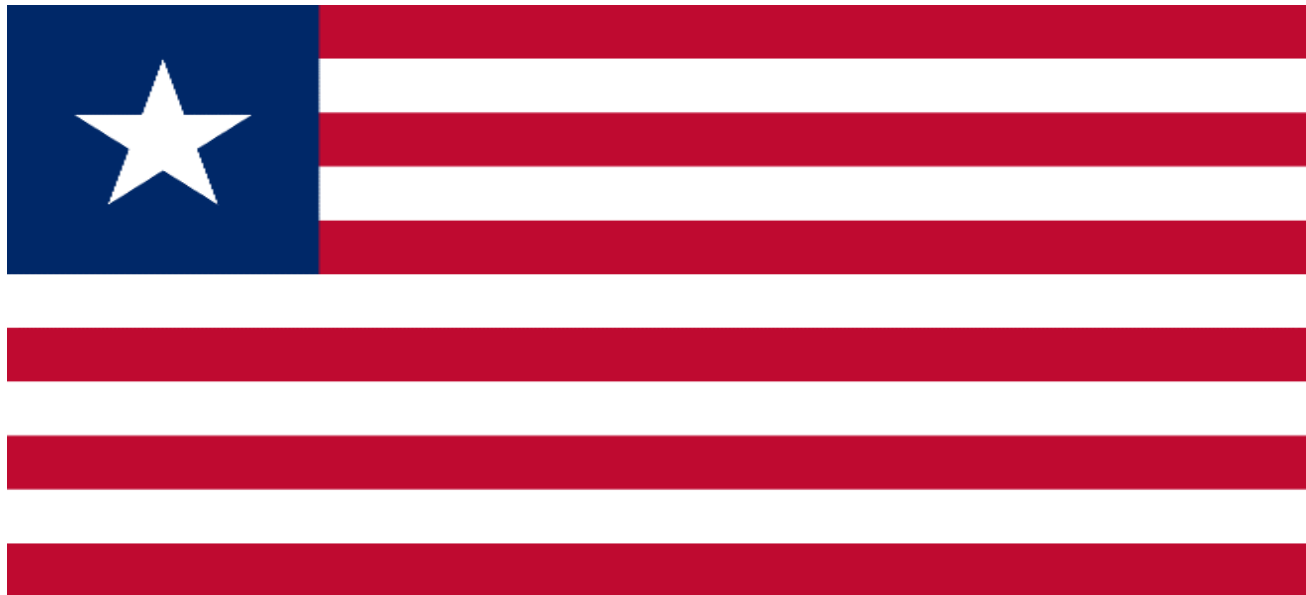


# National Consultation on the Pro-Poor Agenda for Prosperity and Development (PAPD)

**Engaging Liberians for a Transformative Future**



# Outline of Discussion

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- **Why politics cannot be business as usual: Case for Change**

- Weak macroeconomic performance
- Poor infrastructure
- Unacceptable education and health systems
- The Wasteland of Liberian Agriculture
- Extremely Weak Private sector

- **How does the Pro-Poor Agenda Aim to Change this Story?**

- More Effective and Efficient National Budget Execution
- Massive Investment in Road Infrastructure
- Investments to improve Teacher and Student Outcomes
- Supporting Private Sector as Engine of Economic Transformation
- Empowering Young People and Ending Gender and Social Vulnerabilities
- Developing a More Effective Framework for Delivering Assistance

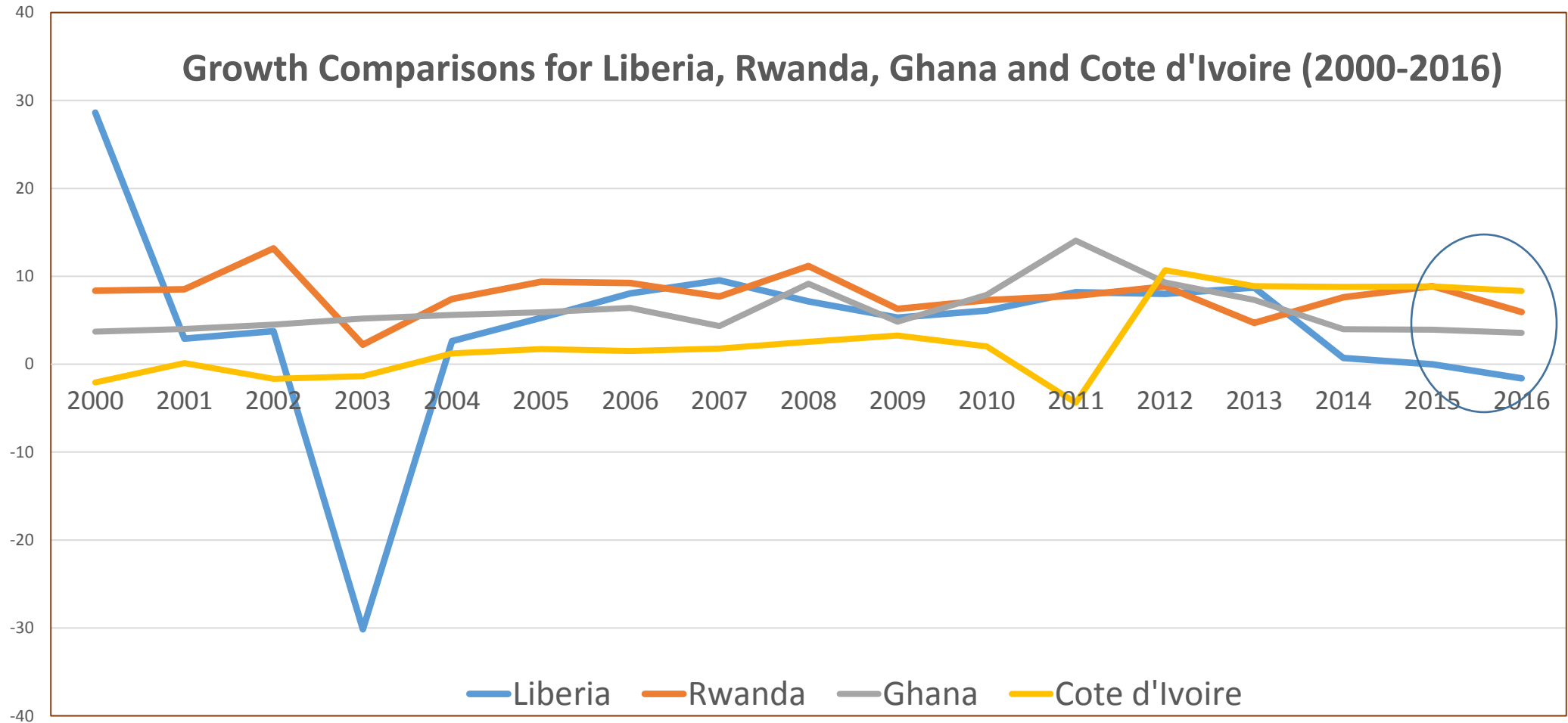
- **How can Liberians inform the content of the new Pro-Poor Vision?**

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# The Case for Change

– key challenges facing Liberia

# Macroeconomic performance since 2000



# Poor Roads and Power Infrastructure



## ROADS

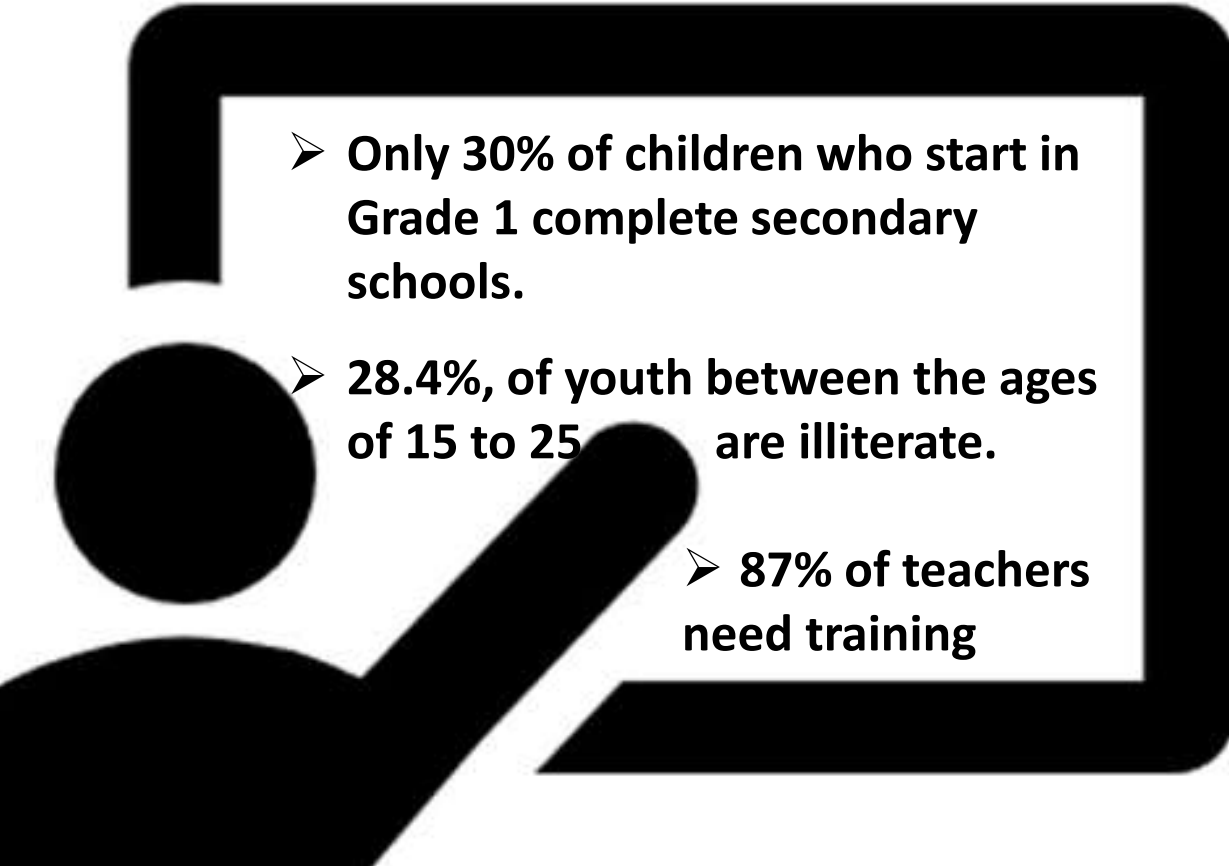
- Only 10% of 11,400 km of roads paved
- 60% of unpaved roads in terrible condition.
- 2,884 bridges and 7,651 culverts- 50% of bridges and 25% of culverts in poor condition.



## ENERGY

- Less than 3% of the population connected to grid power – meaning less than 10% in Monrovia and less than 0.5% in the rest of the country.
- One of the highest costs of electricity in the world

# The Challenging State of the Nation's Education

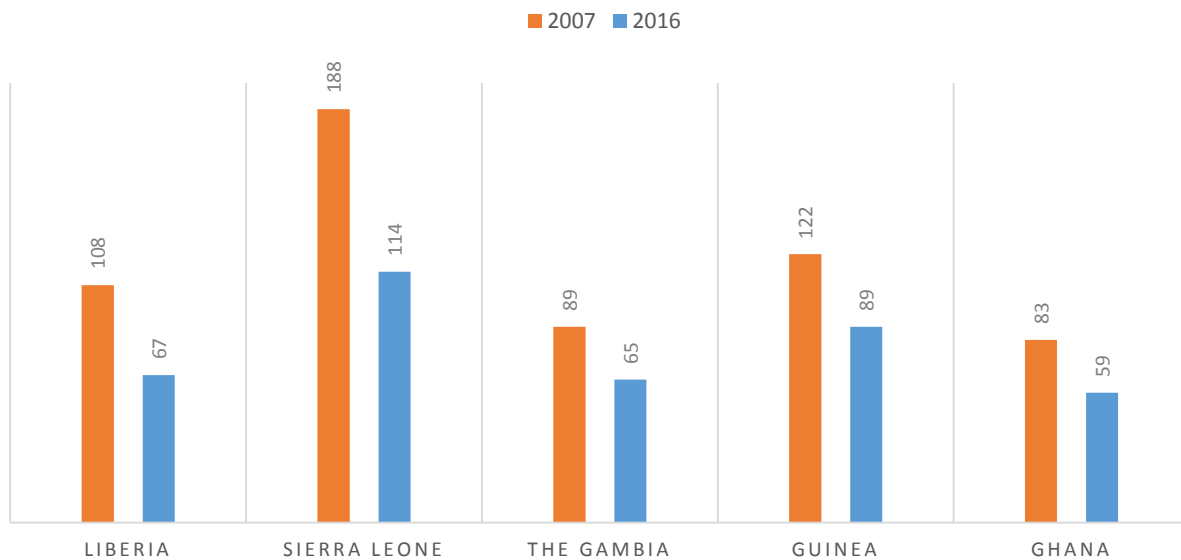
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- Only 30% of children who start in Grade 1 complete secondary schools.
  - 28.4% of youth between the ages of 15 to 25 are illiterate.
  - 87% of teachers need training

	Children out of School (% of female primary school age)	Trained Teachers in Primary Education (% of total teachers)
<b>Liberia</b>	<b>63.70%</b>	<b>46.90%</b>
Rwanda	3.90%	93.90%
Ghana	8.60%	54.90%
Cote d'Ivoire	25.20%	100%

World Development Indicators (WDI) 2015 Education Access and Quality Indicators

# Concerning Health Outcomes

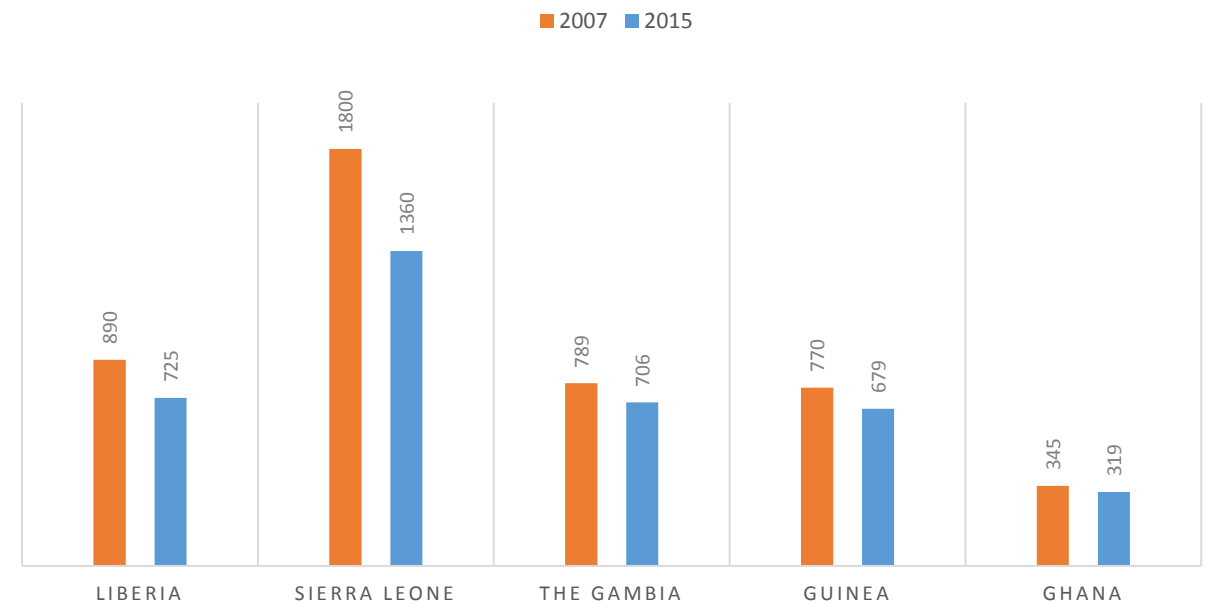
## SIGNIFICANT IMPROVEMENTS IN UNDER-FIVE MORTALITY RATE, BUT REMAINS A CHALLENGE



Under-five mortality rate per 1,000 live births

Source: UN

## MATERNAL MORTALITY SECOND HIGHEST IN THE REGION, 7<sup>TH</sup> LARGEST IN THE WORLD

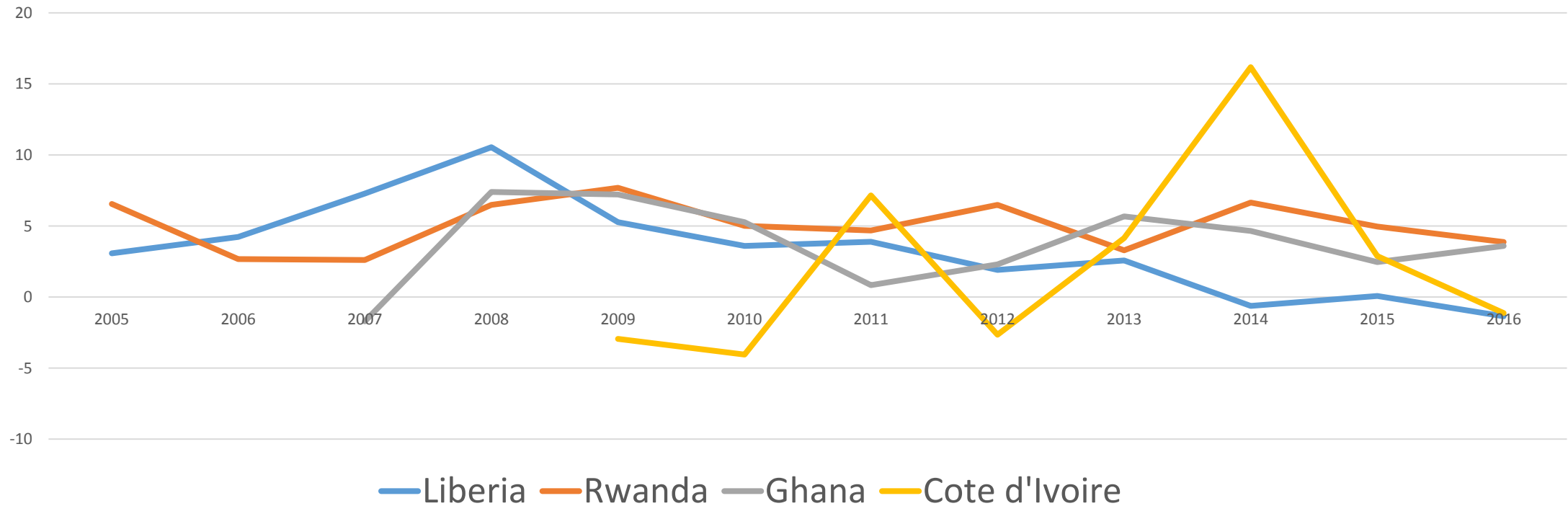


Maternal mortality ratio per 100,000 births (modelled estimate)

Source: UN

# Low Value Addition in Agriculture Landscape

Agriculture Value Added Annual % Growth for Liberia, Rwanda, Ghana and Cote d'Ivoire : Source WDI

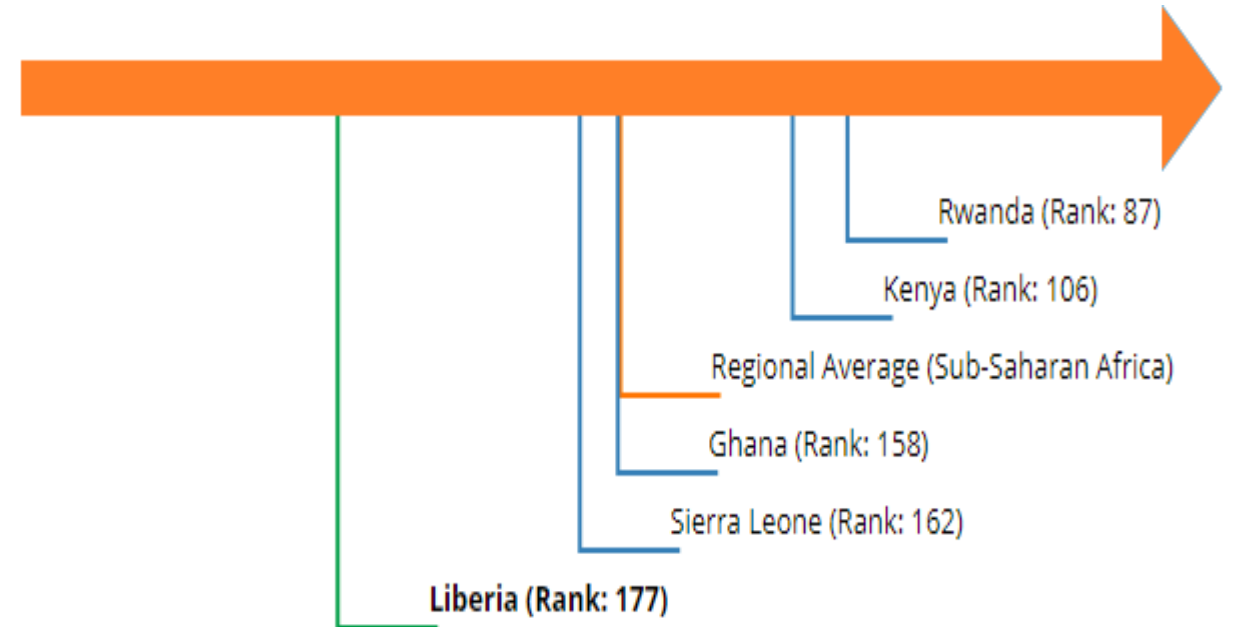




# Investing and Doing Business in Liberia

Economy	Ease of Doing Business Ranking
<b>Liberia</b>	<b>172</b>
Rwanda	41
Ghana	120
Côte d'Ivoire	139

## Ease of Trading across borders ranking



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# How does the Pro-Poor Agenda Aim to Change this Story?

# Ensure the National Budget is Pro-Poor

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- Directing an increasing share of public spending to productive use
- The President has demonstrated this through the recast of the 2017-2018
  - Reduced budget deficit by 31 percent
  - Generated US\$ 9.6 million in savings that are paying for 13 pro-poor budget
  - This tightening will also define the 2018-2019 budget
- Increase public sector investment envelop by almost 100% over the previous budget in order to increase investment in road, education, agriculture and youth development

# Strengthening Revenue Performance

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- To support the pro-poor vision and ensure Liberia remains on a debt-sustainable path an additional min. US\$300 million must be raised
- This increase in revenue will come from:
  - A new domestic resource mobilization strategy to reduce tax exemptions, move toward value added taxes as opposed to GST, and increase reliance on technology to minimize corruption in tax administration,
  - Increasing investment and value addition
  - Oil Palm has strong potential and recovery in rubber and iron ore prices should provide some succor

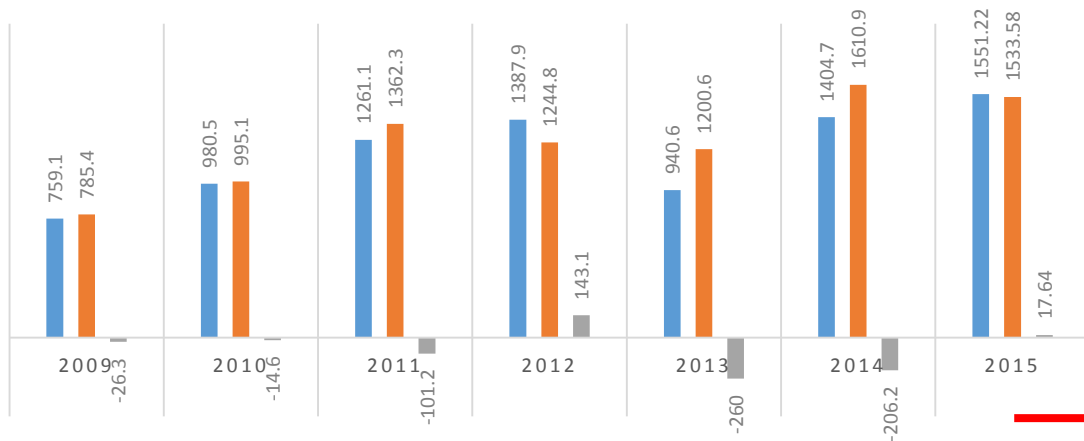
# Maintaining Macroeconomic Stability and Resilience

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- A stable and resilient economy will provide the enabling environment for sustained investment.
- This consists of:
  - **A stable competitive currency:** a Liberian dollar that reflects the value and productivity of the Liberian economy.
  - **A sustainable debt:** borrowing that leverages growth.
  - **A diversified economy:** an economy with multiple and independent sources of growth, able to bounce back from external shocks.

# The Importance of Remittances

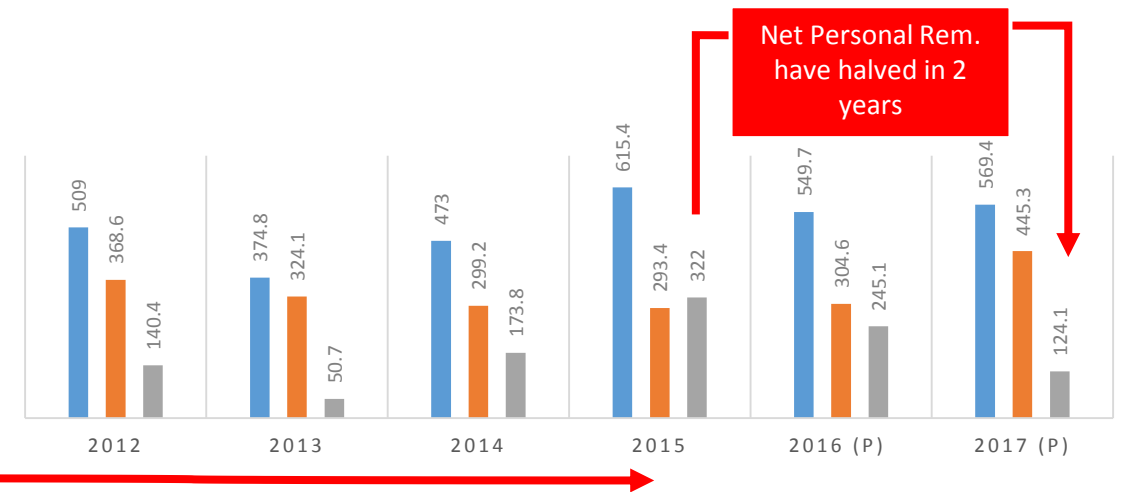
## TOTAL REMITTANCES OUTFLOW COULD SURPASS INFLOW



Remittances flow, USD Million, 2009 - 2015  
Source: CBL

■ Inflow ■ Outflow ■ Net

## AN RENEWED INVESTMENT IN PERSONAL REMITTANCES COULD MAKE A DIFFERENCE



Personal remittances, USD Million, 2012 - 2017  
Source: CBL

■ Inward ■ Outward ■ Net

Net Personal Rem. have halved in 2 years

# Power to the People

## Critical Investments of the Pro-Poor Agenda:

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Education

Radically improve education outcomes in both access and teacher quality

Health

Transform health by deepening human capacity in the sector

Gender

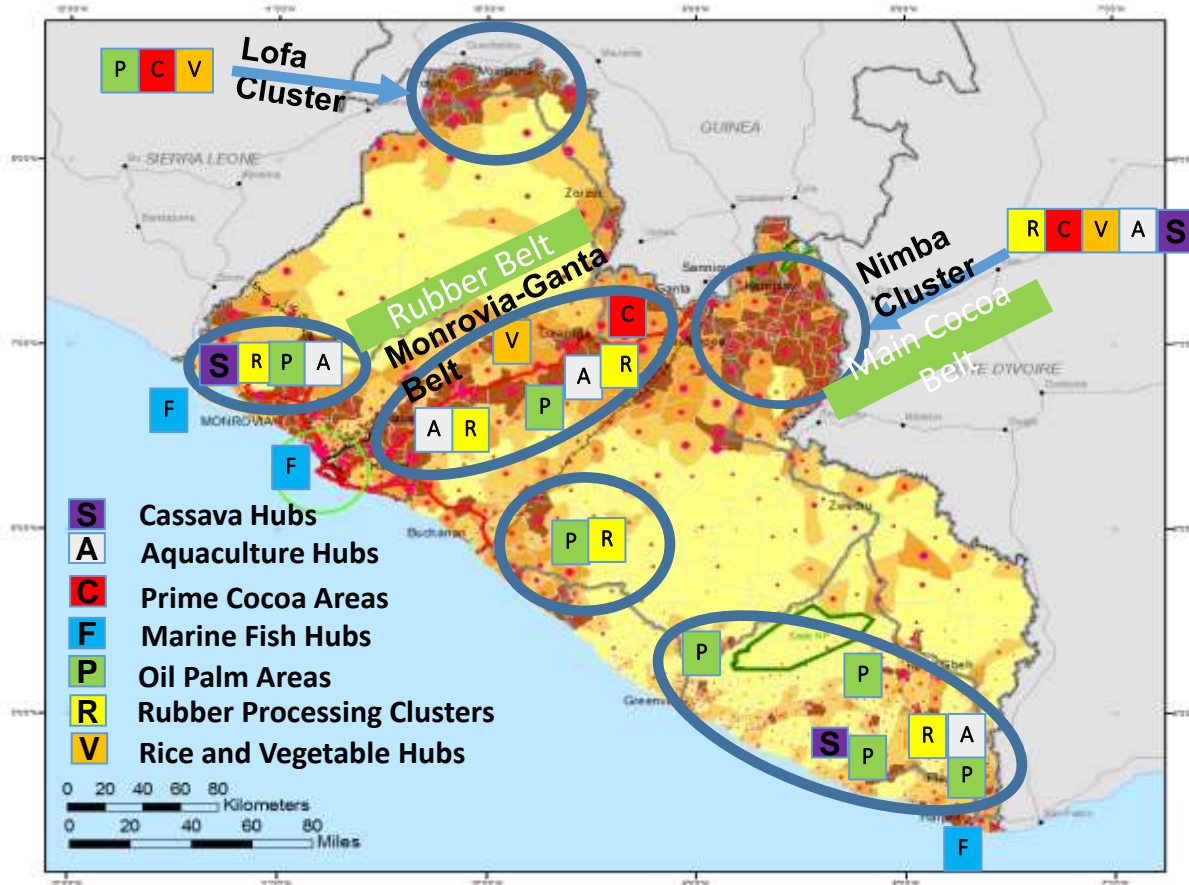
Address Gender disparities and social vulnerability

Youth  
empowerment

Empower Young People with the skills and knowledge of the future

# Economy and Jobs

## Critical Investments of the Pro-Poor Agenda:



- Develop the Country's main network of roads, connecting all county capitals.
- These will not be roads to nowhere but will be roads that support key agriculture Growth Clusters in Rice, Cassava and Vegetable, cocoa and oil palm cultivation.
- President George Weah Coastal Highway Road Project aims to achieve this outcome



# The \$536 million Road Project

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- The Government of Liberia has entered an MOU with Eton Finance Private Limited for funding the Buchanan – Cestos City – Greenville Barclayville Road Project, the Barclayville – Sasstown Road Project, the Barclayville – Pleebo Road Project, the Medina - Robertsport Road Project, the Tubmanburg – Bopolu Road Project and other associated projects.
- About 503 km of roads will be constructed in addition to five football stadiums. This gives per km cost of US\$1.066 million per km of road, which is around the same cost as Ganta-Red light, which was US\$1 million per km road, but is better considering that Ganta-Red Light was already paved

# Coastal Highway Project (2)

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- The Loan is highly concessional: Seven year Grace period, no accrued interest and no interest payment during the grace period. Using the IMF Grant Element Calculator shows a grant element of 35 percent, which means about 35 percent of the loan can be considered a grant.
- But grant element is higher than 35 percent because the IMF calculator assumes interest payments during the 7-year grace period. No interests are paid during the grace period under the terms of 536.
- Contrary to what has been reported in the media, this loan does not compromise Liberia's debt sustainability. As a matter of fact, Liberia does not presently have an IMF program and is planning on entering a new program.

# Sustainable Investments in Power

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- Optimizing Capacity at Mount Coffee through Via River Reservoir Project
  - From 88 MW to about 500 MW
  - Small and mini hydro for rural areas to support economic growth clusters in Agric sector
- Sustained support for energy sector organization
  - Appoint new members of the Energy Regulatory Commission
  - Commission should work to open the space for private investment in the energy sector and for resolving sector challenges.
- Private sector will be critical for realization of the aims of national energy masterplan

# Economic Diversification will be key to delivering pro-poor transformation

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- We aim to add value to Liberia's primary products
  - Value addition in rubber sector
  - Value addition in forestry and rubber wood sector can create thousands of jobs
  - Value addition in oil palm holds transformative potential
- Defining local rice and cassava production and value addition from these crops as a major driver transformation and job creation
- Stronger support for manufacturing and the creation of special economic zones

# Reversing Declines in Business Climate

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- The New Agenda will aim to set up a special task force dedicated to transforming the business climate.
- Strong opportunities to be provided to Liberian businesses consistent with the President's mandate for supporting Liberian business. How do Liberians abroad aim to take advantage of these opportunities?
- What is constraining the inflow of investment from Liberians abroad?

# The New Partnership for Delivery and Results

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- Stronger alignment of donor programs with pro-poor agenda
- Multi-partner Trust Fund as a strategy to more coordinated expenditure of external resources for transformative results
- Stronger commitment from Government to deliver results
  - Commitment on transparency and accountability in public financial management
  - Commitment on our financial obligations

# How you can help: Consultation

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- What do Liberians abroad think about the new pro-poor approach and how do they aim to shape it?
- What do Liberians abroad think of the future direction of the country?
- How can Liberians with expertise should support the country's development?

*Inputs derived will be included in the plan to be launched before the  
June 30 2018*