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This action is funded by the European Union

ANNEX

of the Commission Decision on the individual measure in favour of the Republic of Liberia to be financed from the 11th European Development Fund

Action Document for "Contribution to the Africa Investment Platform (AIP) for the Mano River Union Road Development and Transport Facilitation Programme - Phase 2 (Paving of Sanniquellie –Loguatu Road Section (47.1km) in Liberia) and construction of a One Stop Border Post at Loguatu/Gbeunta Border in Ivory Coast/Liberia"

<p>1. Title/basic act/ CRIS number</p>	<p>Contribution to the Africa Investment Platform (AIP) for the Mano River Union Road Development and Transport Facilitation Programme - Phase 2 (Paving of Sanniquellie –Loguatu Road Section (47.1km) in Liberia) and construction of a One Stop Border Post at Loguatu/Gbeunta Border in Ivory Coast/Liberia. (Sanniquellie –Loguatu Road) CRIS number: LR/FED/041-267 Financed under the 11th European Development Fund (EDF)</p>	
<p>2. Zone benefiting from the action/location</p>	<p>Republic of Liberia The action shall be carried out at the following location: The Sanniquellie – Loguatu road corridor.</p>	
<p>3. Programming document</p>	<p>National Indicative Programme (NIP) 2014-2020, 11th EDF</p>	
<p>4. Sector of concentration/ thematic area</p>	<p>Energy</p>	<p>DEV. Aid: YES¹</p>
<p>5. Amounts concerned</p>	<p>Total estimated cost: EUR 52 728 000 Total amount of EDF contribution: EUR 6 000 000 under the present Decision. (Additional EUR 14 200 000 are being funded from the Regional Indicative Programme (RIP)) This action shall be co-financed by entities and for amounts specified in the indicative projects pipeline which is Appendix 2 of in this Action Document.</p>	
<p>6. Aid modality(ies) and</p>	<p>This action regarding this Regional Blending Facility shall be implemented in indirect management by entities to be indicated in complementary financing decisions to be adopted at the end of the</p>	

¹ Official Development Aid is administered with the promotion of the economic development and welfare of developing countries as its main objective.

implementation modality(ies)	Regional Blending Facilities award procedure.			
7 a) DAC code(s)	21020 : Road Transport			
b) Main Delivery Channel	"Lead Financial Institutions".			
8. Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	X
	Aid to environment	<input type="checkbox"/>	X	<input type="checkbox"/>
	Gender equality (including Women In Development)	<input type="checkbox"/>	X	<input type="checkbox"/>
	Trade Development	<input type="checkbox"/>	<input type="checkbox"/>	X
	Reproductive, Maternal, New born and child health	X	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Main objective
	Biological diversity	X	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	X	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	X	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input type="checkbox"/>	X	<input type="checkbox"/>
9. Global Public Goods and Challenges (GPGC) thematic flagships	N/A			
10. Sustainable Development Goals (SDGs)	Primary SDG: SDG 9 – Industry, Innovation and Infrastructure Secondary SDG: SDG 8 – Decent work and Economic Growth			

SUMMARY

Women and men are affected to a different degree by the effects of the very bad state of the road directly (lack of accessibility and transport) and indirectly (unreliability of the electricity transmission along the road). The target of the action is to improve the situation of women and men, girls and boys affected.

The Sanniquellie- Loguatu road section is the only remaining non-asphalted section of the West African Highway linking Nouakchott-Dakar-Lagos and is part of the Economic Community of West African States (ECOWAS) and Mano River Union (MRU) regional corridor. The Sanniquellie- Loguatu lies within the north-eastern region of Liberia that shares the border with Cote D'Ivoire at the Loguatu (Liberia) Danané (Côte d'Ivoire) end.

The EU has prioritised this road section since 2014.

The Mano River Union countries (Côte d'Ivoire, Guinea, Liberia and Sierra Leone) have been discussing with the West African Regional Development Department (RDGW) of AfDB and the MRU Secretariat in Freetown, an MRU Initiative comprising four sectors: Road Transport, Energy, Information, Communication and Technology (ICT) and Trade

Facilitation. Several meetings held in Abidjan and Tunis have led to a prioritisation of projects under these sectors.

The Sanniquellie –Loguatu road corridor which links the north-eastern part of Liberia with the Cote D'Ivoire at Loguatu border has, over many years, served as the main trade hub for inter-trade facilitation within the MRU region, thereby contributing to economic development of the two countries. However, due to the deplorable road condition which results in high maintenance cost and vehicle operating cost, the economic activities within both regions have been negatively affected.

The appraisal mission has interviewed women and men affected by the project and the implementation has been designed in a gender sensitive way.

The estimated cost of the project is EUR 52 728 000 and will be co-financed by International Financing Institutions (IFIs) identified in appendix 2 of this document and will have a Government of Liberia Counterpart financing for Re-compensation to the Affected Persons (RAP).

The separate, and main, EU RIP contribution to this project is justified because the project will achieve significantly improved corridor connectivity for enhanced regional integration.

The present, and much smaller, EU NIP contribution, which represents 11% of the total project costs, is justified by its Energy component. It is the continuation of the Energy Facility project "Rural Electrification of 18 rural communities in Liberia from Côte d'Ivoire 196 008", whose transmission line runs along the alignment of this road and it was found that maintaining the electricity transmission lines without a proper road represents a serious and yet unsolved challenge.

This action was approved by the EDF Strategic Steering Committee of 12/12/2017 and by the EDF Blending Board of 22/02/2018.

Very close policy dialogue in the transport sector is being ensured by the George Weah administration; the Road donors' meetings frequency has just been increased to two monthly and finally substantial policy dialogue takes place. An acting Road Fund Manager has been appointed on 12/04/2018.

1 CONTEXT

1.1 Sector/Country/Regional context/Thematic area

The strategic objectives set out in the current national development strategy, the Agenda for Transformation (AfT) 2013-2017² reflect the commitment of the government of Liberia in eradicating poverty and reducing inequality aligned to the objectives of the EU prescribed in the National Indicative Programme (NIP) 2014-2020.

The presidential and legislative elections of October 2017 have been a milestone in Liberia's post-war transition, as they represent the first transition since the end of the civil war and took place with a significantly reduced presence of the United Nations Mission In Liberia

²https://governancecommissionlr.org/doc_download/AfT%20document%20April%2015,%202013.pdf?a4705305cd27e04fb1f66830e7e0ef9d=NzE%3D

(UNMIL), whose mandate in December 2016 was extended for a final period until 30 March 2018.

Liberia remains one of the poorest countries in the world with one of the lowest levels of human development (ranking 177 out of 188 countries), weak state capacity, and a high level of dependence on international donors.

Liberia is one of the lowest ranked countries in the United Nations Development Programme (UNDP) Gender Inequality index in 2016. Women remain disadvantaged relative to men across a range of measures related to employment, health, education, and political participation. Gender based violence remains a persistent problem in the country.

Liberia has only some 500 km of asphalted roads, most of it recently upgraded with co-funding from the EU under the 10th EDF. Of the international connecting roads, only the road to Sierra Leone is asphalted on the Liberian side while the upgrading to asphalted standards of the Sierra Leonean side is ongoing. All other international links are gravel roads in a condition of desperate disrepair, which reduces international exchanges to a trickle.

The Sanniquellie- Loguatu road section of 47.1km, which links to Côte d'Ivoire is the only remaining non-asphalted section of the West African Highway linking Nouakchott-Dakar-Lagos and is part of the ECOWAS and Mano River Union (MRU) regional corridor. This corridor fits well within both the ECOWAS and (MRU's) regional development plans for the countries.

Due to the important nature of this corridor and the economic and sustainability of peace within the regions, leaders in ECOWAS and MRU countries as well as Development Partners/Donor Partners have seen the need to improving this corridor to an all-weather road to foster trade and economy diversifications.

The Detailed Design and Tender Documents have been prepared with EU funding for the upgrading of this corridor to a 2 lane Asphalt Concrete Pavement of 3.75m carriageway, 1.5m paved shoulder and 1.5m pedestrian walkway, road furniture, construction of new reinforced concrete bridges, culverts, side drain etc.

1.1.1. Public policy Assessment and EU policy framework

EU policy guiding this action is the New Consensus on Development³. The detailed instrument reference is the Africa Investment Platform (AIP)⁴.

The national development strategy, Liberia's Agenda for Transformation (AfT) 2013-2017 is a comprehensive medium-term strategy launched in 2013 to lead Liberia to middle income status by 2030. The AfT has two key objectives: (1) to create wealth and (2) to increase inclusiveness for a more equal and just society. In order to achieve these objectives, the five year plan sets key priorities under five pillars, which are consistent with identified current challenges for Liberia: (I) Peace, security and rule of law, (II) Infrastructure and economic

³ OJ C 210 of 30.6.2017.

⁴ Decision (C(2017)8481 creating the AIP as a Blending Facility, encompassing the investment portfolio of the Africa Investment Facility created by Commission Decision C(2015) 5210 under the European Development Fund.

transformation, (III) Human development, (IV) Governance and Public Institutions, and (V) Cross-cutting issues.

The Government of Liberia has shown a high level of commitment in implementing the national development plan, but remains hampered by the weak institutional capacity and policy framework to coordinate and follow-up on implementation.

The institutional capacity across government will only improve gradually, but some lessons have been learnt from the AfT mid-term review and a Monitoring and Evaluation Unit has been established in the Ministry of Finance and Development Planning (MFDP).

The Multi-Modal Transport Master Plan has been updated January 2018 and indicates this road section as, due to budget and debt ceiling constraints, one of the few scheduled for upgrading to paved road.

The Liberian Road Fund and Axle load laws, which were prepared with EU funding, have both been passed in 2016 but both are only in the initial stages of implementation, with numerous challenges. Being active in the sector with this very important project will allow the EU and implementing financing institutions to interact more credibly and forcefully with the relevant Government counterparts to ensure progressive implementation of these laws, which in turn will result in increased sustainability of this action. This will also result in close policy dialogue in the transport sector, especially on the improvement of the road maintenance fund.

1.1.2. Stakeholder analysis

The EU Delegation has had the lead and has been promoter of this project since 2014, has awarded and completed all preparatory studies under 10th EDF funding.

The main Banks active in the roads sector are the African development Bank (AfDB), the Kuwait and other Arab funds and the World Bank, each of which is concentrating on different sections of the main road network.

The main grant donors active in Liberia are the EU, Japan, Germany, UK and USA.

The AfDB is presently funding two other road sections in Liberia, not connected to the present project.

All major road contracts tendered according to Development Banks' rules have been awarded to Chinese contractors. One major road contract tendered using Government rules has been awarded to a Senegalese company. There is no local construction company able to compete for multi-million Euro road construction contracts.

100% of the asphalted road network and one section of gravel road are under multi-year routine maintenance contracts, all of which are co-funded by the EU under the 10th EDF. The maintenance contracts tendered according to EU rules were all awarded to Liberian companies.

The full support to this road has been formally communicated by the Liberian Ministries of Finance and of Public Works.

The Government of Côte d'Ivoire has requested the AfDB to finance 27km balance section in Côte d'Ivoire through the AfDB's regional window for 2018. It is expected that paving of the

two road sections will commence in the fourth quarter of 2018 since the studies and tender documents for the 27km section in Côte d'Ivoire are already available.

An acting Road Fund Manager has been appointed on 12/04/2018.

1.1.3. Priority areas for support/problem analysis

This transport project fits within the framework of the ECOWAS Development Community Programme for the development and economic integration within the region. This Corridor links the two MRU countries, Liberia and Côte d'Ivoire with the Liberian Section from Sanniquellie to Loguatu border with an approximate distance of 47.1 km and the Cote D'Ivoire section from Loguatu border to Danané border with an approximate distance of 27km. The studies on both Cote D'Ivoire and Liberia sections of the project are available.

Concerning Rio marking on climate change mitigation, a Greenhouse Gasses (GHG) report (uploaded in CRIS), which was prepared by the same EU-funded engineering firm which prepared the Design and Tender documents, has demonstrated that in the long term there will be a reduction of the greenhouse gasses emissions. Nevertheless, based on the general Organisation for Economic Co-operation and Development (OECD) Development Assistance Committee (DAC) viewpoint that on average road construction tends to lead to increased traffic and hence increased GHG emissions, it was concluded that under this Action Document the action shall be marked 0 on climate change mitigation.

Concerning Climate Change adaptation: gravel roads tend to get blocked for days during the very intense rainy season from May to November. Monrovia is the rainiest capital in the world; it is a known and accepted fact that gravel roads cannot be sustainably maintained if the annual rainfall is above 2 000 mm per annum and the rainfall in Liberia ranges from 4 600 mm p.a. on the coast to 2 800 inland; with climate change this is expected to become worse. What happens in practice, and was witnessed personally by delegation staff on site visit many times, is that one truck gets stuck in a deep pothole (potholes of over 2 m depth have been documented), a second truck gets stuck in the mud in the only alternative bypass and no car can pass for days. Very long queues of trucks form on both sides and in the past were blocked for up to one month. Only pedestrians and motorcycles are able to get across such type of blockages. As a result, fuel becomes scarce on the other end of the blockage and all other primary necessity goods spike in price since the only way to bring them across is by motorcycle. Exporting agricultural goods becomes impossible because they become uncompetitive at the end market due to the increased transport costs. On the newly asphalted roads such problems have not happened.

It is expected that upon completion of this road, social and economic activities will be promoted and cross-border trade will integrate the economies within the ECOWAS and MRU regions, thereby sustaining peace within the region. The private sector will also experience growth upon completion of this corridor, especially farmers who will be trading basic commodities such as coffee, cocoa, and rubber, thereby contributing to the growth of the economy as they will also be involved in cross-border trade with their counterparts which will be greatly improved by the construction and operation of the One Stop Border Post, one of whose main objectives is to reduce illegal payments to officers, which make the traded goods uncompetitive.

The electricity maintenance teams suffer the same problems of road closures during the rains described above and cannot reach problem areas which require maintenance. This then results in prolonged electricity outages. The existence of an asphalted road dramatically improves response times on electricity transmission lines.

2 RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
Delay in the availability of Funding: Delays in the providing the funding for the implementation of the project would continuously impact the economic activities and trade improvement of the corridor.	H	That Donor Partners speedily provide the funding to commence implementation of the construction works for the project.
Prioritisation of the finalisation of the feasibility and detailed design, ESMP/ESIA as well as bidding document for the section road: The proposed corridor for funding is among five other road sections for which studies have been completed under the same project by the EU.	L	Enviromental and Social Impact assessment (ESIA), Enviromental and Social Mitigation Plan (ESMP) and Resettlement Action Plan (RAP) reports had been submitted earlier and the final accepted versions were available in early April 2018.
Budget cost overrun: Common physical and price variations may occur and affect the Programme.	L	The Project has included adequate price and physical contingencies commensurate with expected price volatility in the two countries and the region.
Contractor fails to complete project: Contractor may fail to complete the works on time.	L	The Lead Bank will carry out International Competitive Bidding that will ensure robust screening of technical and financial capabilities of contractors. Monitoring during construction phase.
Delays in payment of compensation costs: Given the tight fiscal constraint on the budget the Borrowers may delay to pay compensation to PAPs that could affect project effectiveness.	L	Government contribution has been limited only to Compensation of PAPS. At appraisal, assurance will be sought from the Borrowers on inclusion of a provisional amount in their current budgets to ensure PAPs are compensated once identified.
Delays in availability of funding allocations for maintenance from the Road Fund.	M	The interaction between donors and Government on this issue is ongoing and will be consequently pursued; The EU is funding a separate ongoing contract under which the maintenance plan under the Road Fund is being prepared.
Non-enforcement of the Axle load	M	The interaction between donors and

law.		Government on this issue is ongoing and will be consequently pursued; The EU has assigned Regional funding for support to the implementation of the Axle Load Law.
Assumptions		
<p>IFIs' proposals shall retained among other eligible for AIP financing on the assumption that they will continue to perform professionally as with other ongoing road sections in the country or in the region..</p> <p>Potential eligible IFIs have extremely strict Environmental and Climate guidelines and have been very engaged in these issues. It is assumed their environmental engagement will continue.</p> <p>Climate change issues have always been a major concern for all participants, and have therefore received particular attention. It is assumed that this will continue during the further phases of the project.</p> <p>All involved actors have a sufficient level of knowledge and expertise on gender equality.</p>		

3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1 Lessons learnt

World Bank and African Development Bank are the two largest banks active in Liberia. EU has grant-funded with EUR 60 million the World Bank administered Liberia Reconstruction Trust Fund and learned that the World Bank executes projects professionally but gives practically zero visibility to the EU funding.

The experience of working with the World Bank as lead bank is documented in two Results-oriented Monitoring (ROM) reports and two evaluations: the 2017 Mid-term Evaluation of the Liberia Reconstruction Trust Fund (LRTF) (contract 378 863) and the Evaluation of EU visibility in LRTF (contract 353 370).

The second lesson learned when working with the World Bank is that they tend to push for the most expensive solution, which guarantees the best result and is best managed by their staff resident in Washington but is not necessarily the best solution for Liberia. In this case the technical solution was identified by consultants funded by the EU and does not contain the cost excesses of the LRTF contracts.

The main lesson learned is that the Banks have the necessary technical competence to deliver results but that the EU visibility needs to be significantly improved.

All IFIs have the equivalent technical competence and measures will be put in place to ensure better EU visibility.

3.2 Complementary, synergy and donor coordination

There is full interaction with the various grant donor and development financing institutions active in the roads sector in Liberia. There is no duplication. The project design shall develop an optimal synergies been most road project currently ongoing in the close area.

Donor coordination in this sector is led by the Ministry of Public Works through monthly meetings, which are attended by all grant donors, not by the Banks who feel that they have a privileged access directly to the Minister of Finance.

There is synergy with the adjacent Ganta-Sanniquellie road section which is being constructed by a Senegalese contractor using Government budget funds. The fact that a regional contractor is presently working in the immediate vicinity should lead to the synergic benefit of more competitive prices in the tendering process.

The road construction project is synergic with the needs of the parallel EU-funded electricity transmission line whose maintenance will benefit from dramatically improved accessibility.

Close coordination between these projects will be ensured with the Ministry of Public Works, the Ministry of Finance and other donors and development banks financing major road and other economic infrastructures who are developing complementary inland projects. This then should establish the required synergies between this intervention and the future coastal road to be constructed by the government of Liberia with the objective to ensure the effective access of farmers and other economic actors related to the trading of basic commodities (such as coffee, cocoa and rubber) to ports and ultimately to favourably impact export revenues."

This coordination is already ensured through the fact that the European Commission has financed the pre-feasibility studies of the coastal road. In this regard the programming of our interventions in this region has already taken in consideration this investment.

3.3 Cross-cutting issues

Participation development/good governance: The project activities will involve consultations with a broad spectrum of stakeholders especially at the border point, including but not limited to border security, development partners (DPs), local communities (urban & rural), agriculture communities and industries, markets traders, enterprises, border and customs agencies, transport and logistics operators, infrastructure owners (ports, rail), corridor-based organisations and Non-governmental Organisations (NGOs), and counterpart Regional Economic Communities (RECs). Consultation on the environmental impact of the surrounding coastal landscape and livelihood will be carried out.

The Liberian Ministry of Public Works, the Executing Agency, is committed to executing the project using adequate safeguards on public expenditure. It manages several donor interventions including the Bank and benefits from various Technical Assistance supports to strengthen its capacity.

Trade development: The corridor currently supports approximately 75% of the trade activities of the sub-region and is considered the spine for multi-modal trade logistics. However, deficiencies in the functionality of the infrastructure compounded with cumbersome border management and customs operations weakens its impact and contribution to the economic growth of the MRU region as a whole. The aspirations of the MRU are therefore to extensively transform the corridor to an extent that drastically and sustainably enhances its performance towards social and economic development.

The Project will be based on enhancing the value-chain of the trade activities on the corridor through increased road transport capacity, improve trade flow, create employment and reduce poverty levels of the populations on the corridor's axis.

Aid to environment: Feasibility and formulation studies of the project, AfDB's proposal has been ranked under Environmental Category 1 (Categorised by the Bank on 26 April 2017). Since one of the two markers "mitigation" or "adaptation" is marked 1, "Aid to Environment" is marked 1 in this Action Document. The Project will have an impact on the physical, biological and social resources through land take and impact on ecosystem services. The main negative impacts and potential risks relate to: (i) the destruction of the flora and the disturbance of the fauna in the Programme areas; (ii) water and soil pollution; (iii) destruction/desecration of cultural sites, including sacred forests along roadsides; (iv) complete or partial destruction of property (dwelling houses, commercial facilities, etc.), (v) the spread of HIV / AIDS; and (vi) increased traffic accidents. A specific accompanying measure – with specific budget allocation - will be contracted to accompany and monitor these issues during the implementation of the project.

These negative impacts will be greatly mitigated through the application of appropriate measures contained in the completed Environmental and Social Management Plans (ESMP) as well as in the Resettlement Action Plans (RAPs). Also, from the start of the project, the project will generate positive impacts through job creation and the development of income-generating activities due to project interventions. During the operational phase, the project will improve the quality of the road and reduce the pollution and nuisances (for example traffic trespassing on bordering agricultural land when a section becomes unpassable) associated with its current severe deterioration. Climate risks and issues in the project area mainly concern: (i) localised floods in the numerous low-lying areas of the road, each of which can cause the full blockage of the road; (ii) the increase in greenhouse gas emissions from the use of heavy machineries and equipment. Mitigation measures have been included in the ESMPs and will be discussed further with the two countries and taken into account in the formulation of the Project at appraisal.

The Environmental and Social Impact Assessment Report September 2017, which is part of the Detailed Design dossier, has highlighted the potential impacts of the Project Affected People and Project Affected Households within the project location. Quoting some relevant passages from the mentioned report: The "no action" scenario was not considered as a viable alternative. The project affected communities have given unanimous support to the project as proposed. The expected range of social and economic benefits for the affected communities was clearly identified and will compensate for the temporary negative impacts during construction." An Environmental and Social Management Plan will be implemented.

It is documented that properly engineered, asphalted roads with bridges and culverts, wherever required by the topographical and hydrological conditions are much more climate change resilient than gravel roads in high-rainfall tropical countries. The impact of heavy rainfall is reduced on asphalted roads. Therefore this asphalted road action is marked 1 under climate change adaptation.

The road design has been adequately climate proofed as a requirement of the co-funding Banks.

Gender equality (including Women in Development (WID)): In countries affected by the conflict, gender inequalities are by far more important than elsewhere on the continent. The benefits of women's empowerment during fragility are numerous: (i) at the national level, they participate in the political process to challenge the demarcation lines; (ii) at Community level, they play a crucial role in social cohesion and conflict resolution mechanisms; (iii) as economic actors they play a role in increasing productivity and improving livelihoods.

In-keeping with the Bank's Ten Year Strategy, gender mainstreaming and inclusiveness are among the development areas of focus. The Programme shall promote inclusive growth by providing temporary employment to the youth and women at levels equal or higher than the national/international best practice targets of 25%-30%. It will also provide opportunities for those engaged in agriculture, small and medium enterprises to expand their enterprises due to enhanced accessibility to markets and inputs. Two roadside markets shall be constructed to enhance local trading and an awareness seminar on gender empowerment (targeting women and youth) will be implemented during the construction phase.

Road Safety: The safety of the corridor to all road users will be studied through a detailed road safety audit procured independently and integrated in the trade and transport facilitation and detailed design components. The deliverables of the audit and any implementation measures will form part of the operational documentations and responsibilities of the Ministry of Works.

4 DESCRIPTION OF THE ACTION

4.1 Objectives/results

This programme is relevant for the United Nations 2030 Agenda for Sustainable Development. It contributes primarily to the progressive achievement of SDG 9 "Industry, Innovation and Infrastructure", but also promotes progress towards SDG 8 "Decent work and Economic Growth". This does not imply a commitment by the Republic of Liberia benefiting from this programme.

The overall objective of the programme is to contribute to the reduction of poverty by improving transport infrastructure and conditions on the remaining non-asphalted section of the road between Liberia and Cote d'Ivoire. It will boost the post-conflict economic recovery of the two countries in the Mano River Union (MRU) region by improving road infrastructure and promoting intra-community and regional trade.

The Programmes' **specific objectives** seek to improve transport conditions on the two road sections in order to reduce transport costs, facilitate the free movement of persons and goods between the two countries and improve the living conditions of Programme area communities.

The expected outcomes include: (a) reduced transport costs and travel time; (b) enhanced potential for agriculture development thereby contributing to poverty reduction among communities on the corridors; (c) improved road safety, and (d) increase regional trade and integration, (e) a positive climate change mitigation result in the longer term as documented in the Green House Gasses report, which is part of the file.

The Government of Liberia plans to construct a Dry Port in Sanniquellie to foster economic activities by allowing Guineans, Ivoirians and Liberians to export major commodities (cocoa, rubber, coffee, timber) to the international markets. This will contribute immensely to trade

and regional integration, thereby fostering peaceful co-existence among these three MRU countries. This project, when implemented, will contribute to reducing the poverty levels of the population that depend on this form of transport mode of the corridor for livelihood. The construction of this road will also benefit local farmers to have access to an all-weather road to sell their goods and products thereby improving the economy. Because the road will serve a major hub for trade, the Government through its Revenue generating authority will generate lawful revenues through taxes which will in turn contribute to improving the lives of her citizens by providing the basic social and economic needs of its citizens.

4.2 Main activities

The Sanniquellie –Loguatu road corridor which links the north-eastern part of Liberia with Cote D’Ivoire at Loguatu border has, over many years, served as the main trade hub for inter-trade facilitation within the MRU region thereby contributing to economic development of the two countries. However, due to the deplorable road condition which results in high maintenance cost and vehicle operating cost, the economic activities within both regions have been negatively affected.

Due to the important nature of this corridor and the economic and sustainability of peace within the regions, leaders within ECOWAS and MRU countries have seen the need to improving this corridor to an all-weather road.

It is envisaged that the existing gravel road will be constructed of inverse pavement low-module (Asphalt Concrete Wearing Course 50mm, for a total width of 10.5m. The design road width in rural and settlement section will be two lanes of 3.75m plus two paved shoulders of 1.50m, moreover, two berms of variable width are envisaged. In town crossings, the road width is 13.50m plus two pedestrian footways of 1.5m and two rectangular concrete ditches. The corridor will also consider the construction of new drainage structures and reinforced concrete bridges as well as side ditches. An Environmental and Social Management Plan under the project shall be considered among other components such as Technical and Road Safety Audit, Financial Management, Monitoring and Evaluation, HIV/AIDS, Gender sensitisation Awareness services and women empowerment.

A One Stop Border Post will be constructed as part of the project.

Accompanying measures will be put in place to ensure that the increased quality of the electricity supply and the new roads translate into an increase in the wellbeing and reduction of poverty of the women and men, girls and boys in the project area. The Terms of Reference (TORs) and full set of tender documents for a service contract to implement such accompanying measures have been prepared in the framework of the Gender Analysis and are available for launching the procurement process, as applicable. The measures include gender sensitive trainings on technical and business development matters, structures for village savings loans and awareness raising events on electricity matters.

The project includes construction supervision services and significant technical assistance and capacity building components, which are detailed in the Application document approved by the AIP on 22/02/2018.

4.3 Intervention logic

Asphalting the road and constructing a one stop border post will significantly improve corridor connectivity for enhanced regional integration. Improved access to the area will

allow better maintenance of the electricity transmission line which runs along the road. Accompanying measures, which are part of the project, will ensure that the improved access and connectivity translate into increased economic activity and wellbeing of the directly and indirectly affected women, men, boys and girls and thereby contribute to the reduction of poverty, which is the overall objective.

It is not possible, at this stage of the formulation, to identify the indicators, their baselines, targets and sources of verification. A preliminary logical framework (LF) is annexed to the present AD. A more exhaustive LF containing all information and detailed activities, and a detailed budget, will be presented during the next phases of the project's preparation or at the start of the project.

5 IMPLEMENTATION

5.1 Financing agreement

In order to implement this action, it is foreseen to conclude a financing agreement with the partner country, referred to in Article 17 of Annex IV to the ACP-EU Partnership Agreement.

5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4.2 will be carried out and the corresponding contracts and agreements implemented, is 48 months from the date of adoption by the Commission of this Action Document.

Extensions of the implementation period may be agreed by the Commission's authorising officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute non-substantial amendment in the sense of Article 9(4) of Regulation (EU) 2015/322.

5.3 Implementation modalities of the Budget Support Component

N.A.

5.4 Implementation modalities

Both in indirect and direct management, the Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures affecting the respective countries of operation⁵.

5.4.1 Contribution to Africa Investment Platform (AIP)

Both in indirect and direct management, the Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures affecting the respective countries of operation.

⁵ https://eeas.europa.eu/sites/eeas/files/restrictive_measures-2017-04-26-clean.pdf

This contribution may be implemented under indirect management with the entities, called Lead Financial Institutions, identified in Appendix 2 of this Action Document, in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012 applicable in accordance with Article 17 of Regulation (EU) 2015/323.

The entrusted budget-implementation tasks consist in the implementation of procurement, grants, financial instruments and payments. The entrusted Member State agency or international organisation shall also monitor and evaluate the project and report on it.

The Lead Financial Institutions are not definitively known at the moment of adoption of this Action Document but are indicatively listed in Appendix 2. A complementary financing decision will be adopted under Article 84(3) of Regulation (EU, Euratom) No 966/2012 to determine the Lead Financial Institutions definitively.

5.5 Scope of geographical eligibility for procurement and grants

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 22(1)(b) of Annex IV to the ACP-EU Partnership Agreement on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

5.6 Indicative budget

ACTIVITIES	EU contribution* NIP- (amount in EUR)
5.4.1 Contribution to Africa Investment Platform (AIP)	6 000 000
5.9 Evaluation 5.10 Audit	To be covered by another measure constituting a financing decision
5.11 Communication and visibility	Covered by the contribution to the African Investment Platform (5.4.1)
Total under this Action Document	EUR 6 000 000

*This financing to the NIP will be complemented by a RIP Contribution to Africa Investment Platform (AIP) of EUR 14 200 000, which is part of a separate Action Document. The contribution to the Africa Investment Platform includes the fees to be paid to the Lead Finance Institutions, as defined in the contractual arrangements of each specific project.

5.7 Organisational set-up and responsibilities

The Ministry of Public Works will be the Executing Agency. The management of the execution of the project will be carried out by a structured Project Implementation Unit (PIU) within the Ministry of Public Works under the Supervision of the Minister of Public Works through the Infrastructure Implementation Unit of the Ministry.

The Ministry of Public Works, through the Infrastructure Implementation Unit, will manage and coordinate the day-to-day activities of the project through a PIU. The PIU will report to the head of the Ministry. The PIU will withhold a functional relationship with the sector ministries and agencies that will be involved with the sector during the project duration. The PIU will have a team that will be led by a Project Coordinator (PC) appointed by the Minister of Public Works, and working with other departments and bureaus within and outside the Ministry. The PC role will be on a full time supported on a part-time basis by representatives nominated by the respective sector agencies and with support from project team members that will be appointed as well.

During project implementation, the project will follow the procedures from the selected Lead Financial Institutions.

5.8 Performance monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports.

Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the relevant minimum set of indicators defined in the EU blending results framework.

The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

5.9 Evaluation

Having regard to the nature of the action, a final evaluation will be carried out for this action or its components via the lead financial institutions participating in this action. In this case, The Executing Agency (Ministry of Public Works (MPW)) will be responsible for Monitoring, reporting and Evaluation.

The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

Civil works will be monitored by the MPW through the Civil Works Supervision Consultancy Firm. The selected Lead Financial Institution will also be carrying out Supervision Missions twice a year to monitor implementation progress. Monthly and Quarterly Progress Reports will be prepared by the Civil Work Supervision Consultant. MPW will consolidate Reports on all components and will submit to the selected Lead Financial Institution Quarterly Progress Reports. The Project includes a sub-component on Monitoring and Evaluation (M&E) which will involve recruitment of a Firm to carry out refining of the M&E indicators, carrying out a Baseline Survey to establish the baseline values of the indicators, carrying out follow-on surveys during construction and terminal survey on completion of construction works for measuring the emerging outcomes of the Project. The surveillance of ESMP implementation will be conducted by the Ministry of Public Works Project Implementation Unit. An environmental and social expert from this unit shall be tasked with monitoring. The national environmental protection agencies will ensure monitoring in accordance with their assigned duties. The selected Financial Institution will ensure that such monitoring is effective in terms of the submission of periodic reports and the implementation of recommendations. The monitoring and evaluation framework should be discussed then and communication mechanisms agreed between parties.

The financing of the evaluation shall be covered by another measure constituting a financing decision.

5.10 Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

The financing of the audit shall be covered by another measure constituting a financing decision. Audits will be organised according to the needs of the project.

5.11 Communication and visibility

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation and supported with the budget indicated in section 5.6 above.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

The selected Lead Financial Institution -administered Project will prepare a thorough communication and visibility plan. The contracting authority (MPW) shall be informed and consulted appropriately on all communication and visibility activities in order to ensure proper planning and participation of visibility activities at EU level, partners and implementing organisations. A separate visibility contract with adequate budget will be awarded.

6 PRE-CONDITIONS

N/A

APPENDIX 1 - INDICATIVE LIST OF RESULT INDICATORS

The inputs, the expected direct and induced outputs and all the indicators, targets and baselines included in the list of result indicators are indicative and may be updated during the implementation of the action without an amendment to the financing decision. The table with the indicative list of result indicators will evolve during the lifetime of the action: new columns will be added for intermediary targets (milestones), when it is relevant and for reporting purpose on the achievement of results as measured by indicators. Note also that indicators should be disaggregated by sex whenever relevant.

	Results chain	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification
Overall objective: Impact	A gender-sensitive contribution to the eradication of poverty and to growth & development through the improved availability of sustainable Electricity in the project area as a result of improved accessibility.	Number of beneficiaries below poverty line Number of beneficiaries Number of direct beneficiaries within 2 km of an all-weather road	54% (2016) 1 800 000 (2016) 0 (2016)	48% (2021) 2 026 620 (2021) 38 000 (2021)	Evaluation reports
Specific objective(s): Outcome(s)	A) Electricity is available to reasonable continuity standards and used in the selected main settlements for productive, commercial and residential purposes; B) The project area is accessible year-round as a pre-condition for proper maintenance of the transmission line maintenance; C) Trade and economic activities both at the long distance cross-border and at the local level are increased due to the improved accessibility	Outages of electricity supply Days of road closure Economic activities Trade: see induced output indicator below	t.b.d. t.b.d. t.b.d. see below	t.b.d. 0 (2021) t.b.d. see below	Jungle Energy Power reports to Liberia Electricity Regulatory Authority (LERC); Road Fund reports Evaluation reports
Induced outputs	The international link between Liberia and Côte d'Ivoire is attractive for traders and its year-round usability is ensured also for the women, men, girls and boys resident in the area. New gender sensitive employment opportunities have become available during and after construction.	Travel time on project road Trade between Liberia and Côte d'Ivoire Direct employment – construction phase Direct employment – maintenance phase	90' (2018) 429 million t (2016) 0 (2017) 0 (2017)	45' (2021) 575 million t (2021) 400 (2019-2020) 100 (2021 onwards)	Road Fund reports Ministry of Commerce reports Final reports of supervisor and of gender accompanying measures

Direct outputs	<p>Road link between Liberia and Côte d'Ivoire is asphalted and maintained;</p> <p>One Stop Border Post;</p> <p>The maintenance of the parallel electricity line is made possible.</p>	<p>47.1 km improved from gravel to asphalt;</p> <p>Maintenance of the parallel electricity line is improved.</p>	<p>47. 1 km existing gravel road in very bad condition (2018);</p> <p>Two border posts (2018)</p> <p>Electricity transmission line severely hampered due to difficulties of access.</p>	<p>47.1 km long new asphalted road and one stop border post;</p> <p>OSBP operational (2021)</p> <p>Maintenance of the parallel electricity line is up to standard.</p>	<p>Construction progress reports and works acceptance certificates;</p> <p>Inauguration and site visits;</p> <p>Electricity distributor assignee's reports to LERC</p>
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APPENDIX 2 INDICATIVE PROJECT PIPELINE

PROJECT TITLE	SECTOR	BENEFICIARY	LEAD FINANCIAL INSTITUTION	ESTIM. TOTAL COST (EUR)	ESTIMATED NIP FINANCING (EUR)	MATURITY
<p>Sanniquellie –Loguatu Road (long text: "Contribution to the Africa Investment Platform (AIP) for the Mano River Union Road Development and Transport Facilitation Programme - Phase 2 (Paving of Sanniquellie – Loguatu Road Section (47.1km) in Liberia) and construction of a One Stop Border Post at Loguatu/Gbeunta Border in Ivory Coast/Liberia").</p>	Infrastructure	Government of Liberia	AfDB	52 728 000	6 000 000	High