

PROJECT INFORMATION DOCUMENT (PID)
ADDITIONAL FINANCING

Report No.: 89712

Project Name	Liberia: Youth, Employment, Skills Project Additional Financing (P147967)
Parent Project Name	Liberia - Youth, Employment, Skills Project (P121686)
Region	AFRICA
Country	Liberia
Sector(s)	Education (25%); Health and Other social services (75%)
Theme(s)	Social safety nets (75%); Improving labor markets (25%)
Lending Instrument	Investment Project Financing
Project ID	P147967
Parent Project ID	P121686
Borrower(s)	Ministry of Finance
Implementing Agency	Liberia Agency for Community Empowerment
Environmental Category	B-Partial Assessment
Date PID Prepared/Updated	07/01/2014
Date PID Approved/Disclosed	
Estimated Date of RVP Approval	07/31/2014
Decision	
Other Decision	

I. Project Context

Country Context

1. Liberia has made steady progress in its economic recovery from the 14-year civil war, although with 56.4 percent of Liberians living in poverty, much progress remains to be made. The economy has grown steadily, with output growth averaging 7 percent between 2003 and 2011 and the World Bank estimates that the poverty rate has fallen from 63.8 percent in 2007 to 56.4 percent in 2010. Public perception, as measured in household surveys, confirms that the economic status of many Liberians has improved during the same period. Still, Liberia's human development indicators are among the lowest in the world. Liberia ranks 182 out of 187 countries evaluated by the United Nations Development Program (UNDP) Human Development Index and access to basic services is limited. Moreover, only 18.1 percent of the employed

workforce is engaged in paid employment while 77.9 percent of the workforce is engaged in vulnerable employment.¹

2. The exclusion of certain segments of the population in Liberia poses a potential threat to the country's continued growth and stability. Recent research identified inequitable and insufficient livelihood opportunities as potential drivers of conflict and violence, particularly for youth.² The situation has been exacerbated by foreign direct investment and extractive industries that have made important contributions to macro-economic growth but have limited job creation potential. Translating economic growth into inclusive, pro-poor employment opportunities will be critical to the consolidation of peace in Liberia and promoting the resiliency of communities and youth.

3. Youth are particularly vulnerable to underemployment and social exclusion. Approximately 75 percent of the Liberian population is under 35 years old and 33 percent of the population is between the ages of 18 and 35.³ Due to the conflict, the majority of this generation of youth was excluded from accessing basic education in their formative years, is poorly prepared for productive employment, and faces an economy in which few jobs are available. Sixty eight percent of youth believe that they lack the skills or experience needed to find a job.⁴ According to the 2010 Labor Force Survey, self-employment is the most common source of work for young people (87 percent), whereas only 11 percent of youth are paid employees. This is compared with 74 percent self-employment and 24 percent paid employment for persons older than 35. In practice, however, youth in Liberia is not solely defined by age: youth are those who have not yet become full adults, either because they have not married, have not had children, or have not become 'responsible decision-makers' in the eyes of their communities, perhaps due to their employment status.⁵

Sectoral and institutional Context

4. The Government of Liberia has committed itself to an agenda of inclusive growth that highlights social protection and youth employment as critical to achieving this goal. The PRS II includes social protection as a sector under the Human Development Pillar with the aim of protecting the poorest and most vulnerable households and groups from poverty, deprivation, and hunger while supporting them in attaining a minimum standard of living. The empowerment of youth, meanwhile, is a cross-cutting theme of the PRS II and remains a key priority for the Government. Recent strategic initiatives include the Liberia Youth Employment Program (LYEP) and the Ministerial Task Force on Technical and Vocational Education Training (TVET). In support of this priority, the World Bank has developed a knowledge base on social protection, youth employment, and vulnerable youth in Liberia.⁶

¹ The 2010 Labor Force Survey defines vulnerable employment as own account or contributing family workers.

² See Michelle Rebosio and Ekaterina Romanova, *Understanding Youth Violence: Case Studies from Liberia and Sierra Leone*, The World Bank, 2013 and the Independent Evaluation Group, *Report on the Country Strategy of Liberia (2004-2011)*, The World Bank, 2012.

³ The Government defines youth as persons between the ages of 18 and 35 years old.

⁴ See Search for Common Ground, *Youth to Youth: Measuring Youth Engagement, Liberia* (2012).

⁵ See World Bank, *Youth Exclusion and Youth Violence in Liberia and Sierra Leone* (2013).

⁶ Lending operations include: the Youth, Employment, Skills (YES) Project, the Community Empowerment Projects (CEP) I and II, the Economic Empowerment of Adolescent Girls and Young Women (EPAG) Project, and the Support to Development of Small Forest Enterprises Project (CHYAO). Related research includes: *Social Protection*

II. Project Development Objective(s)

A. Current Project Development Objectives - Parent

The objective of the Project is to expand access of poor and young Liberians to temporary employment programs and to improve youth employability, in support of the Government of Liberia's response to the employment crisis.

B. Proposed Project Development Objectives - Additional Financing (AF)

The Africa Catalytic Growth Fund (ACGF) additional financing does not amend the PDO

III. Project Description

Component Name

Component One. Community Livelihoods

Comments

5. Component 1: Community Livelihoods would be scaled up from US\$9.4 million to US\$12.8 million. This component would continue to focus on bridging the employment gap within Liberia through the increase of income generating opportunities for the poor and the youth in particular. The additional financing would allow for expansion of the community-based public works subprojects under Component 1 with the adoption of an emphasis on productive activities, the piloting of business skills training, and the undertaking of an expanded impact evaluation to assess these revisions to the Project cycle. The additional financing would target 9,000 Liberians across the country's 15 counties.

Component Name

Component Two. Skills for Jobs

Comments

No change

IV. Financing (in USD Million)

Total Project Cost:	3.40	Total Bank Financing:	0.00
Financing Gap:	0.00		
Financing Source			Amount
Africa Catalytic Growth Fund (ACGF)			3.40
BORROWER/RECIPIENT			0.00
International Development Association (IDA)			0.00
Total			3.40

V. Implementation

Diagnostic in Liberia (2012), Enhancing Economic and Social Resilience among Liberia's "Lost Generation" of Youth (2013), Youth Exclusion and Youth Violence in Liberia and Sierra Leone (2013), and Creating More and Better Jobs in Liberia (forthcoming).

6. The Liberia Agency for Community Empowerment (LACE) would continue as the implementing agency for these activities. LACE would be responsible for the overall management of the activities and ensuring their implementation in keeping with the approved Project Operations Manual. Accounting functions will be undertaken by the LACE. The LACE finance department staff has the requisite qualifications and experience in Bank financial management and disbursement procedures having been responsible for other projects' fiduciary services in the past. The LACE procurement department also is experienced in Bank procedures; however, staff requires continuous close monitoring and targeted capacity building support. In keeping with the Bank's Liberia Country Office directive, submits monthly procurement updates to the Bank's Procurement Specialists to track procurement progress on a regular basis.

VI. Safeguard Policies (including public consultation)

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

Comments: As part of the preparation of the proposed YES Project additional financing, LACE revised the existing ESMF and RPF to assess and provide suitable mitigation to all potential identified adverse environmental and social impacts associated with the proposed activities. These revisions were included consultations with key stakeholders such as Government agencies and Project beneficiaries (especially the poor and disadvantaged) within a representative sample of counties and districts were undertaken from March 23, 2014 to April 3, 2014. The revised ESMF and RPF were duly disclosed publicly in country on June 13, 2014 and submitted to InfoShop on July 9, 2014.

VII. Contact point

World Bank

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Borrower/Client/Recipient

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Implementing Agencies

Name: Liberia Agency for Community Empowerment

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VIII. For more information contact:

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