserve produced
- Management Plan summaries for Sapo, Gola, Grebo, Wonegizi, and Lake Piso produced
- 120 FDA staff working in protected areas trained in sustainable protected area management
- Pre-gazettment activities conducted for Foya and Kpo Mountains, Grand Kru-River Gee, Gbi, and Senkwehn PPAs
- CTF for Liberia designed
- Study on tourism and ecotourism potential in targeted landscapes produced
- 12 junior forest officers trained (on-boarding training)
- Five vehicles (one each for the four regions and one for the Conservation Department) supplied.

14. *Subcomponent 2.3. Community Forestry in Targeted Forest Landscapes (US$10.5 million).* Under this subcomponent, the project will support activities on a demand-driven basis to assist forest communities in (a) strengthening community governance and

institutions to manage community forestlands and common pool resources (in accordance with the CRL and the Land Rights Policy); (b) promoting and supporting productive natural resources management investments based on an integrated 3Cs approach at the level of community lands, of which forest will be a significant land use component; and (c) improving livelihoods by creating job opportunities and improving income from the use of communities' customary land and forest resources. FDA promoters/extension agents, working from local offices, will work directly with communities on a regular basis to assist them in initiating a community forestry process during the life of the project. The activities in this subcomponent will be aligned with existing forest governance mechanisms and traditional, or statutory, community institutions and authorities, to prevent undermining, substituting, or duplicating their structures or roles. The extent and type of support provided will be consistent with the enabling national legal framework and will be adapted to suit specific community needs.

Main Activities of Subcomponent 2.3

Pre-investment activities

(i) **Target communities and selection criteria**. Participating communities will be initially identified based on the following eligibility criteria: located within the nine counties of the targeted forest landscape considered as project areas[31]; and applicants to the FDA to start a process for recognition as an 'Authorized Forest Community' (AFC). As of January 2016, of 116 communities that had applied to initiate this process, 70 communities are located in the targeted project landscape and thus meet these criteria. It is expected that not all of these communities will meet the legal requirements to complete the recognition process. Also, other communities within the project area may file new applications after the project becomes effective. During the first year of the project, as more information becomes available (for example, size of community forest area, number of members, location, and costs), the FDA will have the elements to determine the final number of communities that can be assisted by the project, throughout the recognition process. Communities involved in these activities will be meaningfully consulted, in a transparent and inclusive manner, taking into account the need for informed decision making. The FDA and other involved service providers will ensure that the selection criteria are clearly and transparently communicated with all applicant communities. Based on the available financial and institutional resources, it is estimated that the FDA will be able to assist approximately 70 communities through the first stage of acquiring AFC status. This stage involves posting of notices of a socioeconomic survey and the actual conduct of a socioeconomic survey (see below) that may include a resource reconnaissance and informal mapping exercise.[32] Of this initial universe of 70 beneficiary communities, the project could continue to assist up to 40 communities with the full support of activities considered under Subcomponent 2.3 (see below), which may meet other legal requirements to qualify for an AFC status and a CFMA with the FDA. Additional criteria will thus be needed to guide the final selection. These criteria will be identified during the first year of project implementation, once information from the

[31] Counties included are Bomi, Lofa, Gbarpulo, Grand Cape Mount, Grand Gedeh, Sinoe, Gran Kru, River Gee, and Rivercess.

[32] Note that this activity fully corresponds to Step 2 (30-day notice of the socioeconomic survey) but only partially with Step 3 (conduction of a survey and demarcation) of the appendix of the CRL-R.

socioeconomic survey (see below) becomes available. Possible criteria may include evidence of social cohesion and initial technical capacity for community forestry; absence of debilitating conflict within or between communities; number of community households; extent of forestlands; limited or no assistance from other donors; and located in the proximity of existing or proposed protected areas.

(ii) Demarcation activities supported by the LFSP, which will initiate with the posting of notices for 30 days in beneficiary communities, will be conducted to the selected subset of up to 40 priority communities. Transparent communications with the communities will inform them of the process to avoid expectations about activities that go beyond the project's interventions.

(iii) **Socioeconomic Survey**. During the first year of the project, the FDA will establish contact with eligible applicant communities and, with the consent and involvement of community members, initiate a socioeconomic survey as provided in the CRL-R.[33] The survey will be preceded by a 30-day notice to the community and adjacent communities to inform them that such an activity is to take place. A communications program will also be developed to inform communities of the benefits and responsibilities of an AFC status. This communication will be conducted in an appropriate language and method to manage expectations from the communities. This communication should be targeted to all applicants. Reasons and justification for not being selected to the CFMA should be clearly communicated. The survey will focus on information such as: resources of the area, the people, and their livelihoods, including their relationship with the land and its forest resources; governance and organization arrangements; number of members and education levels; extent and type of forest lands for subsistence/commercial use (for example, timber and NTFP); location and access to roads and markets for forest products; principal current economic activities for subsistence/commercial purposes (for example, timber and non-timber forest products, agriculture crops, cattle/grazing, mining, charcoal, cassava, coffee, cocoa, rubber, bushmeat, and so on); and type of TA that is needed or has been provided (for example, by the government, NGOs, donors, private companies). Gathering relevant information regarding eligible and participating communities will be an ongoing effort and should be left as a legacy at project closure. The FDA will establish and continuously update a database to capture this information. The FDA aims at conducting the survey simultaneously in all eligible communities. Depending on the final number and characteristics of participating communities, significant additional institutional efforts and financial/human resources may be needed by the FDA to respond to this commitment. As additional information becomes available following project effectiveness, such needs will be assessed and adjustments may be needed to the costs and institutional arrangements as appraised. It is also expected that additional technical support required to complete these tasks may be outsourced from external TSPs, (see below). Given the large number of communities to be assisted during the first phase of project implementation, it will be important for the FDA to develop a work plan to organize and conduct the surveys in an effective and timely basis and to facilitate a robust and transparent process to ensure that expectations are well managed among communities. The FDA will take the necessary steps to ensure that the initial

[33] The CRL-R (official version published by the FDA on August 30, 2011 and signed by the Managing Director) are currently being revised to ensure better consistency and harmonization with the law.

engagement with communities is fully participatory, follows principles of inclusion and transparency, and is conducive to a robust consultation process that follows the requirements of the CRL regarding any decision, agreement, or activity affecting the status or use of community forest resources. In initiating this process, the FDA may consider assisting existing community leaders/members or existing community organizations to establish an informal internal community committee or working group, which could assist in the organization of the recognition process by becoming a platform for information sharing and informal decision making. This approach could also be the entry point of the FDA—and other relevant government agencies and civil society—to the community. As the community progresses in its status recognition process, this platform may facilitate and lead to the establishment of formal community structures (for example, Community Assembly and Community Forestry Management Body) as contemplated in the CRL.

(iv) **Ranking of communities**. Based on information obtained from the socioeconomic survey, the FDA will identify a ranking of participating communities that captures their different characteristics and conditions, development opportunities, and TA/training needs. This ranking will consist of three or more categories that represent different levels of organization/capacity/needs to manage forest resources. The FDA will use the ranking to design TA and training instruments to more directly respond to the needs of beneficiary communities. A menu of different eligible project activities will then be made available to communities based on the category of the ranking that they belong to. Variables initially identified to establish this ranking include level of cohesiveness, organization, social capital, and governance structures; capacity and experience in the management and commercialization of local products; commercial value of their forest resources and access to markets; level of value added of products and integration in productive chains; and so on.

(v) **Provision of technical and training services**. Through Subcomponent 1.1, the FDA will identify local- and national-level CSOs, NGOs, donors, and private service providers (individuals and firms) as partners who could provide specialized technical services and training to beneficiary communities. TSPs will be hired by the FDA on a demand basis to assist communities in a variety of technical areas related to SFM and conservation. Local FDA staff (for example, extension officers and agroforestry rangers) will also work regularly with communities to identify their technical and training needs and serve as liaisons between TSPs and community leaders/members. They will also ensure a good match between the type of service and community needs and supervise the timely delivery and quality of services provided.

(vi) **Roster of TSPs.** During the first year of project implementation, the FDA will conduct a survey of available TSPs at national and regional/local levels to assess their areas of specialization, experience, and capacity to work with forest communities. This information will then be used to establish a roster of TSPs, which will be shared with participating communities—in the form of a catalog—to learn about the availability of services. The roster will be administrated by the FDA by updating current information and including new TSPs who become available to communities during project implementation. Information about the performance of TSPs who are assisting communities as the project moves forward will also be made available in the roster. The FDA will establish simple rules to define TSPs' membership rights and responsibilities.

The FDA may remove a TSP from the roster in case of noncompliance with the rules. The FDA will also provide training opportunities to TSPs in a variety of social (community organization), economic, and natural resources management topics.

15. Based on individual conditions, capacities, and needs identified in the above survey and based on the ranking, the project will support assistance to eligible communities in the following categories:

(a) **Community governance and social capital including demonstrated sharing of benefits.** This will include the following activities. The communities supported for the following activities will be assisted by the project using a phased approach, starting with a small number of communities in the first year (for example, five), and continue to add new ones, periodically, as the project moves forward and the institutional capacity and availability of technical services increase. Communities will be supported by the FDA with different TA and training instruments (see below) on a regular basis during the entire life of the project. The phased selection will also allow the FDA to develop an adaptive approach to assist communities by incorporating lessons learned from earlier experiences.

(i) **Strengthening traditional community institutions and governance.**[34] Promotion/establishment of inclusive/broad participatory processes—ensuring an active participation of women, young, and elder community members—for decision making on the sustainable use of common pool resources, land use planning and management, benefit-sharing arrangements (based on guidelines designed under Subcomponent 1.1), and establishing/strengthening and enforcing community bylaws/regulations and sanction frameworks. Activities will also be supported to assist communities to develop M&E strategies for compliance and evaluation of results of community initiatives.

(ii) **Support for community territorial and development planning** including:

- **participatory/rapid community rural appraisals** to initiate a participatory process that incorporates the knowledge and opinions for community members for the planning the management of common pool resources from community lands
- **territorial land use plans**, which are a medium- to long-term territorial planning instrument to guide decision making on the optimal productive use—subsistence and commercial—and conservation of communal lands
- **community action plans** to identify medium- to long-term investment activities, part of which could be supported by the project.

(iii) **Strengthening community ownership and management of common pool resources.** In close coordination with the proposed Liberia LA, this activity will aim at clarifying, establishing, and strengthening customary rights to forestlands and

[34] Communal governance structures will be strengthened including adapting the methodological approach developed by PROSPER under the Community Rights Law to establish Community Forest Management Areas.

communities; preparation for legal access to their natural common pool resources; and governance institutions based on the principles of the CRL and the Land Rights Policy (or any other applicable legal instrument that regulates customary rights). Specific activities could include self-identification, demarcation, and establishment of Community Assemblies and Community Forestry Management Bodies. These activities will consider the outcomes of the survey of participating communities (see above) to align forest governance mechanisms with traditional, or statutory, community institutions and authorities, avoiding undermining, substitution, or duplication of existing structures or roles. The extent and type of support provided will be consistent with the enabling national legal framework and will be adapted to suit specific individual community needs.

(b) **TA and training for sustainable NRM as common pool resources (subsistence and commercial).** The TA will involve the following:

(i) Specialized TA to community members to support/improve subsistence/commercial activities (for example, forestry, agroforestry, agriculture, aquaculture, artisanal mining, sustainable logging and charcoal production, and ecotourism)

(ii) Assistance for the preparation and execution of Community Forestry Management Plans and Conservation Plans

(iii) Training program for communities in a variety of NRM issues, including land use planning, subproject administration, commercialization and marketing of forest and NTF products, conservation activities, ecotourism, and so on

(iv) Community-to-community training exchanges and study visits

(v) Support for the establishment and/or strengthening of existing benefit-sharing arrangements to enable the equitable distribution of benefits from common pool resources. This activity will be developed in a participatory fashion by extension agents and TSPs

(vi) Support the hiring of temporary extension agents.

(c) **Community grants.** Grants will be offered to support community-driven development activities to generate livelihood opportunities, under transparent and inclusive benefit-sharing arrangements, and to include support to women and youth initiatives. These will offer additional and complementary investments currently coordinated by Community Forestry Committees and with funds from private timber concessioners. They will be available to communities that have capacity to manage funds transparently and with acceptable social and environmental standards. The grants will be aimed at creating small community enterprises to produce, process, and market a variety of timber and non-timber forest products. Grants could range from US$2,000 to US$5,000 (ceiling to be revised based on the type of the subproject). The FDA, through the RIU, will have the fiduciary and oversight responsibility of the community grants. Simplified procurement and FM guidelines are included in the implementation manual, and training will be offered by the FDA for the execution of these grants by communities.

(d) **Development of CFEs.** Partnership opportunities will be promoted with the private sector for this activity, which will include the following:

(i) Promote/support establishment/strengthening of small CFEs for the commercial management and added value to forest products (for example, charcoal, lumber, furniture, construction wood) (providing special participation for women and young adults)[35] as well as small-scale ecotourism activities in a phased manner

(ii) Support to ensure CFEs' full integration into a community forestry management framework and legal forest products' markets

(iii) Specialized training and capacity building (for example, compliance with regulations, silvicultural practices, low-impact logging, safety, procurement and FM, accounting, commercialization/markets, and so on)

(iv) Technical support for the preparation and execution of commercial Community Forest Management Plans, based on environmentally sustainable, simplified, best-management-practices-based silvicultural systems. This activity will be conducted by TSPs

(v) Support/improve technical management and performance of productive forestry-based, value-added activities

(vi) Support communities for timber and non-timber products certification based on internationally accepted standards (for example, Forest Stewardship Council).

(vii) Build capacities to improve competitiveness and operation in the formal sector

(viii) Support operational costs of the FDA to support activities on community forestry (investment costs including vehicle and motorbike purchase and recurrent costs including office and field supplies, equipment, maintenance, and internet and radio communication).

(e) **Capacity Strengthening for TSPs.** Under this activity, the project will finance the integration of a national roster of private service providers in a variety of areas of specialization who will be eligible to provide specialized technical support to beneficiary communities (for example, zoning and land use planning, agroforestry, silviculture, and so on). Other activities could include providing specialized training and certification programs to TSPs when specific skills are required (for example, low-impact logging, sustainable charcoal production, ecotourism, and so on.)

(f) **Studies to support community forest management (field offices).** The project will support a number of studies to help the FDA strengthen its support to forest communities. A preliminary list identified during project preparation includes the following:[36]

[35] Specifically for women, criteria for selection as direct beneficiaries will be flexible and any specific criterion that will be considered as a hindering factor for women will be reexamined and or relaxed to create the needed opportunity for women, while ensuring that basic requirements are met. These measures will include criteria for participation in all aspects of the project.

[36] This list is not exhaustive and may change as implementation needs arise.

(i) Support the FDA to analyze and develop value chain strategies/frameworks
(ii) Conduct a study on domestic timber and its role in driving D&FD within the targeted landscapes
(iii) Conduct a study on charcoal markets and its role in driving D&FD within the targeted landscapes
(iv) Support to mapping existing standards for low-impact logging practices and evaluate which, if any, standard is most suitable to help ensure verifiably low-impact logging practices in community forests in Liberia.

Expected Outputs of Subcomponent 2.3

- Up to 70 communities supported to conduct a Socioeconomic Profile Reconnaissance Survey
- Up to 40 Community Action Plans produced
- Up to 40 Community Land Use Plans prepared in a participatory manner
- Up to 40 community training exchanges organized
- Up to 40 communities supported on timber and non-forest timber products certification
- Between 20 and 40 TSPs trained and included in the roster
- Study on domestic timber and its role in D&FD completed
- Study on charcoal market and its role in D&FD completed
- Four vehicles supplied to the FDA regional offices to support the community forestry function.

16. *Subcomponent 2.4. Strengthened Capacity for Sustainable Agriculture (US$4 million).* This subcomponent will promote sustainable agricultural practices and reduce slash-and-burn agriculture in the targeted landscapes. Using a demand-driven approach and structured economic interest groups within the targeted communities, agroforestry and food crop cultivation will be supported for farming households within the communities. For such beneficiaries, there must be a proof of land ownership and evidence of support by the targeted landscape communities. The targeted communities will be encouraged to adopt sustainable land use and agricultural practices that will involve a mix of conservation agricultural practices: sustainable land use, value chain-based partnerships, and effective use of degraded land in a mix-cropping model. The implementation of the subcomponent will build on two existing Bank-supported projects implemented by the MoA (the STCRSP and the West African Agricultural Productivity Project (WAAPP) in Grand Gedeh, River Gee, and Bomi Counties. The procedures and guidance (including the safeguards screening procedures) established under the STCRSP and the WAAPP will be utilized for interventions under this subcomponent.

Main Activities of Subcomponent 2.4

(a) **Extension and training through farmer field schools.** Farmers will be encouraged to form farmers' organizations (FOs) around their land resources to facilitate access to extension and training, which will be offered under the project. The subcomponent will

support farmers' field schools through which training will be provided and value chain-based partnership established for the farmers on inputs supply and product marketing.

(b) **Grants to individual farmers for the STCRSP in the targeted landscape.** This subcomponent will provide support in-kind to small farmers within the targeted landscapes to rehabilitate and/or replant old cocoa/coffee and oil palm farms as well as support replanting and new planting of rubber. Abandoned tree crop farms within the targeted area will be considered for rehabilitation or replanting to replace old trees. The project will not support outgrower schemes involving large-scale monocultures in agriculture concession areas, but it will support rehabilitation and new planting of tree crops for smallholder farmers in the targeted landscapes in a mix-cropping models. An in-kind/grant mechanism for revitalizing the tree crops in these communities will be used, similar to the mechanism under the STCRSP. According to these mechanisms, beneficiaries will be selected based on the eligibility criteria that include having secured land use rights validated at the family and community levels, being part of the target community, and an indication of being a farmer in the community. The tree crop support will be through a matching grant system where the farmers provide labor for farm activities and the subcomponent supports the cost of first year establishment of new planting or rehabilitation of tree crop farm. The project will provide good quality planting materials and other inputs necessary for the first year of establishment of new planting (including tools for land preparation and cocoa pruning). A maximum of 2 ha will be supported per individual farmer, and the subcomponent will provide an average of US$500–US$800 per farmer as a matching in-kind grant depending on the tree crop and whether it is for rehabilitation or new planting. The project will target support to 3,000 individual farmers within the project lifetime**.**

(c) **Support to individual farmers (conservation agriculture).** This subcomponent will enhance the productivity of annual food crops on degraded lands through sustainable agricultural practices. Based on selection of agricultural enterprises by communities through a demand-driven approach, grants will be provided to support production of annual crops, grains, legumes, and pulses through minimum tillage activities. The project will encourage the use of cover crops and promote conservation agriculture with a greater emphasis on soil and water conservation techniques. Contour farming will be encouraged to conserve water and protect soil on sloping fields. Erosion control on farms and riverbank protection will be supported. The subcomponent will focus on providing support to individual farmers in the target areas to develop local initiatives that enhance sustainable land use management and improve livelihoods. A specific set of criteria will be developed to access grant support for activities that promote sustainable land use in degraded areas and reduce pressure on forest areas. The support will be in kind, through supply of good quality planting materials and tools for individual farmers while farmers provide labor on their farm. Limited quantities of fertilizer will be supplied for first application at recommendations of experts based on the soil test in the affected area and indication of no adverse impact on the environment. The actual size of the in-kind grant ceiling will be determined by the cost of the subproject. The subcomponent will use an established structure for smallholder farmers under the WAAPP to implement these initiatives. Some of the envisaged activities to be supported include: (i) cultivation of cowpea, legumes, pulses, and other cover crops in the degraded areas; (ii) mixed cropping of food and tree crops in highly degraded areas and cultivation of horticultural

crops; (iii) support for community mitigation plans on degraded land; and (iv) establishment of community woodlots in riverbanks and degraded areas. Support will also be provided for the adoption of indigenous and better farming practices that promote sustainable land management, especially improved tillage methods, and soil and water conservation techniques. The project will encourage the use of cover crops and promote conservation agriculture with a greater emphasis on soil and water conservation techniques. These activities will aim to support farmers and communities to adopt sustainable land use and agricultural practices that enhance the structural and functional integrity of ecosystems and improve rural livelihoods. It is envisaged that a total of 1,700 farmer households will be supported.

(d) **Support to FOs for land preparation and marketing of crops.** In order to support the FOs in implementation of climate smart agriculture interventions, the project will provide cash grants to a number of FOs to be used for land preparation, in particular for labor in the clearing of fields, layout, and planting in project areas. In addition, based on previous experiences and ongoing activities aimed at strengthening the organizational, marketing and financial capacity of the farmers, cash grants will be made available to FOs for (i) quality promotion and market linkages; (ii) enhancing access to financial services; and (iii) development of small scale processing. The project will seek to encourage building of alliances at the local level for promoting value chain based partnerships and small and medium enterprises in value addition for livelihoods benefits.

(e) **Support to FOs for small- and medium-sized processing and post-harvest equipment.** This includes small-scale processing mills, produce bulking, storage, and post-harvest technologies. Up to 30 FOs will be supported for small- to medium-scale processing and post-harvest equipment to enhance value addition.

(f) **Tree crop establishment on communal lands.** The subcomponent will also provide support for new planting of tree crops on communal land if the targeted community wishes to allocate the land to individual farmers. Special access criteria will be developed for this implementation to ensure sustainability and tenure security. In addition, community consultations will be carried out to make sure that the community is involved in the allocation of land for farming purposes and there are no social issues within the community on the utilization of the land for intended purpose. It is expected that this support will be provided to up to 10 communities, in the form of cash grants, with a grant size of up to US$850.

Expected Outputs of Subcomponent 2.4

- 3,000 farmers supported on tree crops establishment through individual grants
- 1,500 farmers supported on conservation agriculture through provision of inputs
- 30 FOs provided with post-harvest equipment.

Component 3. Forest Monitoring Information System (US$2.3 million)

17. The component will finance TA, consultant and non-consultant services, goods, workshops, and operational costs to establish and support an operational and successfully tested national system for MRV and an information system for safeguards.

18. *Subcomponent 3.1. MRV and Reference-Level Development (US$2.0 million).* This subcomponent will support TA, goods, workshops, and operational costs for a functional and successfully tested national MRV system building on the road map developed with support from the University of Wageningen (included in annex 8), with the results achieved by the national REDD+ Readiness Program, supported by the FCPF readiness grant, and in coordination with ongoing VPA support to the FDA in the context of legality verification. The project will need to ensure that a functional system for monitoring and carbon accountability is set in place and tested in the targeted landscapes. This will not only permit monitoring the project results with regard to carbon but also lead the way to future carbon payments. The results derived through sustainable management of protected areas and community forests will also help as proxy to indicate the outcome with regard to ER. The expected project results with regard to reducing deforestation and net GHG will be based on the monitoring of changes in forest cover (activity data) and associated GHG emissions (based on emissions factors for the different types of forests within the targeted landscapes) compared to a business-as-usual baseline or reference level. The LFSP's reference level for targeted landscapes and monitoring will rely on, and be linked to, the national reference-level and MRV system that is currently being designed as part of the national REDD+ Readiness Program with the FCPF readiness grant. The FDA is the lead agency for setting the reference level. A consortium of Winrock (consultancy firm) and CI is assisting with the reference-level establishment. The national forest cover mapping is well advanced under the REDD+ readiness process with support from Metria and Geoville. The project will also coordinate actions conducted by World Resources Institute through the Global Forest Watch in relation to the MRV system.

19. The FDA together with the LISGIS will have the primary responsibility for monitoring information and reporting. The MRV system will need to comply with international best practice guidelines for operational data collection, synthesis, analysis, and reporting, allowing for the monitoring, estimation, and accounting of emissions and removals of carbon in comparison to the projected reference scenario.

20. It is expected that the system including independent verification of ERs and removals will be used to monitor and report ERs in the targeted landscapes against which results-based payments for carbon can be made in the future. A transparent MRV system is essential for building trust among parties and partners involved in REDD+ activities, and it will particularly seek to involve local communities in field activities and participatory monitoring. ER payments will be delivered after results are achieved and in the program's following phase (results-based carbon payment operation), verified by a third party, and formally reported. These payments will constitute a next phase in the Liberia Forest Program and will be based on the results of the proposed project in the targeted landscapes. It is expected that ERs are independently verified and reported at least twice in the course of this project. The ER payments will be managed by the GoL in accordance with a benefit sharing mechanism, being designed under REDD+ readiness, to incentivize sustainability of measures instituted to address the drivers of deforestation and sustainable land use.

21. It is expected that the national reference level and MRV system will become available by early 2017. The national reference level will be refined and adapted for the targeted landscapes for the LFSP using best available data. Estimates of ERs from the targeted landscapes will be made available by mid-2017.

Main Activities of Subcomponent 3.1

(a) Establish institutional arrangements

(i) Establish technical working groups and facilities within the FDA and with partners
(ii) Hire staff for relevant technical units for National Forest Management Strategy/MRV in the LISGIS and the FDA
(iii) Support the working group at the regional level to facilitate access and review of available datasets.

(b) Improve national forest monitoring: activity data

(i) Create an updated and improved national forest map and/or LU map
(ii) Conduct consistent national forest area change assessments
(iii) Assess and estimate activity data for forest degradation
(iv) Assess and estimate activity data for enhancement, sustainable management, and/or conservation.

(c) Improve national forest monitoring: carbon stocks and emission factors

(i) Collect and further develop carbon conversion, expansion factors, wood density, and the root-shoot ratio.

(d) Improve estimation and international reporting capacities

(i) Support EPA leadership to engage in technical support and training for reporting
(ii) Assess historical GHG inventories for Land use, land-use change and forestry and Agriculture, Forestry and Other Land Use (LULUCF/AFOLU) and ensure streamlining.

(e) Prepare for MRV of REDD+ activities at the national level

(i) Adapt and develop national forest monitoring for local REDD+ demos.

(f) Implement a program for continuous improvement and capacity development

(i) Design and implement a capacity development program building on existing national capacities and international support
(ii) Implement a program to train trainers
(iii) Peer review of ER report and verifications.

Expected Outputs of Subcomponent 3.1

- Four regional working groups on MRV established
- Activity data on forest degradation assessed and estimated
- Historical GHG inventories for LULUCF/AFOLU assessed and streamlined
- Independent verification of ERs conducted.

22. *Subcomponent 3.2. Development of an Information System for Safeguards (US$0.3 million).* This subcomponent will support the operationalization and operation of an information system on safeguards and other co-benefits being designed with the support of the FCPF.[37] The LFSP will support the piloting in targeted landscapes of such system that will keep track of multiple benefits and impacts of REDD+, including monitoring compliance with the Bank's Safeguard Policies (among other criteria and international best practices). In addition, and based on best practices and lessons learned, national guidelines on community consultation in forestry projects will be developed to standardize consultation processes. These guidelines will be Liberia-specific and, once developed, will be used by the project, other activities of the FDA, and other partners.

Main Activities of Subcomponent 3.2

(a) Set up and operationalize the information system for safeguards
(b) Support the development of the national guidelines on community consultation in forestry projects.

Expected Outputs of Subcomponent 3.2

- An information system for safeguards set up and tested
- National guidelines on community consultation in forestry projects developed.

Component 4. Project Management, Monitoring, and Communication (US$3.4 million)

23. Support will be provided for the FDA's day-to-day project implementation and management including procurement, FM, M&E, preparation of annual work plans, and organization of audit reports. The component will provide support for office operating costs for the existent FDA RIU after current FCPF support for the same ends in January 2019, as well as the operation costs for joint quarterly meetings to be held by the implementing agencies. The component will also support the operationalization of an M&E system that will report on the expected project's results, systematizing the project's lessons learned. The project-level M&E will be integrated into Liberia's M&E Framework for the national REDD+ readiness process that has been designed to track readiness progress and be able to report comprehensively at national and international levels including the different donors and implementing partners supporting Liberia's REDD+ process. The component will also support the implementation of a communication strategy to inform different and diverse stakeholders about the project and its results, building on results achieved with FCPF support as well as other projects. In addition, the component will provide resources for management and supervision of the Bank's environmental and social safeguards, in addition to costs related to the project's GRM function. Subcomponents 2.3 and 2.4 will offer livelihoods alternatives to potentially affected communities, while this component will include hiring of safeguard specialists, operational costs, training on safeguards management (implementation procedures, monitoring, reporting, and documentation), technical support, and monitoring workshops, travel, and goods. Finally, the component will provide support for the

[37] The safeguards information under this subcomponent refers to a REDD+ inspired Liberian information system, which encompasses a range of project-related information that goes beyond the scope of the Bank's Environmental and Social Safeguard Policies.

preparation of the midterm and project completion reports. Specific activities included in this component are the following:

(a) Support to operational costs of the RIU including staff
(b) Support to safeguards supervision
(c) Implementation of a communication strategy
(d) Conducting project audits
(e) Conducting project evaluations.

Expected Outputs of Component 4

- RIU with strengthened capacity
- At least 18 quarterly joint meetings of the implementing agencies held
- Environmental safeguards supervision conducted in accordance with the project ESMF
- Social safeguards supervision conducted in accordance with the project PF
- Communications strategy implemented consistently
- FGRM operational
- Annual project audit reports produced
- Midterm evaluation conducted
- Project completion report prepared.

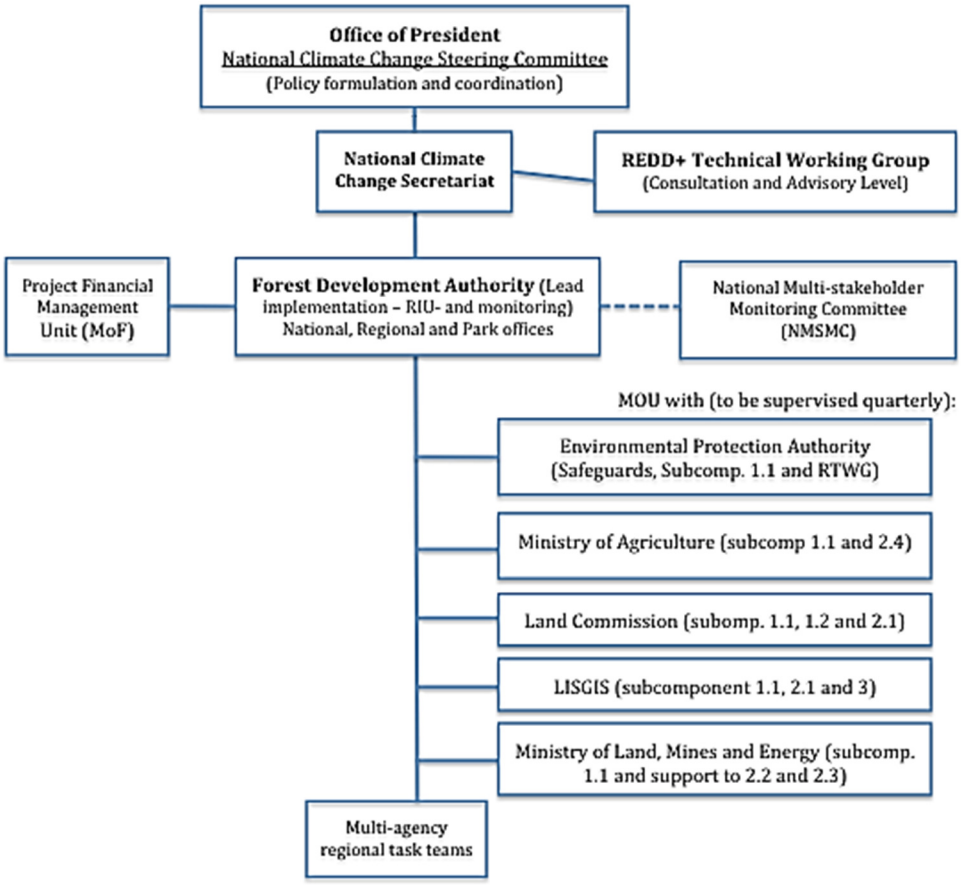
Annex 3: Implementation Arrangements

LIBERIA: Forest Sector Project

Project Institutional and Implementation Arrangements

1. The design and implementation of the LFS project will use the REDD+ management structures already established for the REDD+ readiness as shown in Figure 3.1. Operational details will also be included in the Project Implementation Manual. The FDA, which is assigned overall responsibility for the implementation of REDD+ activities, will be the responsible agency for project implementation. The FDA was created in 1976, to manage all forests and forest resources in Liberia. Its mandate allows the FDA to negotiate issues related to forest management, wildlife conservation, and biodiversity protection.

Figure 3.1. Institutional Arrangements



2. As part of the sector reform, the FDA was restructured in 2007, creating three distinct departments, each responsible for the community, commercial, and conservation uses of forests, in addition to crosscutting units of law enforcement, planning, research and development. The FDA's central management team is based in Monrovia, and there is a network of district offices across the country. Policies are determined at the central offices and the field offices are mainly

focused on implementation, monitoring, and enforcement. The FDA maintains checkpoints to monitor movements of timber and forest products around the country, issue waybills, and collect certain revenues. To strengthen the FDA's implementation capacity, the project includes support to the institution's regulatory, planning, FM, M&E, and related functions.

3. Project implementation will be done in coordination with other relevant agencies, ministries, bilateral partners, NGOs, academia, and CSOs, at the central and decentralized levels. The project has allocated significant resources to strengthen the implementing agencies, ensuring they deliver results. The involvement of multiple agencies will ensure an integrated landscape approach to the multisectoral drivers of deforestation and forest degradations. Key ministries and agencies involved are the following:

(i) **Environmental Protection Agency.** The EPA is the main authority for the management of the environment, and mandated to coordinate, monitor, supervise, and consult with the relevant stakeholders on all activities in the protection of the environment and sustainable use of natural resources; promote environmental awareness and implement the national environmental policy and the environmental protection and management law; and oversee the implementation of international environment related conventions. The EPA is the designated national authority for the Clean Development Mechanism of the UNFCCC/Kyoto Protocol and the environment. The EPA cochairs the RTWG and coordinates the REDD+ preparatory activities with the FDA. The EPA will benefit from institutional strengthening activities (Subcomponent 1.1) and will support the information system for safeguards (Subcomponents 3.1 and 3.2) as well as the implementation of the project's ESMF component (Component 4). The EPA will be a key partner in the LFSP and will, among other tasks, provide technical leadership to articulate REDD+ issues into National Development Plans and Policies; provide oversight for the coordination/supervision of the project safeguard activities; and liaise with the FDA for consultation and clarification on safeguard issues.

(ii) **Ministry of Agriculture.** The MoA is in charge of planning, executing, administering, and supervising agriculture programs. The MoA provides extension services; trains local farmers in improved cultural practices, and supplies farm inputs to enhance food security. The MoA will benefit from technical and operational resources (Subcomponent 1.1) to implement the project's sustainable agriculture investments envisaged under Subcomponent 2.4.

(iii) **Land Commission.** The LC was created in 2010 with a five-year mandate to propose, advocate, and coordinate reforms of land policy, laws, and programs in Liberia. The mandate of the LC extends to all land and land-based natural resources, including both urban and rural land, private and public land, and land devoted to residential, agricultural, industrial, commercial, forestry, conservation, and any other purposes. Currently the LC is in transition to become the Liberia Land Authority (LA). This agency will benefit from the technical and operational resource needed to support the FDA in activities related to Subcomponents 1.2 and 2.3, and will be the main implementer for Component 2.1. The establishment of the LA with broad mandates over both land administration and land management has been not been approved yet but it is expected to happen in 2016.

(iv) **The LISGIS** will facilitate the work on monitoring forest cover and land use changes. The LISGIS became an autonomous agency of the government by an act of the NTLA

on July 22, 2004. The LISGIS is responsible for compilation, analysis, publication, and dissemination of all data from individuals, establishments, and geo-spatial information in the country. The LISGIS will also receive technical support under Subcomponent 1.1 and will facilitate the work on monitoring forest cover and land use changes involved in Subcomponents 2.1 and 3.1.

(v) The **Ministry of Land, Mines and Energy** will be involved where the project is required to engage artisanal mining communities at the regional or park level, as envisaged under Subcomponents 1.1 and 2.3 as well as in possible biodiversity offsets schemes under Subcomponent 2.2.

4. This collaboration will be formalized and enabled through a series of MoUs agreed between the FDA and each of the relevant institutions. The project has allocated significant resources to strengthen the implementing agencies to ensure that they are equipped to deliver results. The involvement of multiple agencies will ensure an integrated landscape approach to tackling the multisectoral drivers of D&FD. The project will build on the coordination model between the FDA and the EPA that has already been tested during the REDD+ readiness phase as well as other similar examples of cross coordination.

5. The estimated amounts for each MoU established with the key agencies involved in the project are shown in Table 3.1.

Table 3.1. Estimated Amounts for MoUs Established with Key Agencies

	Subcomponents						
	1.1	**2.1**	**2.4**	**3.1**	**3.2**	**4**	**Total**
EPA	1,085,000	–	–	100,000	300,000	468,000	**1,963,000**
LC/LA	360,000	1,000,000	–	–	–	–	**1,360,000**
MoA	510,000	–	4,000,000	–	–	–	**4,510,000**
LISGIS	500,000	–	–	855,000	–	–	**1,355,000**
MLME	170,000	–	–	–	–	–	**170,000**

6. There are various multi-stakeholder committees, working groups, and mechanisms currently operating in Liberia, besides those created under the REDD+ readiness (NCCSC, NCCS, and RTWG), which the project will support for effective operationalization.[38] An assessment will be conducted at the beginning of project implementation to review the proposed institutional mechanisms, including their membership and scope of responsibility to ensure proper coordination. For the LFSP, the NCCSC will act as the body in charge of ensuring inter-sectoral coordination. The NCCSC will meet once every year at the end of the fiscal year to review reports

[38] The **NCCSC**, a high-level policy coordination committee, will be responsible for overall climate change policy in Liberia. It shall comprise the president of Liberia, ministers of the government, directors of governmental agencies, national coordinator and advisers to the president will provide coordination, monitoring, and evaluation, as the operational arm of the NCCSC. A national coordinator, who will report directly to the NCCSC and the president, will head the secretariat. There will be at least two experts covering priority technical areas. There will also be an administrative coordinator and support staff. **The RTWG** is a platform for all stakeholders, including other sector agencies, civil society, development partners, and the private sector. It reaches down through the national and county level forest forums to stakeholder and communities closer to the forest and directly affected by REDD+ issues. The RTWG is chaired by the FDA and co-chaired by the EPA and the Ministry of Planning and Economic Affairs. The RTWG provides technical advice to inform and guide decisions about program development in Liberia.

on project performance and results, and budget, and approve the new operational plan and budget. The NCCS will provide direct guidance and orientation to the activities developed by the implementing agencies and will be responsible to coordinate linkages between the NCCSC and technical level working groups as well as other government entities and partners. The NCCS will work closely with the CFWG on all activities related to community forest management. The FDA's MD will be in charge of convening quarterly meetings to follow up on the project implementation and progress, including activities and responsibilities registered in the MoUs between the FDA and other implementing agencies. As part of efforts to leverage and align with existing donor coordination mechanisms, the project will share project progress reports and key findings with the NMSMCC inaugurated under the VPA to coordinate donors and engage sector partners in the objectives of project. The NMSMC is chaired by the FDA's MD. This will allow discussing progress in their project's activities, establishing synergies and collaboration and avoiding duplication of efforts. Annex 9 includes an overview of the related activities implemented by development partners as well as other Bank projects. Subject to discussions with donors, it is further anticipated that the project's goals will be integrated into the scope of the NMSMCC. No new platform will be created for coordination among different development agencies but the scope of existing mechanisms such as the RTWG, CFWG, and the NCCSC could be reviewed and modified as needed in the context of the project.

7. Project implementation at the regional and local levels will be strongly supported by interagency task teams constituted of the EPA, FDA, MoA, and other agencies through regional offices and service delivery partners (private sector, NGOs, CSOs, and CBOs). These will be coordinated by the FDA and will operate from the regional offices. These teams will provide operational resources to enable those agencies that do not have resources or a permanent presence in the regions to ensure that they are able to play their part in project implementation at community or district level. In addition, the project will provide support, including capacity building and training, to service delivery partners who will work with the FDA and other lead agencies in implementation and provision of services to communities, in particular under Subcomponent 2.3 and after project closure.

Implementation Arrangements for Community Forestry Subcomponent (Subcomponent 2.3)

8. The FDA's extension officers and agroforestry rangers, based in local offices, will play a central role in the implementation of the community forestry component. The key elements for the component's implementation are the following:

- The FDA will have a component coordinator under the Community Forestry Division
- The FDA will also have staff in the local offices in each of the four project areas to implement this component
- Local offices will have a local project coordinator, at least two natural resources management specialists, and 3–5 community extension agents and/or agroforestry rangers.
- Each community extension agent and/or agroforestry ranger will be responsible for assisting a group of communities regularly during the full life of the project using a handholding approach when necessary

- A Roster of Private TSPs will also be identified. Through the project, the FDA will hire these TSPs to provide specific technical support and training to communities
- During the first year after project effectiveness and as the technical elements of the project are developed, central and local staff of FDA, particularly of the Community Forestry Division, will undergo a broad and comprehensive training to prepare them for direct engagement with communities and local planning for project implementation.

Implementation Arrangements for Sustainable Agriculture Activities

9. While the FDA generally coordinates and manages Subcomponent 2.4 (Strengthened Capacity for Sustainable Agriculture), its implementation will be carried out by the MoA through a MoU with the FDA and as detailed in the Project Implementation Manual. Overall subcomponent-level planning, coordination, implementation, and M&E will be ensured by the MoA. However, the subcomponent will follow the reporting lines established for the LFSP and included in the MoU. The project will provide for institutional support to the MoA's PIU to ensure delivery of results. The MoA will build on the implementation modalities of the Bank-supported STCRSP and WAAPP to implement the activities identified with communities through a demand driven approach. The STCRSP and WAAPP are under the supervision of a single Program Implementation Unit within the ministry and which is in charge of harmonization, alignment, and improvement of aid effectiveness. The coordination for the implementation of the LFSP's activities will be thus ensured by the PIU director who coordinates all MoA agricultural project implementation and is fully responsible for the day-to-day management of the PIU.[39] Building on existing arrangements, in the case of tree crops revitalization, existing farmers and interested youths in the various communities are identified by the MoA and targeted communities. Land ownership and community certification will be ascertained for individual farms and communal lands. Under special partnership arrangement with NGOs and the private sector for forward and backward linkage and in collaboration with the technical department of the MoA, the project will provide support through in-kind grants and extension services for the farmers. The needs for rehabilitation and new planting in various communities will be determined based on land availability and the conditions of existing farms. Service providers/operators will be contracted by the MoA to provide assistance for the detailed activities in each area and as established in the approved budget and Procurement Plan. The project will work in collaboration with the Cooperative Development Agency, the EPA, and LC for FO support and social and environmental issues. Under the lowland rehabilitation, the project will use the established WAAPP's structure of focal extension agents in the counties in collaboration with county agricultural coordinators. The identification of usable lowland will be carried out by the MoA in the targeted areas and communities will be sensitized to the project arrangements and coverage.

10. The participating beneficiaries will be selected following these criteria:

- Have secured long-term land use rights
- Have a minimum number of smallholder participants to cluster/organize them into farmer field schools and farmers' organizations

[39] A single MoU will establish the requirements for the coordination with the PIUs of both projects within the MoA and a financial assessment has confirmed the viability of this scheme.

- Maximum 2 ha of tree crops planted with project support, plus total farm size per beneficiary less than 2 ha
- Be a member/permanent resident in the community within the target landscape and not an absentee farmer
- Location of farm in the vicinity of the target community (within a 50 km radius) and accessibility to farms to ensure that there is no farm access/feeder road rehabilitation costs.

FM, Disbursements, and Procurement

Financial Management

11. In order to assess the adequacy of the FM arrangements for the LFSP implementation, an FM assessment was carried out for the FDA and the PFMU on June 8, 2015 and updated in January 2016. The project's FM arrangements will be similar to those set up for the FCPF-financed REDD+ Readiness Preparation Support, implemented by the FDA; these FM arrangements have been designed to facilitate project implementation and to support the development of fiduciary capacity in the implementing entities. The proposed FM arrangements satisfy the Bank's minimum requirements under OP/BP 10.00 and the FM guidelines.

12. **Budgeting.** The separate annual work plan and budget for the project will be coordinated by the PFMU and the FDA. The FDA will consolidate the planned activities and expenditures of the FDA, EPA, MoA, LC, LISGIS, and MLME in a single work plan and budget, based on the agreed components/categories. The project management team at the FDA will be expected to monitor progress against the consolidated work plan/budget. The FDA project management team will submit the work plan and budget to the Bank for no objection no later than two months before the start of each GoL's fiscal year, i.e. by April 30. An exception will be made for the year 2016-2017, for which the Work Plan and Budget will be submitted by May 31, 2016.

13. **Accounting.** For all its projects, the PFMU uses the Sun accounting system for project accounting and financial reporting. However, the GoL intends to migrate all donor supported projects to the Integrated Financial Management Information System, once it is successfully tested for World Bank financed projects.

14. The accounting staff at the PFMU is knowledgeable and experienced in accounting under the World Bank-financed projects. The finance officers at the FDA and other implementing entities will be provided with on-the-job capacity-building and training and will be supervised by the PFMU and FDA's finance director.

15. **Financial reporting.** The PFMU will be responsible for preparing the quarterly IUFRs for the project. The project coordinator will review and sign off on the IUFR before the PFMU submits it to the Bank, 45 days after the end of each quarter. For monitoring purposes, the implementing entities will submit to the FDA/PFMU the statement of accounts (SoA) 10 days after the end of each month. These SoAs will consist of the detailed receipts and payments for each entity based on the agreed components/categories. The PFMU will incorporate the SoAs into the quarterly consolidated IUFRs. The LFSP will use the same IUFR format as used for the REDD+ Readiness Preparation Support. The project will also prepare annual financial statements at the end of the project in accordance with International Public Sector Accounting Standards (cash basis).

However, given the special purpose nature of the project financial statements, advances granted by the project will not be recognized as expenditures until the goods and/or services have been delivered by the contractors.[40]

16. **Internal controls.** The existing internal controls, as per the PFMU FM manual and the Public Finance Management Act (2009), are adequate and will be applied under the LFSP. The internal auditors will undertake separate internal audit activities and submit internal audit reports within 45 days after the end of each quarter. There is adequate segregation of duties between the FDA and the PFMU over expenditure controls. The FDA's project management will initiate, approve, and authorize all project expenditures and the PFMU will be responsible for processing the authorized payments.

17. **External audit arrangements.** An independent auditor will audit the project's financial statements. The auditor will be selected no later than 4 months after project effectiveness, based on terms of reference acceptable to the Bank. The audited financial statements, including the audit report and the management letter, will be submitted to the Association no later than six months after the end of each fiscal year, as per the Grant Agreement. The auditor will express a single opinion to cover the project financial statements in accordance with the Bank's audit policy. The audit will be conducted in accordance with the International Standards on Auditing.

18. The overall FM risk is assessed as *High* but reduced to a residual risk rating of *Substantial* in view of the articulated risk-mitigation measures, as follows: the use of the existent PFMU, which has experience with the World Bank FM procedures, and the on-the-job training that will be provided to the finance officers from the FDA and the other implementing entities. In addition, the finance departments of the FDA, EPA, MoA, LISGIS, and MLME, including the PFMU, will maintain financial records for the project; the implementing entities will maintain separate operations accounts for the sub/components being implemented by them; the PFMU will submit to the Bank quarterly consolidated IUFRs 45 days after the end of each quarter. Finally, the PFMU/FD will submit annual audit reports 6 months after the end of each fiscal year, in accordance with the Grant Agreement.

Disbursements

19. The flow of funds and the disbursement arrangements have been designed to facilitate project implementation. A single DA will be opened in the Central Bank of Liberia. An initial advance of US$3 million as per disbursement letter will be provided to the project. Replenishments ito the DA, through separate withdrawal applications, will be made subsequently, at monthly intervals as a minimum. Such withdrawals will be based upon documentation, through an SOE, of prior funds received in the DA. The supporting documentations for the SOEs will be retained by the PFMU, to be reviewed by the Association during missions and by external auditors during audits. The following disbursement methods will be used: reimbursement, advance, direct payment, and special commitment, as per disbursement letter for the grant. The implementing entities, including the FDA, EPA, MoA, LC, LISGIS, and MLME will each maintain a separate 'operations account' into which the PFMU will disburse, based on the agreed work program, funds according to the project components/categories. The PMFU will be expected to establish a suitable

[40] This is applicable to all Bank-supported projects in Liberia as a mitigation measure for the use of funds through advances.

signers' arrangement for the DA as well as the operations accounts for the project. Specific disbursement arrangements are specified in the grant disbursement letter.

Table 3.2. Disbursement Categories

Category	Amount of the Grant Allocated (expressed in US$)	Percentage of Expenditures to be Financed (Inclusive of Taxes)
(1) Goods, works, non-consulting services, consultants' services (including audit), training and operating costs under Part 1, Parts 2.2, 2.3, 2.4, Part 3, and Part 4 of the project (except subgrants)	35,171,500	100
(2) Subgrants	528,500	100
(3) Goods, non-consulting services, consultants' services, training and operating costs under Part 2.1 of the project	1,000,000	100
Total Amount	36,700,000	–

20. The balance of US$0.8 million, once available and included through a supplementary Grant Agreement, will be allocated to Category 1.

Supervision Plan

21. A FM supervision will be conducted during the overall project's supervision mission. The activities for this supervision will include reviewing the expenditure for eligibility, availability of supporting documentation, and adequacy of the documentation.

Procurement

General

22. Procurement for the proposed LFSP will be carried out in accordance with the Association's (a) 'Guidelines: Procurement of Goods, Works, and Non-consulting Services under IBRD Loans and IDA Credits and Grants by World Bank Borrowers', dated January 2011 and revised July 2014; (b) 'Guidelines: Selection and Employment of Consultants under IBRD Loans and IDA Credits and Grants by World Bank Borrowers', dated January 2011 and revised July 2014; and (c) 'Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants', dated October 15, 2006 and revised in January, 2011 and the provisions stipulated in the Grant Agreement.

23. **Procurement of works.** A total of about US$1.35 million of works will be procured under the project. These will include some civil works on the local FDA offices, PA staff accommodation, PA ranger outposts, and park headquarters.

24. **Procurement of goods.** A total of about US$5.26 million of goods will be procured under this project. These will include vehicles, motorbikes, information technology and office equipment, and field equipment for the FDA. The procurement will be done using the Bank's Standard Bidding Documents for all International Competitive Bidding (ICB), Limited International Bidding, and National Standard Bidding Documents agreed with or satisfactory to the Bank. Contracts below US$500,000 but above US$100,000 equivalent per contract may be

procured under National Competitive Bidding (NCB). Irrespective of this, NCB contracts deemed complex or subject to risks will be identified in the procurement plans and prior reviewed. Again, under NCB, it shall be ensured that (a) foreign bidders shall be allowed to participate in NCB procedures; (b) bidders shall be given at least one month to submit bids from the date of the invitation to bid or the date of availability of bidding documents, whichever is later; (c) no domestic preference shall be given for domestic bidders and for domestically manufactured goods; and (d) in accordance with paragraph 1.16(e) of the Procurement Guidelines, each bidding document and contract financed out of the proceeds of the financing shall provide that (i) the bidders, suppliers, contractors, and subcontractors shall permit the Association, at its request, to inspect their accounts and records relating to the bid submission and performance of the contract, and to have said accounts and records audited by auditors appointed by the Association and (ii) the deliberate and material violation by the bidder, supplier, contractor, or subcontractor of such provision may amount to an obstructive practice, as defined in paragraph 1.16(a)(v) of the Procurement Guidelines. Contracts estimated to cost less than US$50,000 equivalent per contract and the community grants will be procured using shopping procedures based on a model request for quotations satisfactory to the Bank. Direct contracting may be used where necessary, subject to the Bank's no-objection. Contract awards should be published for International Competitive Bidding (ICB) contracts above US$200,000 on the United Nations Development Business site and that National Competitive Bidding (NCB) contracts should be published in the national press, following national rules for publication.

25. **Procurement of non-consulting services.** A total of US$0.3 million of non-consulting services will be used for the Sapo National Park Boundary clearing.

26. **Selection of consultants.** Consultancy services valued at about US$9.9 million to be procured, including (a) a project coordinator; (b) a senior project accountant; (c) a procurement specialist; (d) a SESA national coordinator; (e) procurement officers; (f) a communication specialist; and (g) an M&E specialist, and so on. Contracts for consulting services, each estimated to cost US$300,000 equivalent or more, will be awarded following the procedure of Quality- and Cost-Based Selection (QCBS). Consulting services estimated to cost more than US$100,000 but less than US$300,000 per contract under this project will be procured following the procedures of Selection Based on the Consultants' Qualifications (CQS), Selection under a Fixed Budget (FBS), Quality-Based Selection (QBS), or Least-Cost Selection (LCS) as will apply to the circumstances as respectively described under paragraphs 3.5, 3.6 and 3.7 of the Consultant Guidelines. For all contracts to be awarded following QCBS, FBS, and LCS, the Bank's Standard Request for Proposals will be used.

27. Procedures of selection of Individual Consultants (IC) will be followed for assignments that meet the requirements of paragraph 5.1 and 5.3 of the Consultant Guidelines. LCS will be used for assignments for selecting the auditors. Procedure of Single-Source Selection (SSS) will be followed for assignments that meet the requirements of paragraphs 3.10–3.12 of the Consultant Guidelines and will always require the Bank's prior review regardless of the amount.

28. Short lists of consultants for services estimated to cost less than US$200,000 equivalent per contract may be composed entirely of national consultants in accordance with the provisions of paragraph 2.7 of the Consultant Guidelines, if in-country capacity exists. Consultancy services estimated to cost above US$100,000 per contract for firms and contracts for individuals for

assignments estimated to cost above US$50,000 and SSS of consultants (firms and individuals) will be subject to prior review by the Bank.

29. A General Procurement Notice will be prepared and published in the United Nations Development Business online, on the World Bank's external website, and in at least one national newspaper after the project is approved by the World Bank and before project effectiveness. Specific Procurement Notices for all goods and works to be procured under ICB and Requests for Expressions of Interest for all consulting services to cost the equivalent of US$300,000 and above will also be published in the United Nations Development Business online, on the World Bank's external website, and in the national press. For works and goods using NCB procedures, the Specific Procurement Notice will only be published nationally.

Assessment of the Agencies' Capacity to Implement Procurement

30. Procurement under the LFSP will be handled by three implementing agencies, namely the FDA, MoA, and EPA (under supervision of the FDA). The FDA will also undertake procurement for activities to be directly implemented by the LC and MLME.

31. An assessment of the procurement capacity at the FDA revealed that their procurement rules respond to the Public Procurement and Concession Act of 2005, amended and restated in 2010. There is a procurement unit, which is headed by an experienced national procurement specialist who has adequate experience in procurement under Bank-funded projects and also with procurement following the Liberia Public Procurement and Concession Act. He has improved his proficiency after participating in the Bank procurement procedures workshop organized by GIMPA.

32. The FDA is to engage two procurement graduates from the Intensive Procurement School to provide support to the procurement unit. The project will sponsor the interns to attend GIMPA workshops in Bank procurement procedures in goods, works, and selection of consultants, to sharpen their skills.

33. The PIU of the MoA will handle the envisaged procurement for the ministry activities under LFSP. The PIU is also headed by a procurement specialist with experience in Bank procurement procedures.

34. The EPA has procurement units that handle procurement using the Liberia Public Procurement and Concession Act of 2005, and amended and restated in 2010. As part of the project arrangement, EPA will undertake its procurement under the direct supervision of the FDA. The FDA is expected to coach and mentor EPA staff in Bank procedures. The project will further help the EPA improve its capacity in procurement by sponsoring two procurement staff to attend the Bank procurement procedure training at GIMPA.

35. The current procurement risk rating is Substantial.

Table 3.3. Thresholds for Procurement Methods and Prior Review: Goods and Works and Non-Consultant Services

Expenditure Category	Procurement Method	Contract Value Threshold For use of Method (US$)	Contracts Subject to Prior Review (US$)
1. Works	ICB (Works/Supply and Installation)	≥ 5,000,000	All contracts
	NCB	≥ 200,000 and < 5,000,000	As in Procurement Plan
	Shopping	< 200,000	None
	Direct contracting	All values	All contracts
2. Goods and Non Consultant Services	ICB	≥ 500,000	All contracts
	NCB	≥ 100,000 and < 500,000	As in Procurement Plan
	Shopping	< 500,000 **(motor vehicles only)**	None
	Shopping	< 100,000,000 **(rest not motor vehicles)**	None
	Direct contracting	All values	All contracts
	Procurement from UN Agency	All values	None

Table 3.4. Thresholds for Consultants Selection Methods and Prior Review

Expenditure Category	Selection Method	Contract Value Threshold For use of Selection Method (US$)	Contracts Subject to Prior Review (US$)
Firms	QCBS,QBS	≥ 300,000	All contracts
	CQS, LCS, QBS, FBS	< 300,000	As in Procurement Plan
	SSS	All values	All contracts
IC	Competitive Selection	≥ 100,000	All contracts
	IC SSS	All values	All contracts

36. A Procurement Plan for the project dated March 26, 2016, has been agreed between the GoL and the Bank prior to negotiations. The Procurement Plan will be updated at least annually or as required to reflect the actual project implementation needs.

37. During implementation, World Bank supervision will be required to ensure that procurement is conducted in accordance with the World Bank's procurement procedures. In addition to prior reviewing documents, post procurement review will be conducted at the end of the first year and annually thereafter on all contracts below the prior review threshold. Bank supervision should be done every six months.

38. **Fraud and corruption.** All persons involved in procurement as well as bidders and service providers, that is, suppliers, contractors, and consultants, shall observe the highest standard of ethics during the procurement and execution of contracts financed under the project in accordance with paragraph 1.16 of the Procurement Guidelines and paragraph 1.23 of the Consultant Guidelines, dated January 2011 and revised July 2014. Procurement will be carried out in accordance with Bank's 'Guidelines on Preventing and Combating Fraud and Corruption in Projects Financed by IBRD Loans and IDA Credits and Grants', dated October 15, 2006, as revised in January 2011 and the provisions stipulated in the Grant Agreement.

Environmental and Social (including safeguards)

39. The project is designed to reduce D&FD and to increase benefits sharing from forest resources without generating significant adverse environmental or social impacts. From a social standpoint, the project is intended to benefit forest-dependent communities by strengthening their capacity to manage designated community forests, promoting improved benefits sharing from

different types of forest-based activities, and supporting the development of more sustainable forest-based livelihoods.

40. The main safeguards-related issues associated with the project's site-specific investments include (a) the need to ensure that community forestry activities are sustainable from an environmental (including silvicultural) standpoint and consistent with the requirements of the Bank's Forests policy (in particular OP 4.36, paragraphs 10 and 12); (b) ensuring that support for improving smallholder agriculture, provides an alternative to further deforestation, rather than promoting any additional forest clearing; and (c) providing appropriate livelihoods-related support to communities whose access to natural resources within the protected areas might be restricted as a result of project activities.

41. The measures for addressing these impacts will be specified in the ESMF and PF, which were prepared in a highly participatory manner. In addition, all civil works will be screened for environmental and social risks and, if needed, follow-up safeguards instruments will be prepared and implemented before any works commence. The project will not involve any support to extensive monocultures of oil palm, rubber, or other plantation crops (including through outgrower schemes). The project design also benefits from the safeguards-related due diligence taking place under existing REDD+ preparation activities, including the ongoing SESA study. The ESMF and PF describe the environmental and social risks associated with the project, along with recommended mitigation measures. These safeguards instruments describe the criteria and procedures that the project should follow to help ensure compliance with the Bank's and national, environmental, and social standards. The ESMF indicates the environmental and social screening, formal environmental approval, and permitting requirements for project-supported investments, particularly in community forestry and smallholder agriculture. It also identifies the institutional roles and responsibilities, capacity building, and budget requirements to effectively implement these measures. The PF will establish guidelines for community participation in determination of measures necessary to mitigate risks and implement appropriate alternate livelihoods while managing the forest resources. In addition to the PF and ESMF, all subprojects will be screened for environmental and social risks and necessary mitigation steps undertaken according to the provisions of the Bank operational policies. The project also benefits from lessons learned from existing REDD + activities and safeguards due diligence, including the ongoing the SESA and consultation process, which provided significant input into the PF.

42. Although the term 'indigenous peoples' can have various meanings in the Liberian context, the Bank does not consider any of Liberia's ethnic groups or rural communities to meet the specific criteria of OP/BP 4.10. Thus, the LFSP does not make separate provisions for any Liberian communities based on ethnic background or origin. Accordingly, all Liberians are to be treated equally under the LFSP with respect to their ethnic background.

43. The project's design emphasizes inclusive participation, tailored livelihoods support, workable benefits-sharing arrangements, capacity building on conflict resolution, and a robust GRM. Besides the Bank's GRM, the project will endorse a more local and practical approach that will support the development of complaints management capabilities in local FDA offices and the development of clear links between existing community dispute resolution mechanisms/procedures and the FDA's complaints management capacity. Under the FCPF REDD+ Readiness Project, funds were allocated for the establishment of an FGRM that is aimed at identifying other existing GRMs in Liberia (including but not limited to existing customary communal governance structures) and institutionally strengthening these through capacity

building. The FGRM will make it possible to look at various options and consultation on those options, analysis of best practices for handling grievances at different levels, especially for inclusion in the REDD+ strategy, and developing monitoring protocol and indicators. The LFSP will benefit from the piloting of this FGRM in its targeted landscapes. The LFSP will, therefore, not create additional GRMs, but will build on the FGRM developed/strengthened by the FCPF.

44. In implementing the LFSP, the FDA will take the necessary steps to ensure that the engagement with communities is fully participatory, follows principles of inclusion and transparency, and is conducive to a robust consultation process in a manner consistent with current Liberian legal requirements for relevant project activities, including protected area establishment and demarcation, community forestry, and promotion of sustainable agriculture. This means that forest-dependent communities, along with other local and national stakeholders, will be meaningfully consulted throughout the planning and implementation of project activities in a culturally appropriate and gender and inter-generationally inclusive manner, with ample information sharing about the proposed activities and their expected results. The forest-dependent and local communities involved will also be provided an opportunity for good-faith negotiation about specific project activities, with sufficient time provided for community decision-making processes to take place. The FDA or other agencies will document the consultation and negotiation process that was followed, including evidence of broad community support for the planned activities and any specific agreements reached. National guidelines on community consultation in forestry projects will be developed to standardize consultation process.

45. The FDA will be the main implementer of this project, in collaboration with other agencies, including the EPA, LC, and MoA. The EPA will have the lead role in verifying the project's compliance with the Bank and Liberian environmental requirements, including through the SIS under Component 3.2. The FDA and EPA both have experience in addressing environmental and social safeguards issues through previous Bank-supported projects. Nonetheless, the project will support one or more (as needed) environmental and social safeguards specialist(s) to oversee safeguards compliance, including ensuring that (a) community forest MPs adhere to the sustainability principles specified in the Bank's Forests policy (in particular OP 4.36, paragraphs 10 and 12); (b) smallholder agriculture support does not involve increased deforestation, respects land titles and customary boundaries, and follows environmentally sound pest management and agronomic practices; (c) timely livelihoods support will be provided when needed to people affected by the restriction of access to natural resources within project-supported protected areas; and (d) the project's Safeguards Information System (SIS) functions effectively as intended. A high priority will be safeguards-related training for the FDA regional and county officers (including the staff responsible for reviewing and approving community forest MPs); EPA environmental inspectors to support safeguards implementation; and nongovernmental forestry and agricultural service providers.

46. The LFSP will be implemented through multi-stakeholder consultative processes. The LFSP will be implemented with the support of key stakeholders including CSOs and the private sector, who are defined in this project as TSP. Community consultations will also be key to the success of this project. The project will support several national and regional-level forums, relevant to the forest sector in Liberia, and it will build upon the Consultation and Participation Plan developed under REDD+ Readiness, which will be reviewed at the beginning of the project, to reflect any new changes in consultation patterns. This will be done in collaboration with the NGO coalition.

47. Extensive consultations were conducted during the design and preparation of the LFSP including in targeted landscapes. The project team has received extensive feedback from various stakeholders since the LoI was signed in April 2014. From September 3 to October 2, 2015, the Bank and FDA teams undertook field visits and held discussions with potential project partners and communities in the targeted areas and institutions. The field visits were undertaken in Grand Cape Mount County, Bomi County, Gbarpolu, Nimba County, and Jalay's Town (Juarzon Statutory District) which is situated in the Sapo National Park. The teams met with local communities, traditional and government leaders, private companies' concessions, individual businessmen in chainsawing, hunters, the FDA regional and zonal staff, park rangers, and so on. The team also visited community forests and held discussions with community forest management boards.

48. To prepare the safeguards instruments for the LFSP, that is, the PF and ESMF, various stakeholders were consulted. A major meeting was held in Kakata, Magribi County on September 2, 2015, which brought together over 40 participants from counties, including superintendents, traditional leaders, and women groups, to discuss the LFSP and the environmental and social implications of the project. In addition, from September 3 to 7, 2015, the ESMF and PF preparation team also met with officials of the LC and EPA to discuss institutional concerns and confirm capacities. The SESA national team was also consulted and their input was sought to further enrich the preparation of the ESMF and the PF. On September 16, 2015, the FDA hosted a one-day preparation workshop at the LISGIS. Key stakeholders from government ministries and agencies, CSOs, donor partner, local NGOs, traditional leaders, youth groups, and so on participated in the preparatory workshop for the LFSP. As a result of this workshop, participants requested for further discussions to be conducted in the targeted landscapes and to culminate with another national consultative workshop to discuss the final design of the project. As a result of the national preparation workshop, the FDA organized three workshops in the targeted landscapes. In October 2015, two regional workshops in each of the targeted forest landscapes were conducted to seek further input from the targeted beneficiaries. These consultations were based on the advanced draft of the project documents. The meetings targeted farmers, forest dependent communities, traditional chiefs, local NGOs, and other relevant stakeholders. A last workshop in the southeast region was held in December 2015. The process culminated with another national level stakeholder's consultative workshop on December 15, in Monrovia, which brought representatives of communities from all the targeted landscapes, as well as national and international NGOs.

Monitoring and Evaluation

49. **Introduction.** The proposed project is the second phase of a program whose goal is 'reduced deforestation and degradation of targeted forest landscapes in Liberia'. M&E for the proposed project is guided by the project Results Framework that is also the basis for the evaluation of the project at completion, with data points at the beginning, midterm, and end of the project.

50. **Objective.** M&E for the proposed forestry project has been developed as (a) a tool for results-based management that incorporates data and information on progress toward achievement of the outcomes under the PDO and facilitates that corrective measures are taken in time if necessary; (b) as a link between the proposed forest sector project to the results-based carbon payment operation for verified ERs with regard to results, that is, is the proposed project on the right track to create conditions for successful implementation of ERs; (c) a framework for accountability of progress toward the international REDD+ agenda and to international

development partners, that is, NORAD; (d) a platform for communication of results of the project and benefits generated for target beneficiaries and stakeholders; and (e) a tool to meet the Bank's routine reporting requirements, that is, the ISR, which is developed for each project and is publicly disclosed; data and information requirements for the midterm review of the project; and data and information requirements for the project completion report. In addition, international independent verification of ERs required for future carbon payments will also be undertaken and made public twice during the project's life.

51. **Context and capacity.** The FDA will play the coordinating role for the M&E and will be responsible to ensure that data and information are produced on time and are of sufficient and necessary quality. Given the low capacity within the FDA, M&E capacity-building activities will be undertaken for both the FDA's technical staff and decision-makers.

52. **Design of program results matrix and project Results Framework.** The peculiarities and weak capacity in the Liberian forest sector have been taken into account in the design of the M&E and especially in the number and selection of indicators and data sources and methodologies for data collection. The project Results Framework (annex 1) will be reported in the ISRs. It consists of the PDO statement and five SMART (Specific, Measurable, Attributable, Relevant, Time-bound) PDO indicators and 16 intermediate indicators. Core indicators of the Bank are included too, that is, core indicator on direct project beneficiaries and core sector indicator on forestry and land administration and management. All of the indicators have baselines and targets listed, as well as frequency for data collection, data sources, and methodology for calculation of baseline and progress values of indicators and responsibilities for data collection. Sources of data vary between indicators. Baselines for some of the indicators have been established based on available information from a variety of sources (for example, key informants' interview, one-off field surveys by donors, and so on) and need to be verified and updated as soon as possible by the first year data collection. Furthermore, in the Results Framework, there is a column for definition of indicators and remarks. The program results matrix consists of four indicators that are closely linked to the PG. Selection of these indicators broadly follows the rules for the project indicators but with less emphasis on 'Attributable' and 'Time-bound'.

53. With support from a separate TA fund, the project will carry out an impact evaluation. To gather the baseline information for the impact evaluation, surveys and data gathering will be conducted during the first six months of project implementation at the targeted landscapes. The scope of the evaluation will be determined in consultation with the Bank experts, given that data information is extremely scarce in Liberia and the capacity for data collection is low. However, the focus will be toward assessing the project's impacts on revenues to beneficiary communities and improvement in livelihoods. The evaluation will also consider other experiences and existent data from other projects such as Children and Youth in Africa supported by the Italian government. Baseline data for project monitoring based on the Results Framework will be updated at initial stages of project implementation. In addition, the project will include midterm evaluation and final project evaluation.

Annex 4: Implementation Support Plan

LIBERIA: Forest Sector Project

1. The strategy for implementation support has been developed based on the nature of the project and its risk profile. The aim is to provide timely and efficient implementation support to the client to ensure smooth implementation and achievement of the PDO.

2. **Coordination with other development partners, particularly the EU, VPA, and USAID as principal partners in the sector and the FCPF REDD+ related initiatives.** Implementation support will include (a) strong coordination with other implementing partners involved in the forest sector in Liberia and (b) coordination of activities with other elements of Liberia's REDD+ program, including those under the FCPF, and with preparation of future implementation of the ER Program.

3. **Safeguards.** Safeguards implementation support will be part of the regular implementation support. Specifically, implementation support will include (a) advisory support on application of safeguards instruments developed during project preparation, including the ESMF and (b) review of detailed implementation of various project activities to ensure their compliance with the Bank safeguards policies.

4. **Monitoring and evaluation.** M&E implementation support will include advisory support on the implementation of the M&E system in the project.

5. **Financial management.** Risk-based FM implementation support will be undertaken throughout the life of the project. This will involve supervision, including desk reviews and periodic site visits, to ensure that grant proceeds are used for the intended purpose with due regard for economy, efficiency, and effectiveness. FM capacity building will be provided to the FM staff during implementation, as appropriate. The FM implementation support mission objectives will include the review of the adequacy of the FM arrangements for the grant as required by the Bank.

6. **Procurement.** Procurement implementation support will be part of the Bank's regular implementation support mission. The Bank will conduct supervision missions for the project. The procurement implementation support will include (a) providing training; (b) reviewing procurement documents and providing timely feedback to the procurement units/specialists; (c) providing detailed guidance on the Bank's Procurement Guidelines; (d) monitoring of procurement progress against the Procurement Plan; and (e) ex post procurement review of community subprojects.

7. **Legal support.** Implementation support will include verification that legal conditions have been met, to the extent that these are included.

Implementation Support Plan

8. The GoN has agreed to provide financial resources as World Bank-executed funding to support the program's (a) preparation, implementation, and supervision; (b) TA; and (c) fees.[41]

9. With these funds, the World Bank will be able to conduct the implementation support plan, including the supervision missions (as detailed in table 4.1), completion of due diligence, meetings

[41] According to the Bank Directive on New Cost Recovery for Trust Funds issued and effective July 15, 2015, the Bank fee is 5 percent on disbursements of grants.

with donors (twice a year) and reporting, and administrative work related with the project and trust fund management. The trust fund administrative work will include the request of funds at each installment (twice a year); amendment of the Grant Agreement between the IDA and the GoL after each installment; potential amendments of the administrative agreements (in case any change or supplemental contribution); and annual activity reports, among other activities.

10. The World Bank-executed fund will also cover the salaries of three specialists (forestry, environment, and social development) who will be based in Liberia and will work daily with the FDA, the other implementing agencies, and civil society service providers to facilitate the achievement of the expected results. This World Bank team, based in Liberia, whose responsibilities will go beyond the standard World Bank supervision missions will be strengthened with short-term consultants who will provide targeted assistance for the project's implementation.

11. The implementation plan will be revised during implementation on the basis of project progress and continuous risk assessment.

12. **Technical inputs**

- Component 1 requires expertise in the areas of capacity development, legal, land reform, governance, and institutional strengthening. Activities under this component will be carried out by technical specialists in the team, supported as appropriate by Bank consultants.
- Component 2 requires expertise in capacity development, land use planning, forestry, community development, social and environmental safeguards, biodiversity and protected areas, rural and agricultural development, climate smart agriculture, ecotourism, fiduciary, and PPPs. Activities under this component will be carried out by sector and technical specialists in the team, supported as needed by Bank consultants.
- Component 3 requires information technology, forest inventory, GIS and M&E. Activities under this component will be carried out by technical specialists in the team, supported as needed by Bank consultants.
- Component 4 requires expertise in FM, procurement, contract management, and social and environmental safeguards.

13. Technical specialists will be part of formal supervision and field visits, to be carried out twice annually.

14. **Fiduciary requirements and inputs.** Consistent with the risk rating, an annual FM implementation support mission will be carried out at the PFMU and the FDA for the project. The FM supervision missions' objectives will include reviewing the adequacy of the FM arrangements at all times throughout the life of the project. Appropriate mitigation measures will be recommended for the fiduciary controls risks by the supervision.

15. **Safeguards.** Because of the nature of the investments and the high visibility of environmental and social aspects of REDD+, the project will require close safeguards supervision. As such, the project will receive supervision support from two safeguards specialists with experience in the implementation of similar projects.

Table 4.1. Implementation Support Plan

Time	Focus	Skills Needed	Resource Estimate (Staff Weeks)	Partner Role
First twelve months	Guidance on institutional arrangements and project supervision	Task team leader	12	–
	FM training and supervision	FM specialist	2	–
	Procurement training and supervision	Procurement specialist	2	–
	Disbursement arrangements	Finance officer	1	–
	M&E arrangements	M&E specialist	5	–
	Social safeguards supervision	Social safeguards specialists	4	Technical inputs
	Environmental safeguards supervision	Environmental safeguards specialists	4	Technical inputs
	Technical supervision	Protected area management specialist	4	Technical inputs
	Technical supervision	Community forestry specialist	4	Technical inputs
	Technical supervision	Indigenous people specialist	4	Technical inputs
	Technical supervision	Institutional policy specialist	4	Technical inputs
	Technical supervision	Communication specialist	4	Technical inputs
	Technical supervision	Agricultural specialist	4	Technical inputs
	Technical supervision	Carbon monitoring/MRV specialist	4	Technical inputs
12–48 months	Project implementation supervision	Task team leader	12	–
	FM supervision	FM specialist	6	–
	Procurement supervision	Procurement specialist	6	–
	Disbursement monitoring	Finance analyst	3	–
	M&E implementation support	M&E specialist	3	–
	Social safeguards monitoring	Social safeguards specialist	4	–
	Environmental safeguards monitoring	Environmental safeguard specialist	3	–
	Technical supervision	Protected area management specialist	2	Technical inputs
	Technical supervision	Community forestry specialist	3	Technical inputs
	Technical supervision	Indigenous people specialist	3	Technical inputs
	Technical supervision	Institutional policy specialist	3	Technical inputs
	Technical supervision	Communication specialist	4	Technical inputs

Time	Focus	Skills Needed	Resource Estimate (Staff Weeks)	Partner Role
	Technical supervision	Agricultural specialist	3	Technical inputs
	Technical supervision	Carbon monitoring/MRV specialist	3	Technical inputs
	Technical supervision - implementation arrangements	Operations officer	3	Technical inputs

Table 4.2. Skills Mix Required

Skills Needed	Number of Staff Weeks	Number of Trips	Comments
FM	1	1	FM implementation support mission will be consistent with a risk-based approach and will involve a collaborative approach with the entire task team (including procurement).
Procurement	1	1	Procurement implementation support mission will be consistent with a risk-based approach and will involve a collaborative approach with the entire task team (including FM).
Project management (task team leader, forestry, agriculture, protected areas, environmental, social, communications, M&E specialists)	12	4	Project implementation support mission will be consistent with a risk-based approach and will involve a collaborative approach with the entire task team (including procurement and legal). Task team will be both at Washington D.C. and the country office.

Table 4.3. Partners

Name	Institution/Country	Role
Jessica Donovan	CI	REDD+ Advisor
David Miller	USAID (ACDI/VOCA)	PROSPER coordinator
Abraham Guillen	EU/UKaid/FLEGT/VPA	
Joel Gamys	Global Forest Watch, World Resources Institute	National coordinator for Liberia

Annex 5: Economic Analysis

LIBERIA: Forest Sector Project

1. The Liberia Forest Sector project development impact is to foster sustainable forest management while providing monetary and non-monetary benefits for the communities living in the targeted areas. Through a multi sectoral approach, the project will contribute to improvements in land use planning, support existing and new protected areas, enhance people's livelihoods through community forestry, and place agriculture on a more sustainable footing to reduce deforestation pressures. The proposed project will contribute to the Bank's corporate goals of ending extreme poverty and boosting shared prosperity as well as the Sustainable Development Goals (SDGs) and particularly goal 15, namely *sustainably manage forests, combat desertification, halt and reverse land degradation, halt biodiversity loss*. The cost benefit analysis indicates a positive return on the investment.

2. **Rationale for Public Sector Financing.** The project will strengthen the enabling environment (including legal and regulatory reform and institutional capacities) for improved sustainable forest management and benefit sharing. Moreover, the project investment will result in public goods of global, national and local importance (improved forest management, improved livelihoods and reduction of GHg emissions from land-use change and deforestation, among others) that justify the allocation of public services and financing.

3. **The World Bank's Comparative Advantage and Value Added.** The World Bank has been involved in the Forest Sector in Liberia for over 10 years, in the post conflict era after the peace agreement was signed in 2003 after 14 years of civil war in Liberia. During these years, the Bank has provided technical and policy assistance through the Liberia Forestry Initiative, the GEF projects, the Forest Carbon Partnership Facility Grant and analytical work. The World Bank has supported the Government of Liberia's long standing commitment to reform the forest sector, balancing and integrating community, commercial, conservation, and carbon uses of the forests. For this project in particular, a multi sector task team with specialists from agriculture, climate change, governance, biodiversity and forests has been assisting GoL at various stages of the project preparation and will do so for implementation. In addition to the work conducted in Liberia, the Bank has deep experience in the forestry and related sectors.[42] For instance, in the forest sector the Bank is already assisting the implementation of projects in over 40 countries worldwide financed by the Forest Carbon Partnership Facility (FCPF). Increasingly, in several parts of the world the Bank has been able to combine public and private financing, as well as resources from innovative climate Trust Funds such as the FCPF, the Forest Investment Program, and the BioCarbon Fund Initiative for Sustainable Forest Landscapes, in a coherent programmatic approach. This has allowed for enhancing the design of the operations in the forest sector and other sectors potentially affecting the integrity and resilience of forest ecosystems.

[42] During fiscal years 2002–15, the WBG forest portfolio has performed reasonably well against World Bank-wide portfolio performance indicators. Of the 88 projects that went through a full project cycle, the portfolio produced some significant results. For example, 73.6 million hectares of forested land are under participatory or community forest management; extensive areas of forested land have been restored or reforested; and at least 8.9 million hectares of forests are now managed based on forest management plans, of which at least 3.5 million hectares now meet independently certified sustainable forest management standards. (Forests Action Plan [FY16-20])

4. An economic analysis was conducted focusing on the second component, strengthened management of targeted forest landscapes considering its readily quantifiable benefits. The other project components provide less tangible and quantifiable benefits such as strengthened intuitions, information systems, communication processes and project management. These benefits however are instrumental for the project's implementation and success and provide further justification for the project's relevance. Particularly, quantifiable benefits have been estimated for activities involving three subcomponents: management of community forestry, rehabilitation of tree crops and agriculture, and strengthening and expansion of protected forest areas generating carbon benefits. The data and targets for the projects are based on the Results Framework (annex 1). Non quantifiable benefits, not considered in this analysis, may be significant. Locally, they include greater clarity over land tenure, security of access to forests and conservation of biodiversity, benefit sharing and empowerment of the marginalized communities including women and youth, regional development, or ecological or ecosystem services.[43]

5. Calculations in this analysis are based on NPV, which is the flow of costs and benefits, discounted over time reflecting the investment cost to permit comparison with alternative potential uses of either the grant funds (for the donor) or local resources (for Liberia). For analytical purposes, the full investment is assumed to occur at project implementation. As disbursements are more likely to take place over the early years of the project and should therefore be discounted, for this analysis the most strictly conservative assumption of disbursement in year 0 has been used, so the NPV as calculated understates that which may be expected to be found in ex post evaluation. The flow of recurring net benefits (benefits less operating costs) is calculated over 25 years, approximating the lifecycle of a forest composed equally of fast-growing softwoods and slower-growing hardwoods with sustainable replacement during that period (into perpetuity, if the policy is maintained). Also on the conservative side of calculations, no attribution has been made for future increments to net benefits after the fifth year that might be attributable to the dynamics created by the project; they are instead assumed to remain constant in real (inflation adjusted) terms. This will be typical of projects that, while achieving their objectives, have not led to broader development impact.

6. Two values are chosen for analysis. The first, 10 percent per year, is the value developed through extensive analysis for the Liberia STCRSP[44] that the proposed project will build on and permits using the extensive preparation done for that project to estimate the economic return to tree crops rehabilitation. The second, 6 percent, estimates the closest equivalent to long-term bonds available in Liberia, the mortgage market. The mortgage market offers an average 14 percent nominal interest rate that, adjusted for the 8 percent average rate of inflation over the period, suggests a 6 percent real rate of return if domestic funding were to be mobilized. In addition, 6 percent is the current rate suggested by the Bank according to the guidelines from the 'Discounting Costs and Benefits in Economic Analysis of World Bank projects' that is being reviewed.

7. Forestry studies elsewhere argue for low (2–6 percent, used in Brazil and Guatemala among others) or high (10–15 percent) interest rates, reflecting the longevity of forest investments

[43] Cubbage, Frederick, Robert Davis, Gregory Frey, and Diji Chandrasekharan Behr. 2013. *Financial and Economic Evaluation Guidelines for Community Forestry Projects in Latin America*. Washington, DC: Program on Forests (PROFOR).
[44] World Bank. 2012. *Liberia - Smallholder Tree Crop Revitalization Support Project*. Project Appraisal Document.

at one extreme or the high opportunity cost of capital at the other;[45] the Bank Ethiopia analysis assumes 7 percent.[46] The two rates chosen (6 percent, 10 percent) are therefore justified based on Liberia research and experience and fit comfortably within the broad range suggested by other studies.

8. No internal rate of return or economic rate of return is calculated for a renewable resource that, because of this project, is expected to endure in perpetuity. This study calculates NPV only.

Assumptions and data sources

9. **Incomes.** Daily incomes from forest products are assumed to be US$3.00 per day, the rate paid in plantation agriculture in Liberia. For comparison, the STCRSP calculates that the net cash flow per beneficiary from rehabilitated tree crops will be between US$0.73–US$1.27 in the first years of rehabilitation, rising to US$4.68 thereafter. As the LFSP extends the work of the STCRSP to other areas, it is assumed that the new areas will be similar with regard to (a) the average size of each property per beneficiary and (b) the mix of fast-maturing and slow-maturing varieties that was chosen to maximize net cash flow.

10. **Carbon benefits.** The program will generate carbon benefits. For the analysis, benefits were considered coming from the strengthening and expansion of protected areas. Based on field studies elsewhere, carbon sequestration is estimated to have a value of US$5 per t of CO_2e per hectare (ha). Biomass is estimated based on worldwide practice at 200–300 t per ha. If a forest is approximately half hardwood and half softwood, this translates into 100–150 t of dry weight and 50–75 t of carbon. At a conversion of 3.67 to CO_2e, this gives an estimate of 184–275 t of CO_2e. Therefore, the value of carbon sequestration for the forest that would be lost in the absence of the project is estimated at between US$920 and US$1,375 per ha. The lower estimate was used for this economic analysis.

11. In calculating benefits, the difference between the growth and yield of forests under normal conditions, the 'without program' or 'business as usual' scenario, can be compared to the new management 'with program' that will sequester the carbon that will otherwise have been lost. Between 1990 and 2010, Liberia lost approximately 12.2 percent of its forest cover with an average annual deforestation rate of 0.61 percent. It is assumed that this rate will continue for the project forests and for Liberia in the absence of the proposed project.

12. **Economic gains to community forestry.** With the exception of the Gba community forest in northern Nimba County, there are no records of monetary benefits from community-managed forest. Nonmarket values including strengthening of social capital, land tenure security, information and awareness, and other intangibles are significant benefits[47] not addressed in this economic analysis. Evidence from Liberia (USAID), Ethiopia, Brazil, Mexico, Nepal, and Ethiopia has not been totally conclusive regarding economic benefits exclusively attributable to

[45] Gray, Erin, Peter G. Veit, Juan Carlos Altamirano, Helen Ding, Piotr Rozwalka, Ivan Zuniga, Matthew Witkin, Fernanda Gabriela Borger, Paula Pereda, Andrea Lucchesi, Keyi Ussami. 2015. "The Economic Costs and Benefits of Securing Community Forest Tenure: Evidence from Brazil and Guatemala." Washington, DC: World Resources Institute. http://www.wri.org/forestcostsandbenefits.

[46] World Bank. 2015. Program appraisal document on a US$50 million proposed carbon finance transaction and a proposed grant in the amount of US$18 million to the Federal Democratic Republic of Ethiopia for the Oromia Forested Landscape Program.

[47] Vaneska Litz, USAID LFRSP and PROSPER community forest projects, personal communication November 9, 2015.

community managed forestry activities. However, broad ex post studies in Mexico found that 22 out of 30 CFEs were profitable, and even though 46 percent of these enterprises overharvested after 30 years, lessons can be obtained about reasonable course corrections that could have ensured their sustainability.[48] The calculation of the benefits from the creation of community forest enterprises through the process of strengthening community management was based on the target values (included in the annex 1) for the employment to be created for the production and processing of forest products.

13. **Economic gains from sustainable agriculture and tree crops.** The project will provide support to small farmers within the targeted landscapes to rehabilitate and/or replant old cocoa/coffee and oil palm farms, as well as support replanting and new planting of rubber.[49] Considering that this subcomponent will build on the existent STCRSP, the analysis done for this has been considered for the proposed project. As for the STCRSP, without project production, it will consist only of old cocoa plantations; coffee, rubber, and oil production on neglected or slaughtered trees is negligible in the absence of the project. The STCRSP was designed before the recent bubble in commodity prices and projects long-term declining prices, so its price assumptions are considered acceptable for estimating performance of this activity. The adjustment to this calculation is described in the results section.

Results

(a) **Strengthened management of community forestry - employment in community forest enterprises.** With project-generated employment reaching 8,000 by year 5 and maintaining this value through year 25, the NPV of this component is US$34 million at a 10 percent annual discount rate. At a 6 percent rate, the NPV will be US$51 million.

(b) **Rehabilitation of tree crops and sustainable agriculture.** As the project intends to build on the processes of STCRSP in new areas, this analysis considers similar plot sizes for the average beneficiary and similar planned choices of plant mix to generate early cash flow leading to sustainable yields. A simple adjustment for final area coverage cannot be used to adjust the NPV determined for STCRSP to the new project; however, the growth path of coverage by year differs for the two projects. To perform such an average, the STCRSP NPV is adjusted by a weighted average of beneficiaries, where the weights (table 5.2) are the 25-year series of discounted by time. For the LFSP, adjusting the calculations for the annual beneficiaries and the time-path of development, the NPV is US$18 million at a 10 percent annual discount rate

(c) **Strengthening management of protection areas.** At a 10 percent time discount rate over 25 years required for a complete average cycle of forest regeneration, assuming that in the absence of the project the protected areas will decline at the recent historic rate of 0.61 percent annually, the project has an NPV of US$14 million for deforestation avoided by protecting areas under the project. At a 6 percent discount rate, the value is US$21 million. These figures use the low value of the range calculated for the process of carbon

[48] Cubbage, Frederick W., Robert R. Davis, Diana Rodríguez Paredes, Ramon Mollenhauer, Yoanna Kraus Elsin, Gregory E. Frey, Ignacio A. González Hernández, Humberto Albarrán Hurtado, Anita Mercedes Salazar Cruz, and Diana Nacibe Chemor Salas. 2015. "Community Forestry Enterprises in Mexico: Sustainability and Competitiveness." *Journal of Sustainable Forestry* 34: 6–7, 623–650. doi: 10.1080/10549811.2015.1040514.

[49] The project will not support outgrower schemes involving large-scale monocultures in agriculture concession areas, but it will support rehabilitation and new planting of tree crops for smallholder farmers in the targeted landscapes in a mix cropping models.

sequestration. If higher values calculated worldwide were used, the results will increase by 49 percent; that is, US$21 million and US$31 million, respectively. The analysis was done with conservative values.

14. In summary, the NPV of the 25-year stream of economic costs and benefits, discounted at 10 percent, is as given in table 5.1.

Table 5.1. NPV

Community forestry - Employment in forest products	US$34 million
Sustainable agriculture and Rehabilitation of tree crops	US$18 million
Carbon benefits from strengthened protected areas	USS14 million

15. These figures together (US$66 million) greatly exceed the proposed grant to implement Component 2, US$24 million, or even the total project budget of US$37.5 million. If a discount rate of 6 percent is used, the benefits are significantly greater (US$136 million).

16. The results are given in table 5.2.[50] These are net returns, that is, returns after investment costs have been fully recovered. No full results can be given for the 6 percent discount rate due to data limitations from the aggregated tree crops rehabilitation source that cannot be disaggregated. However, generally the present discounted value of these activities as calculated with the long-term Liberian 6 percent rate exceed those calculated with the more present-time-weighted 10 percent rate.

Table 5.2. Summary of project's NPV

Summary of NPVs		**Discount Rate**	
		10%	**6%**
Excluding Tree Crops			
	Return on Activity 2 investment	US$23,966,444	US$47,577,218
	Return on project	US$10,966,444	US$34,577,218
Including Tree Crops			
	Return on Activity 2 investment	US$41,966,444	*
	Return on project	US$28,966,444	*

Note: * Not calculable from information available on tree crops.

[50] In these, as in all statistical calculations, the data are presented with a degree of precision unwarranted by the quality of the data but necessary to show the mechanics of the calculation to allow its replication by others. In their interpretation, only a low degree of precision should be accepted, as is done in the text.

Table 5.3.Detailed calculations

Table 1 Net Present Value Calculations														
	Area (ha)					Employment in Forest Products			Carbon sequestration			Rehabilitated Tree crops		
Discount rates applied:					10%	Undiscountec	10%	6%	Undiscounted	10%	6%	From FTCRSP		
PDO Indicator:	1	2.2	2.3	2.7										
Year	Community Forest Area Managed	Gazetted Protected Areas	Employ-ment in Forest Products	Smallholder Supported in Tree Crops Rehab								Net cash flow	Direct project beneficiaries	Net Cash flow per beneficiary
NPV							$33,766,363	$50,768,116	$42,288,372	$14,200,080	$20,809,102			
1	0	0	1,000	500		$600,000	$545,455	$566,038	$0	$0	$0	$0	0	
2	0	30,000	2,500	1,000		$1,500,000	$1,239,669	$1,334,995	$167,811	$152,555	$158,312	$950	750	$1.27
3	100,000	120,000	3,500	2,500		$2,100,000	$1,577,761	$1,763,200	$671,244	$554,747	$597,405	$1,890	2,600	$0.73
4	350,000	270,000	5,000	3,000		$3,000,000	$2,049,040	$2,376,281	$1,510,299	$1,134,710	$1,268,076	$23,400	5,000	$4.68
5 +	600,000	340,000	8,000	3,000		$4,800,000	$2,980,422	$3,586,839	$1,901,858	$1,298,995	$1,506,450	$23,400	5,000	$4.68
					Income/day		$3.00		917	(a) mt carbon/ha				
					Days/year		200		0.61%	(b) annual deforestation rate				
					Income/year	$600.00	$600.00	600	5.5937	(c) conversion factor (a)*(b)				
Weight to adjust FTCRSP tree crops NPV				22,930									35,524	

Annex 6: Drivers of Liberia's Deforestation and Forest Degradation[51]

LIBERIA: Forest Sector Project

1. Deforestation rates had been held relatively low in Liberia during the past two decades as a result of the civil conflict that forced many to leave the countryside and immigrate to the capital city and urban centers. This was also a period of relatively low international timber and agricultural exports.

Table 6.1. Deforestation in Liberia over Two Decades[52]

Forest Area (1,000 ha)				Annual Change Rate (thousand ha/yr and %)					
1990	2000	2005	2010	1990–2000		2000–2005		2005–2010	
4,929	4,629	4,479	4,329	−30	−0.63%	−30	−0.66%	−30	−0.68%

2. Once peace was restored, a general return of the population to rural areas started, assisted by extensive infrastructure rehabilitation of road and bridges. These domestic factors, coupled with expanding global markets for tropical agricultural products, biofuels, and timber, are exerting considerable pressure on land use conversion of forests. Recent clearing activity is mostly concentrated in ten or so sectors of the country. Almost all clearing is in the form of numerous small (less than 10 ha) clearings around towns and roads near Liberia's forest regions.

3. D&FD arise from driving forces within the forest, agricultural, mining, and energy sectors. The R-PP identified seven principal driving forces (included in table 6.2) of D&FD but also noted that little is known about their relative weights and interactions. More details about the relative degree of the different deforestation drivers and their respective impact will be answered as part of the elaboration of the REDD+ strategy.

Table 6.2. Direct Drivers of D&FD

Sector	Direct Drivers of D&FD
Forest	**1. Commercial Logging,** categorized as follows: (a) **Extensive logging.** Without area regulation (that is, allocated commercial sector too large and failure to abide by periodic felling cycle), resulting in eventual timber shortages, reduced felling intervals, progressive canopy degradation, unsustainable logging, and industry. (This practice facilitates chainsaw logging and ingress of shifting cultivation—see below.) (b) **Over-logging.** Without selection control of species or diameter limits and resulting in creaming of species (genetic impoverishment), removal of undersize trees (future shortage of canopy trees), harvesting of all species (degraded canopy cover). (c) **Hi-impact logging.** The opposite of Reduced Impact Logging, arising from a failure of site planning of extraction, road, and landing areas for minimal impact and cost and resulting in degraded canopy cover and collateral tree damage.
	2. **Chainsaw logging.** Unregulated forest logging with similar results as for over-logging, characterized by low recovery rate but mitigated by lower extraction damage. Studies show that

[51] Taken from the R-PP, 2011.

[52] Global Forest Resource Assessment, Food and Agriculture Organization of the United Nations (FAO) 2010. The vegetation cover map to be undertaken by the FCPF will provide reliable information about nationwide deforestation rates, differentiated according to forest density. The FAO estimates that the 2013 forest area was 4,239,000 ha.

Sector	Direct Drivers of D&FD
	chainsaw logging can reach into forest over 5 km from access roads (Synergistic with shifting cultivation—see below.)
Agriculture	3. **Shifting cultivation.** Unregulated clearance and farming on forestland for a temporary period (2–3 years) followed by a fallow period (5–12 years) by the same or another farmer. Opportunistic on forest road accessibility and chainsaw logging operations. May be intensive, involving larger forest clearing assisted by chainsaw operatives and resulting in deforestation.
	4. **Plantations and permanent agriculture.** Higher economic value land use than forest, resulting in complete forest conversion with deforestation liability on the REDD balance sheet, even if actual clearance and planting may be delayed for several years. Replacement crops may comprise trees, especially oil palm as a biofuel, but do not provide a full range of forest services nor sequester comparable carbon stocks. The emergence of palm oil as a biofuel has contributed to a rise in global prices for the commodity and so driven further expansion of plantation. As such, palm oil produced from plantations may drive further D&FD in Liberia—resulting in a potential and significant risk for REDD.
Energy	5. **Charcoal production.** Most charcoal production is a by-product of agricultural clearance for shifting cultivation or smallholder farms. It may have a significant impact on deforestation of degraded areas.
	6. **Oil.** Oil companies have moved into Liberia relatively recently and while current activities appear to be focused offshore, there needs to be communication between relevant ministries, the FDA, and the RTWG on any plans to develop onshore wells and pipelines.
Mining	7. **Mineral extraction and mining.** Although not regarded as a significant driver of D&FD at present, it is possible that artisanal mining might be more damaging than currently recorded and that large-scale mining (for example, open cast gold mines currently under pre-scoping) will become a major driver. However, biodiversity offsets from large-scale mining operations could help enhance the financial sustainability of certain conservation areas, as has already been demonstrated by the Arcelor Mittal mining company in the Mount Nimba area.

Emerging Opportunities under REDD+ to Address Drivers of D&FD

4. Based on the direct drivers of D&FD, the R-PP includes preliminary REDD+ Strategic options for each of the sectors. These are summarized in table 6.3.

Table 6.3. Preliminary Strategic REDD+ Options

Forest sector	Agriculture Sector	Energy Sector	Mining Sector
• Raising commercial logging standards • Reducing logging area footprint • Regulating and managing chainsaw logging (with a new regulatory structure for chainsaw logging about to be set in place) • Integrating conservation and protected areas into REDD+ • Enhancement of carbon loading in degraded forest areas, focusing on indigenous species/forest rehabilitation	• Transforming the shift from cultivation into permanent or semipermanent agriculture (moving to a more efficient agricultural system to reduce land use and forest degradation) • Ensuring that plantation and permanent agriculture development is located on degraded forestlands with lower carbon content • Carbon stock enrichment of barren land through timber crop planting (tree crops instead of other agricultural products), including commercial tree	• Regulating and managing wood fuel energy • Introducing more efficient kilns and cooking stoves	• Mainstreaming of environmental and social concerns in the mining sector • Promoting certification for sustainable mining • Promoting biodiversity offsets where appropriate for large-scale mining projects

Forest sector	Agriculture Sector	Energy Sector	Mining Sector
	species (linked to forest sector)		

5. The R-PP pointed out that in addition to the need for strategic options in each sector, the government needs assistance to define the land allocation for agriculture, forest, protected areas, and mining, taking into account the CRL. The results of the contract developed with the European Space Agency, in coordination with the FDA,[53] show that there are overlaps in proposed concessions between forest, agriculture, mining, and protected areas. This situation will exacerbate conflicts related to land in Liberia and will hamper growth and poverty reduction. The proposed investment program, together with the one supported by the FCPF, will contribute to the establishment of a broad consensus vision on land use planning around which stakeholders can come together to further the reforms and development of the sectors.

[53] During 2011, two studies were performed in Liberia to map and monitor forest resources using satellite data. The projects covered the country and provided an overview of different forest resource assessments, land allocation mapping, as well as land use changes from 2002 to 2010. The studies were carried out by the consulting firms Metria AB (Sweden) and GeoVille GmbH (Austria), as part of the ongoing partnership between the World Bank and the European Space Agency. The objective was to provide an independent expert opinion on the accuracy of various resource assessments and annual allowable cuts, and to map the overlap of various types of land allocations. Recommendations for future activities by the World Bank and other development partners were also proposed, based on the study as well as discussions with different stakeholders involved in Liberian forests.

Annex 7: Geographical Analysis of Project Intervention Areas/Targeted Landscapes

LIBERIA: Forest Sector Project

A Spatial Analysis of Potential Priority Areas for REDD+ Interventions, Commissioned by the FDA of Liberia (September 20, 2015)

1. A spatial analysis of potential priority areas for REDD+ interventions was commissioned by the FDA during project preparation, to inform the selection of priority areas for REDD+ interventions. The analysis covered geographic, economic, and social aspects of the three preselected landscapes (northwest, North Nimba, and southeast), to help prioritize target areas for the project and optimize the impacts of interventions for addressing drivers of deforestation and forest degradation.

2. The study used four main criteria: (a) value for conservation, (b) vulnerability to forest degradation, (c) vulnerability to deforestation, and (d) viability for intervention. Spatial data layers were created for the first three criteria (table 7.1). For the fourth criterion, the study developed a method for a qualitative assessment of the conditions for implementing REDD+ interventions considering the strength of the governance and regulatory mechanisms that are associated with the dominant land use and the capacity of the decision-making institutions associated with that land use. By combining spatial layers into a single score, the places with the highest conservation value forest and the greatest vulnerability were identified. Table 7.1 details the indicators used.

Table 7.1. Criteria and Subcriteria Adopted for the Spatial Prioritization Exercise

Conservation Value	Vulnerability to Degradation	Vulnerability to Deforestation
1.1. Areas of high carbon value (based on level of forest cover) 1.2. High biodiversity values based on existing and proposed protected areas, and on conservation priority areas	2.1. Threats from current levels of community-shifting agriculture and associated activities (hunting and NTFP) (based on zones around settlements related to population) 2.2. Threats from increased community use of forest in and around concessions where employment and incomes will increase (based on an increased zone size) 2.3. Threats from accessibility provided by roads and tracks (based on a zone from the road) 2.4. Areas of existing and proposed commercial 'sustainable' timber extractive activities (FMCs and CFMAs)	3.1. Areas of timber sales contract 3.2. Areas of agricultural concessions 3.3. Mining and other major infrastructure footprints

3. This prioritization exercise based on the combined conservation value and vulnerability, determined that 22 out of 38 highest priority districts nationwide are located in the project-targeted landscapes, more specifically in the northwest and southeast landscapes.[54] Of these, eight districts are in the northwest landscape (Commonwealth, Kongba, Gbarma, Belleh, Golakonneh, Salayea,

[54] The North Nimba landscape is a relatively small area that needs to be prioritized on a subdistrict basis. When prioritization is done at district level, the three North Nimba districts are not among the top priority districts in Liberia because they contain relatively small areas of high conservation value forest. This landscape is, however, important as it contains an island of dense but threatened forest within a central belt of Liberia that has elsewhere been deforested or degraded. Activities will be thus conducted in this landscape.

Gounwolaila, and Dowein) and 14 districts are in the southeast landscape (Sanquin #2, Konobo, Bodae, Putu, Lpayan, Sanquin #3, Gboe-Ploe, Glio-Twarbo, Seekon, Dugbe River, Jaedae, Plahn Nyarn, Butaw, and Bokon).

Key Characteristics of Target Landscapes

4. The northwest and southeast landscapes are found to contain a high proportion of dense forest and hence HCS. Approximately 55 percent and 65 percent of these landscapes is classed as closed dense forest (forest cover more than 80 percent). The North Nimba landscape is less densely forested with 30 percent classed as closed cover.

5. The network of three existing and many other PPAs cover 25 percent of the highest value forest in the southeast landscape, 23 percent in Nimba, and 21 percent in the northwest landscape. Subcomponent 2.2 will help complete the protected area network and implement conservation measures and is, therefore, important for achieving REDD+ goals.

6. Logging concessions in the form of FMCs account for 30 percent of the closed dense forest in the northwest landscape and 27 percent in the southeast. The positioning of FMCs, often between protected areas (mostly proposed) and covering large blocks of high biodiversity, suggests that their sustainable management should be a very important part of a REDD+ strategy.

7. Agricultural concessions for oil palm or rubber cover a significant amount of the highest carbon value forest in the northwest and southeast landscapes, 8 percent and 11 percent, respectively. This forest will not be cleared if internationally agreed standards for the industry are applied; however, it will not be protected by any particular management regime (absent special conservation measures in any of the concession areas).

8. A high proportion of the closed cover forest within the landscapes is vulnerable to pressure from community subsistence activities such as shifting agriculture, pit-sawing, and charcoal production (32 percent in the northwest, 58 percent in North Nimba, and 22 percent in the southeast). In some areas, community uses encroach on protected areas and commercial concessions.

Northwest Landscape

9. The northwest landscape effectively captures the high-priority districts in this part of Liberia.

Table 7.2. Districts in the Northwest Landscape - Key Characteristics

Northwest Priority Districts (from total 22)	Characteristics
Commonwealth	Covered by an existing protected area, Lake Piso multiuse reserve. Contains a small pocket of high conservation forest and mangrove. Densely populated, with the town of Roberstsport (county capital) and settlements surrounding Lake Piso.
Kongba	Kongba is a large district containing most of Foya PPA and about half of the Gola PPA. The area in between the two PPAs is designated as an FMC. It is adjacent to Gbarma District, the southern half of which is within Sime Darby's gross concession (palm oil and rubber) and so may potentially be cleared.
Gbarma	
Belleh	A cluster of three large districts with high conservation value forest, almost completely covered by existing/proposed concessions for logging, palm oil, and a PPA. Half of Belleh District is covered with a proposed FMC and the southern part contains most of the Kpo Mountains PPA, and a proposed TSC immediately adjacent to the PPA boundary. The southern part of Gounwolaila is within the gross concession area of the Sime Darby agriculture concession. The northern part is covered by a ratified FMC, as is the southern part of Salayea, which is densely forested.
Salayea	
Gounwolaila	
Golakonneh	Golakonneh as adjacent to Kongba and Gbarma. The northern part is covered by a proposed FMC and the southern part includes some of the Sime Darby gross concession area.
Dowein	Almost completely covered by the Lake Piso protected area and containing mangrove and wetlands of high conservation value.

North Nimba Landscape

10. The North Nimba landscape contains an island of dense but threatened forest within a central belt of Liberia that has elsewhere been deforested or degraded. In addition, there is an iron ore mining operation of Arcelor Mittal nearby with a protected area and a community forest intended for sustainable use. The presence of the mine is both a threat, in REDD+ terms, and an opportunity, through offsetting. The mine is currently the largest donor of forest conservation activities in this landscape. The North Nimba region is also part of a cross-boundary conservation hotspot, in continuation of high conservation value ecosystems in the neighboring Guinea.

Table 7.3. Districts in the North Nimba Landscape - Key Characteristics

North Nimba Districts	Characteristics
Yarmein	Contains the mining town of Yekepa and the majority of the concession area for the Arcelor Mittal Liberia iron ore mining. Also contains most of the East Nimba Nature Reserve protected area and the West Nimba PPA. There are two community forests; Gba which overlaps with the West Nimba PPA) and Blei, which adjoins the southern tip of ENNR.
Saniquellie Mahn	Contains the county capital, Saniquellie, and is relatively heavily populated, pressurizing the dense forest areas to the north.
Gbehlay-Geh	Contains the eastern edge of the ENNR protected area and the Zor community forest.

Southeast Landscape

11. The southeast landscape contains almost double the number of districts that score high in conservation value and deforestation and degradation threats relative to the northwest landscape. This is partly a result of the larger number of (smaller) districts but also reflects the prevalence of

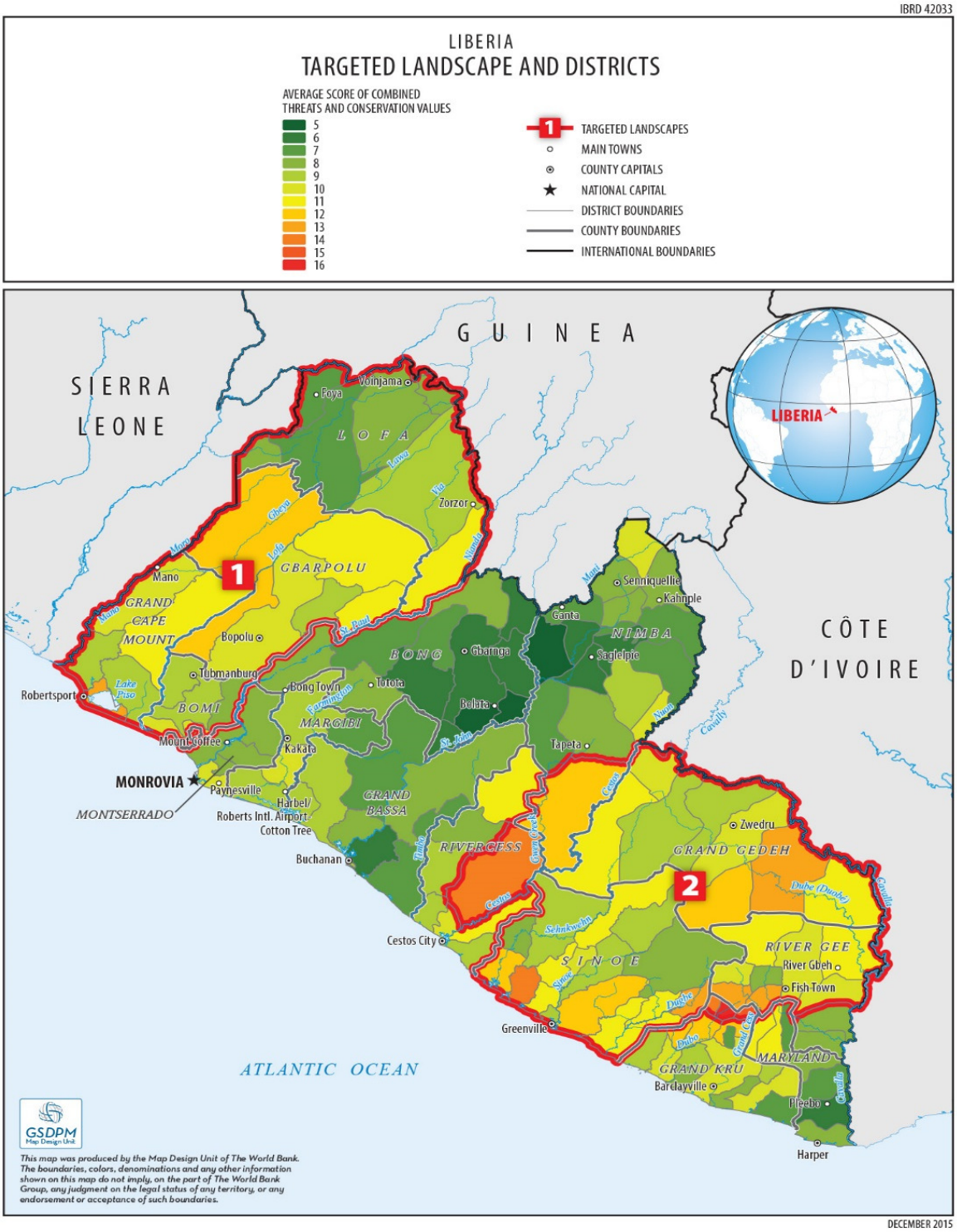
large areas of highest conservation forest that is also vulnerable to logging and clearance for palm oil plantation.

Table 7.4. Districts in the Southeast Landscape - Key Characteristics

Southeast Districts	Characteristics
Sanquin Dist#2	Half (approximately) of the district is covered by the Senkwehn PPA. Most of the district is within the Golden Veroleum Liberia gross concession for oil palm.
Konobo	Large district with substantial area of highest conservation value forest but no protected area or PPA. Almost completely covered by FMC (one ratified and one proposed).
Bodae	Small district entirely covered by the Grand Kru PPA. Adjoins a cluster of high-priority districts inside and outside the southeast landscape.
Putu	Sits between Konobo and Sapo National Park containing a small part of the protected area. Includes Putu Iron ore mine (in development phase). West and east sides of the district are covered by an FMC.
Kpayan	On the southern fringe of Sapo National Park and mostly covered by the Golden Veroleum Liberia (GVL) gross concession area. Includes two small community forests (Nomopoh and Nitrian).
Sanquin Dist# 3	Adjoins Sanquin District # 2. Mostly covered in Senkwehn protected area and includes a small part of the GVL agriculture concession.
Dugbe River	Three districts which form a cluster, with Kpayan and Bodae, of high-priority districts. Dugbe River, on the coast, includes a small part of the Grand Kru PPA, a timber sales contract, and a part of the GVL oil palm gross concession.
Jaedae	
Bokon	
Gboe-Ploe	Gboe-Ploe is a large district on the western edge of landscape, mostly covered in highest conservation value forest but with no protected area or PPA. Mostly covered in an FMC with also a large CFMA. Seekon adjoins Gboe-Ploe and lies between the Sapo National Park protected area and the Gbi PPA. Partly covered by an FMC. Plahn Nyarn and Butaw form, with these districts, a belt of dense forest, which stretches to the coast. None of these are covered by a protected area/PPA. Most of these two districts are covered by GVL gross concession.
Seekon	
Plahn Nyarn	
Butaw	
Glio-Twarbo	Large district in the northeast tip of the landscape, bordering with Ivory Coast. Half (approximately) covered by the Grebo PPA. Adjoins Konobo District.

12. Overall, the northwest landscape (comprising Bomi, Lofa, Gharpolu, and Grand Cape Mount Counties) was found to be effective at capturing the priority districts in this part of Liberia. Considering the strong presence of other partners in the Nimba region, the project will not support community forestry activities in this area but will provide any relevant support on regulatory and institutional strengthening where key gaps are identified. Finally, the southeast landscape was included, comprising portions of Grand Gedeh and Sinoe, Grand Kru, River Gee, and Rivercess Counties. Further refining of the selection process for specific interventions at the district level, the map illustrates the targeted areas.

Figure 7.1. Targeted Landscapes



Annex 8: Draft Road Map for the Measurement, Reporting, and Verification

LIBERIA: Forest Sector Project

Table 8.1. Key activities for Liberia MRV Road Map with Indication of Support to Each Activity through the FCPF Additional Funding Grant and the Liberia Forest Sector Project

Activity	FCPF Additional Funding	LFSP
1. Establish institutional arrangements		
1.1. Establish steering/coordination body for the REDD+ NFMS/MRV system: • This body will be overseen by the REDD national coordination group and will be the central body for steering REDD+ NFM/MRV activities, and members will include the FDA, LISGIS, EPA, MoA, key research partners, and other relevant institutions. Activities of the body include the following: o Link MRV and policy o Provide advice to Liberian negotiators at the UNFCCC COPs o Steer the implementation of REDD+ monitoring and capacity-building activities o Provide key advice on REDD+ monitoring issues to policymakers and REDD+ implementing bodies o Lead cross-sector (that is, agriculture, charcoal union, chainsaw community, mining, infrastructure) exchange of data, and monitoring activities o Exchange guidance and experiences with outside partners (that is, neighboring countries, international partners) • A discussion and decision will be needed on whether it is necessary to establish a body separate from the RTWG planned within the FDA, including several stakeholders. An additional committee is not needed if the current working group can take on added responsibilities and workload associated with a national MRV system.	–	Subcomponent 1.1
1.2. Establish technical working group(s) and facilities within the FDA and with partners: • Equip and staff relevant technical units for REDD+ NFM/MRV	–	–
• Equipment	Under Goods	–
• Staff	Under Consultants (Consultancy fees for 2 years' service of 1 MRV officer)	Subcomponent 3.1 (2 MRV officers)
• The working group to facilitate access, assess, and review of available datasets identified on their usefulness for REDD+ monitoring purposes	–	Subcomponent 1.1
• Implement a central national data infrastructure, a data sharing policy and arrangements, and a management system for integration, transparency, and to support national and international reporting, including the utilization of common geo data standards for REDD+ monitoring	Under Goods	Subcomponent 1.1

Activity	FCPF Additional Funding	LFSP
Establish working groups at regional levels where REDD+ implementation and pilot projects are active (that is, in target landscapes), perhaps building upon other regional activities (that is, link to disasters).	–	Subcomponent 3.1
1.3. Establish a mechanism for local engagement and exchange of capacities, experiences, and data between national and local forest monitoring activities: • Develop partnership and joint support system with ongoing and planned REDD+ local implementation activities and their monitoring activities (for example, NGOs, charcoal producers' union, chainsaw users, and so on).	Under Workshops/Trainings	–
1.4. Develop a framework to engage with research and higher education institutions: • Scientific advice on NFMS/MRV issues • Use, define, and support dedicated research activities to improve national and local NFMS/MRV system • Training and education in higher education institutions on forest carbon monitoring	Under Workshops/Trainings	Subcomponent 1.1
2. Improve national forest monitoring: activity data		
2.1. Assess options for forest definitions: • Assess national definition of forest currently used in Liberia. • Through a broad stakeholder engagement process, determine national definition of forestland and forestland change, to capture human-induced changes and REDD+ and considering the role of plantations, natural, and managed/degraded forests. • Define the five REDD+ activities, such as deforestation and degradation, SFM and enhancing carbon stocks, as appropriate, and their representation within the forest definition.	Under Workshops/Trainings	–
2.2. Create an updated and improved national forest map and/or land use map: • Take into account available map data and update and add detail using new data sources (such as high-resolution remote sensing data) and calibrated and validation with ground data. • Map categories and characteristics should serve as benchmark for assessing forest definition options and to support forest carbon monitoring and the forest inventory, including plantations, intact natural forests, degraded natural forest, and so on, consistent with the agreed national forest definition.	Under Goods	Subcomponent 2.1 and 3.1
2.3. Conduct consistent national forest area change assessments: • Collaborate with national and international partner(s) to assist in access, processing, and interpretation of satellite data and all available relevant national datasets, definitions, spatial reference system, and so on • Forest change analysis using available consistent time-series satellite data combined with high-resolution data for calibration and validation • Forest area change to include identification of fate of land/follow-up land use to assess the drivers • Aim to incorporate multisector land use data in the interpretation (that is, from agriculture, infrastructure, plantations/reforestation activities) • Conduct independent accuracy assessment for forest maps and change estimates • Implement an operational processing and analysis system for satellite data for regular updates on national forest area changes in future periods	–	Subcomponent 3.1

Activity	FCPF Additional Funding	LFSP
2.4. Assess and estimate activity data for forest degradation: • Acquire relevant data from national data sources and local studies on the use patterns of fuel wood, charcoal, logging/timber sales, activities and concessions, and plantations to test different data sources and proxy data for forest degradation processes. • Include an assessment of monitoring forest degradation from logging for more recent years using Landsat-type data or for selected areas with higher-resolution data (study of feasibility to see whether areas affected can be detected accurately). • Assess and integrate satellite-derived fire and burnt area data records.	–	Subcomponent 3.1
2.5. Assess and estimate activity data for enhancement, sustainable management of forests, and/or conservation.	–	Subcomponent 3.1
3. Improve national forest monitoring: carbon stocks and emission factors		
3.1. Design/update and implement a national forest inventory and carbon measurement system: • Design/update a national and subnational stratification and inventory design using previous woody biomass survey as benchmark (that is, forest types, sampling, and so on.), as appropriate. This could be revised to accommodate needs for forest carbon change monitoring. • Develop sample design and conduct statistical analysis for national systematic monitoring: national carbon density stratification and determination of plots establishment requirements (permanent and temporary plots aimed at measuring carbon stocks as well as monitoring change in carbon pools). • Develop protocols and implement measurements in all significant carbon pools. Initial focus could be in REDD+ priority/demonstration area (that is, target landscapes) that should be measured first and eventually evolve to national coverage. • Implement the measurements for forest inventory as part of long-term carbon measurement and monitoring plan, including capacity development at the national, regional, and local levels. Currently, the FDA is starting to work on an initiative in collaboration with the FAO to establish an national forest inventory (NFI), but resources are limited, and not all requirements may be required by this initiative. A link is required between MRV processes and this process to harmonize. A first set of subnational estimates for forest biomass and carbon stocks should be available after one year, eventually moving national in the years after. • Provide national estimates of carbon stocks and a forest carbon stock distribution map (for estimating emissions from deforestation) and possibly make use of the West Africa carbon map initiatives. • REDD+ MRV should make a decision regarding allocation of funds to establishing an NFI as described above, depending on whether the current initiative can satisfy the needs of a REDD+ MRV. Additional donors may be interested to support the implementation of an MRV road map, if current resources are not enough (in relation to NFI).	Under Consultancies	–
3.2. Collect and further develop carbon conversion, expansion factors, wood density, and root/shoot ratio: • Research and use current existing data to convert biomass into carbon estimates (also look at UN-REDD efforts) • Implement additional efforts for key missing data, including	–	Subcomponent 3.1

Activity	FCPF Additional Funding	LFSP
○ generating national factors through a process of destructive sampling; ○ implementing targeted sampling and surveys to establish national factors and developing allometric equations; ○ developing factors for carbon conversion, expansion factors, wood density for key species, root/shoot ratio based through destructive sampling program; and ○ converting and reassessing existing forest and forestry data into carbon data.		
3.3. Assess different drivers/processes of change and their carbon impact (emission factors): • Address a variety of drivers and activities—which may require the setting up of temporary and/or permanent plots or using other datasets. • Key issues: carbon impacts of fuel wood, charcoal, timber extraction (chainsaw and conventional logging), and plantations and other forest concession activities. • Assess and make use of available monitoring data from concessions, local project data, and research projects or stimulate new ones. • Stratify areas of change activities happening (concessions, fuelwood, charcoal, and plantations) to perform targeted sampling for the development of emission factors linked to different drivers/management type. • Decide on carbon pools, with an aim to measure all pools initially. In this process, selected locations, which have high-carbon soils, will be explored for possible priority in assessment and may be the main pool measured following determination of significance.	Under Consultancies	Subcomponent 3.1
4. Improve estimation and international Land use, land-use change and forestry (LULUCF), GHG inventory, and REDD+ reporting capacities		
4.1. EPA leadership to engage in technical support and training for national GHG inventories (using IPCC -LULUCF GPG) and for upcoming REDD+ reporting	_	Subcomponent 3.1
4.2. Assess historical national GHG inventories for the LULUCF/AFOLU sector, appraise gaps and needs for alignment in the context of REDD+ (on issues such as forest definition, stratification, mapping, emission factors, and so on) and ensure streamlining of REDD+ and GHG reporting in national communications and biennial update reports.	_	Subcomponent 3.1
5. Prepare for MRV of REDD+ activities on the national level		
5.1. Adapt and develop the national forest monitoring for local REDD+ demonstration activities: • Scope for possible REDD+ demonstration activities addressing different drivers and associated national policy options, capacity building to be done at each stage of the implementation of the initiative building upon experiences and concepts already developed (that is, target landscapes). • Priority focus on intervention types to be defined as national policy discussions evolve but, in particular, those related to reducing emission from agriculture expansion and fuel wood/charcoal, timber/logging and plantations, and so on. • Develop monitoring and test framework and conduct detailed monitoring (or make use of existing data) at demonstration sites using tier 2 or tier 3 methods (integrated with national monitoring) (for selected subnational demonstration) and execute capacity-building sessions with national and local stakeholders.	_	Subcomponent 3.1

Activity	FCPF Additional Funding	LFSP
• Study monitoring approaches for MRV of specific REDD+ activities as research or pilot activities (the FDA is planning at least one pilot project per region). • Strengthen the organization and capacities of relevant local actors contributing to localized monitoring activities.		
5.2. Test approaches and options to derive forest reference (emission) levels: • Use international guidance (UNFCCC) and improved data sources to explore different options to develop and step-wise improve a national forest reference level for Liberia and ensure consistency with the national GHG inventory.	Under Consultancies (REL)	
5.3. Develop foundations and data sources for a REDD+ safeguard information system: • Use international guidance (UNFCCC) to seek available data sources and invest in acquiring additional ones to inform about safeguards, including information provided in the context of an NFMS.	Under Consultancies (REDD+ Registry)	Subcomponent 3.2
6. Implement a program for continuous improvement and capacity development		
6.1. Design and implement a capacity-development program, building on available national capacities and international support where needed: • Understanding forest carbon dynamics and climate change • Measuring and monitoring tools: forest inventory, remote sensing, GIS, and spatial analysis, and so on • REDD+ policy and implementation and links with monitoring and reporting	Under Workshops/Trainings	Subcomponent 3.1
6.2. Implement a program to 'train the trainers' and to multiply capacities within the country, perhaps establish a dedicated training unit for REDD+ monitoring, aiming for sustainable training capacities.	_	Subcomponent 3.1
6.3. Establish a team of (international) experts who can serve as backstopping and an advisory group for key decisions to be made.	_	Subcomponent 3.1
6.4. Seek partnerships with regional organizations and international partners (that is, South-South cooperation and student/staff exchange).	Under Workshops/Trainings (South-South Exchange)	_
7. Continued national and local communication mechanism on REDD+ monitoring		
7.1. Conduct a series of regional workshops to inform about REDD+ and MRV among national, regional, and local actors, to both inform and seek input from different stakeholders, in particular, involving local communities. 7.2. Produce communication plan, communication materials on REDD+, and monitoring. 7.3. Establish and maintain REDD+ monitoring website with relevant information and outreach materials.	_	Component 4

Annex 9: Forestry Related Projects in Liberia (World Bank Group and Other Partners)

LIBERIA: Forest Sector Project

1. Table 9.1 includes an overview of the activities implemented by development partners in Liberia and which complement the REDD+ process, as well as the Bank Group projects. The proposed project will build on and complement the results from these projects.

Table 9.1. Projects Related to REDD+

No.	Executing Agency	Donor	Project Title/Purpose	Approximate Cost	Implementation Period
1	Associates in Rural Development , ACDI/VOCA	USAID	USAID/Liberia's Land Rights and Community Forestry Program (LRCFP)	–	2008–2011
2	FFI	NORAD	Developing a pro-poor REDD structure in Liberia: Creating real world pilot projects to guide national policy development	US$6,666,567 NOK	2009–2010
3	Conservation International, Forest Trends and Nature Conservation Research Centre	McCall MacBain Foundation	Reducing Emissions from Deforestation and Degradation (REDD) in Liberia: Developing a Comprehensive Framework for REDD Incentives Targeted at Communities and Conservation	US$650,000	2009–2012
4	IUCN	Danish International Development Agency	Toward pro-poor REDD - Building synergies between forest governance, equitable benefit sharing, and reduced emissions through SFM	US$324,980	2009–2013
5	FDA (in Liberia)	GIZ	Regional Resource Governance in the Fragile States of West Africa. The regional project includes a component aiming to provide TA of administrative capacities for concession and revenue management for Liberia's FDA.	€7 million (total amount for regional project)	2009–2015
6	FFI	NORAD/ITTO	Bridging the divide; empowering the grassroots REDD institutions to inform national REDD strategy development through REDD demonstration project	US$2,500,000	2010–2014
7	FFI	U.S. Fisheries and Wildlife Service	Reducing pressure on forests through the construction of improved eco- stoves	US$50,000	2011–2011
8	IUCN (Implemented via local counterpart)	Government of Finland	Ensure that Liberia's climate change processes mainstream gender considerations to guarantee that women and men can have access to,	US$24,982	2012

No.	Executing Agency	Donor	Project Title/Purpose	Approximate Cost	Implement ation Period
			participate in, and benefit equally from climate change initiatives.		
9	CARE INTERNATION AL (Implemented via local counterpart)	NORAD	The Liberia REDD+ SES Initiatives Program	US$30,000	2012–2013
10	Land Commission	EU	To support the LC to elaborate the land inventory of Liberia and to create a model for participatory territorial planning. To provide reliable information on tenure security, land uses, land claims, public and private land as well as to create a model for participatory territorial planning in Liberia.	€115,565	2012–2013
11	Centre for International Development and Training	EU	To strengthen forest governance in Liberia	US$150,000	2012–2014
12	FDA	EU	Civil Society Projects. To increase and raise awareness on the VPA process, to facilitate the dialogue and exchange of views between the CSO, the GoL, and the private sector and to increase the CS capacity as VPA watchdogs.	€582,326	2012–2015
13	Forest Trends	Germany's International Climate Initiative	REDD+ Financial Expenditure tracking	US$23,817	2013–2014
14	VPA, SocieÏteÏ GeÏneÏrale de Surveillance	EU and UK Department for International Development	VPA as part of the FLEGT program	US$12.7 million	2010–
15	Associates in Rural Development, ACDI/VOCA	USAID	People, Rules, and Organizations Supporting PROSPER. Expand environmental educational and institutional capacity; improve sustainable community-based forest management; enhance community-based livelihoods.	US$2.5 million	2012–present
16		USAID	GEMS. Supports a capacity development plan for the FDA based on the findings from the detailed assessment and the	–	2013–present

No.	Executing Agency	Donor	Project Title/Purpose	Approximate Cost	Implementation Period
			institutional visioning exercise conducted by the project.		
17		USAID	Liberia Land Governance Support Activity. Policy, legal, and regulatory framework for land governance strengthened; functionality of land governance institutions improved; protection of customary land rights strengthened; and stakeholder engagement in land governance strengthened.	US$15.6 million	–
18		USAID	Livelihood Improvement for Farming Enterprises III. Final phase working in Bong, Nimba, Lofa, Gbarpolu, Grand Gedeh, and River Gee Counties to empower 10,000 smallholder cocoa farmers, farmer organizations, and suppliers to improve livelihoods by increasing the productivity, profitability, quality, and marketability of Liberian cocoa.	US$9.1 million	–
19		USAID with the United States government's Private Enterprise and Biodiversity Initiatives	Forest Incomes For Environmental Sustainability (FIFES). Develop key rural forest-based enterprises, which provide inclusive, sustainable economic opportunities for smallholders and communities that combat drivers of deforestation and biodiversity loss.	–	2015 Five years
20		World Resources Institute	Global Forest Watch. A dynamic online forest monitoring and alert system that empowers people everywhere to better manage forests	–	2014 to date
21	FDA	Kreditanstalt für Wiederaufbau - German government-owned development bank	Conservation of the Biodiversity in the Tai-Grebo –Sapo Complex Project. Establish an ecological connectivity between the Tai National Park and neighboring forests in Liberia and ensure the conservation of protected areas on the Liberian Territory of the Tai-Grebo-Sapo Complex.	EU $6 million (for Liberia)	2015 to date (4 years)
22	Mano River Union	African Development Bank	Mano River Union Forestry Conservation Project. Contribute to the sustainable management of the Upper Guinea Forest Ecosystem. Includes a component for capacity building for institutions and communities to benefit from	UAC 11.5 million	2016–

No.	Executing Agency	Donor	Project Title/Purpose	Approximate Cost	Implementation Period
			emerging global programs such as REDD and providing support for climate change interventions at the local levels.		
23	Local NGO: Skills and Agricultural Development Services FDA	Flora Fauna International with NORAD financial support	The Wonegizi Community REDD+ Pilot. A community-based approach to establish and co-manage the protected area—marking the first time that this approach has been used in Liberia. Coordinated management of REDD+ and the protected area with a vision to scaling-up and replication.	–	5 years
23	IDH	Government of Norway	Green Growth: Achieving forest conservation in commercially productive landscapes in Indonesia, Liberia, and Brazil, that aims to create deforestation-free supply chains at scale by forging committed PPPs for jurisdictional and landscape approaches. Liberia: three targeted landscapes.	NOK 23 million (Estimated)	1 year

Note: GIZ = Deutsche Gesellschaft für Internationale Zusammenarbeit - German Development Agency.
IUCN = International Union for Conservation of Nature.
USFWS = United States Fisheries and Wildlife Service.

Table 9.2. The World Bank Group Supported Projects

#	Project Name	Project Development Objectives	Amount	Implementation Period
1	Land Sector Reforms: Rehabilitation and Reform of Land Rights and Related Land Matters (P117010)	Strengthening governance, civil service reforms, and capacity building	US$2.98 million	2009–2014
2	Smallholder Tree Crops Revitalization Support Project (P113273)	To increase access to finance, inputs, technologies, and markets for smallholder tree crop farmers in Liberia and to develop a long-term development program for the tree crops sector	US$15 million	2013–2016
3	WAAPP	Designed to (a) enhance food security, reduce importation of rice, and increase incomes of smallholder rice producers and (b) generate and accelerate the adoption of improved technologies in priority crops of Liberia including rice. The project works in eight counties: Grand Gedeh, Sinoe, Maryland, River Gee, Gbarpolu, Margibi, Bong, and Bomi.	US$6 million IDA US$8 million Japanese Trust Fund grant	July 2011–June 2016

4	REDD+ Readiness Preparation Support Project (P124073)	Carry out a consultative and quantitative analysis of the different land use options for development of the national REDD+ strategy for Liberia, to be approved by the NCCSC.	US$3.6 million + US$5.0 million	2012–2018
5	Public Sector Modernization Project (P143064)	To improve pay and performance management in participating ministries and strengthen payroll management in the Civil Service in Liberia.	US$2 million	2014–2019
6	Second Poverty Reduction Support Development Policy Operation	Sustain and deepen government-owned efforts to reform governance and civil service and to support the broadening of reforms to include economic transformation and human development in the context of the implementation of the government's second Poverty Reduction Strategy, the AfT.	US$30 million	2014–2016
7	Rubber Renovation Program (IFC)	The proposed project is up to US$25 million in long-term financing, to provide financing up to 600 rubber farmers in Liberia for the replanting and renovation of 5,000–8,000 ha of aging rubber plantations. IFC will finance farmers through a local financial institution, which will act as an agent, administering and serving loans to the smallholder farmers. Firestone Liberia, Inc. ('Firestone') will identify potential eligible outgrowers, offer TA, and provide an offtake agreement.	US$25 million (US$5 million from the partnership between the GoL and GoN)	2016–

Annex 10: Map of Liberia's Protected Areas