

LIBERIA: Cheesemanburg Landfill and Urban Sanitation Project (P159961)
Implementation Support Mission
October 15-19, 2018
Aide-Memoire

I. INTRODUCTION

A Project Supervision Mission for the Cheesemanburg Landfill and Urban Sanitation Project (CLUS) was carried out between October 15-19, 2018 in Monrovia, Liberia. The objective of the mission was to review and assess the overall progress made towards achieving the project development objective and to identify bottlenecks for resolution.

The mission was led by Mr. Farouk Mollah Banna (Senior Urban Sanitation Specialist, and TTL). Mission team members included Mr. Charles John Aryee Ashong (Senior Procurement Specialist); Mr. Sekou Abou Kamara (Environmental Specialist); Mrs. Gloria Malia Mahama (Social Development Specialist); Mr. Thierry Michel Rene Martin (Consultant, World Bank); Ms. Tania Abraham (Consultant, World Bank); Mr. Harold Esseku (Consultant, World Bank); Ms. Maria Mboono Nghidinwa (Consultant, World Bank) and Zoe-quoi Diggs-Duncan (Program Assistant).

The mission also attended the Liberia Reconstruction Trust Fund (LRTF) Oversight Committee (OC) meeting on October 15 to discuss the possible extension of the closing date for the LRTF and to provide an update on the progress of the CLUS to the OC meeting.

The mission would like to thank the various authorities met who contributed to the success of the mission, in particular: Mrs. Pamela Belcher-Taylor (Mayor of Paynesville) and Mr. Jefferson T. Koijee (Mayor of Monrovia City Corporation). The team is also grateful to Mr. Tolbert Kerkulah (Project Coordinator, PIU) and the entire PIU team for their assistance during the mission. The full list of the people met is provided in Annex 1.

This Aide Memoire (AM) captures the key issues discussed and agreed upon with the various stakeholders and government agencies from Government of Liberia (GoL). The Aide Memoire was discussed at the wrap-up meeting on October 19, 2018, and the final version of the Aide-Memoire was discussed and endorsed by the Bank management.

II. PROJECT DATA AND RATINGS

Table 1: Key Project Data and Ratings

Project Data	Amounts in USD
Original Grant Amount	10,500,000.00
Total Disbursement	2,086,164.77
Disbursement in FY	941,364.86
Closing Date	June 2020 (to be extended)

Project Ratings	Previous	Current
PDO	Moderately Satisfactory	Moderately Satisfactory

IP	Moderately Satisfactory	Moderately Satisfactory
Component 1: Construction of the Cheesemanburg Regional Landfill and Partial Closure of the Whein Town Landfill	Moderately Satisfactory	Moderately Satisfactory
Component 2: Waste Collection and Disposal	Moderately Satisfactory	Moderately Unsatisfactory
Component 3: Institutional Capacity Development and Project Management	Satisfactory	Satisfactory
Project Management	Moderately Satisfactory	Moderately Satisfactory
Procurement	Moderately Satisfactory	Moderately Satisfactory

III. IMPLEMENTATION PROGRESS AND KEY FINDINGS

3.1 Overall Implementation Progress

Component 1: *Construction of the Cheesemanburg Regional Landfill and Partial Closure of the Whein Town Landfill*

This component finances the construction of a new landfill at Cheesemanburg, and the capping and closure of the Whein Town landfill upon completion of the Cheesemanburg landfill construction. Technical Studies for the new landfill are currently underway. A firm has been selected and is undertaking the hydrogeological studies. The studies are expected to be undertaken in both the rainy and dry seasons. The Inception Report has been submitted and the Preliminary Report is expected by December 2018. The results of this study will provide the basis for the preliminary design of the landfill. The PIU is expected to commence the procurement process for a firm for the design and construction of the landfill under a design-build contract. This firm will use the output from the hydrogeological survey to design the landfill.

The PIU will launch the process to engage a consultant for the design of the closure of the Whein Town Landfill and the construction of the perimeter fencing. A minor landslide was noted at the landfill as a result of the heavy rains but did not result in any fatalities. It blocked the access road on the back of the landfill. It was agreed that this situation shall be addressed as soon as the weather becomes favorable. At the same time it was agreed to speed up the design of the capping and fencing of the landfill and to undertake a stability analysis to properly address the slopes which appear to be steep and unstable as part of the partial capping of the landfill. Due to limitations in the envelope for this activity, the construction of a concrete wall as initially planned appears not be feasible. The consultant should therefore provide estimates for different options for the perimeter wall that can provide a similar protection of the landfill site as a concrete wall. The consultant's work should also include a stability analysis of the landfill and the definition of technical measures to ensure long-term stability of side slopes as well as prevent fires.

For the existing Transfer Stations, minor upgrading works to ensure improved efficiency will be carried out. The upgrading works will include (but not limited to), repairing existing walls and gates, repairing weigh bridges, installing rip-rap on exposed surfaces, repairing metal sheets, and general maintenance of office buildings. The PIU was asked to get an Environmental and Social Management Plan (ESMP) prepared to cover these minor upgrades prior to commencement of works.

Other key activities under this component include the construction of 13 water supply boreholes for the Cheesemanburg communities and the engagement of another consultant to conduct a survey and design an access road close to the Cheesemanburg landfill which will connect the Cheesemanburg communities to the main road. The boreholes and access road were requested by the community during the consultation process that led to the selection of the Cheesemanburg site for the landfill. Both activities are ongoing and the boreholes are expected to be drilled in the next dry season.

Overall Rating: Moderately Satisfactory.

Component 2: Waste Collection and Disposal

This component is aimed at supporting Monrovia City Corporation (MCC) and Paynesville City Corporation (PCC) to provide solid waste collection and disposal in and around the City of Monrovia. The 2 million dollars from the LRTF Grant is supporting the purchase of equipment whereas the Government's counterpart funding (USD 350,000 per quarter as per the Grant Agreement) should cover the O&M costs of waste collection and disposal (fuel, labor and maintenance costs). The total counterpart funding expected from the GoL is USD 7 million.

The acquisition of waste collection equipment financed through the LRTF grant is on track. The first lot of equipment intended for MCC and PCC to reduce rental costs has been procured and delivered. This first lot comprises 3 pickup trucks. The second lot is currently being procured. A GPS tracking system has been procured to enhance monitoring and tracking of vehicle to reduce the misuse of the equipment, as well as to optimize waste collection routes in Monrovia and its environs. This system is currently being tested to be operationalized.

Overall, there have been some noticeable improvements in the collection of solid waste in the city because of the \$375,000 of counterpart funding mobilized by the government since the last mission. However, the \$375,000 has been fully used to clear outstanding debts and to collect waste in the months of July September and October. The revenue generated by the solid waste sector and credited to the solid waste account has increased from USD 500 – USD 600 monthly to about USD 5,000 monthly. Despite these efforts, serious financial challenges remain if the payment of the counterpart funding is not regular.

The mission was an opportunity to review the primary collection system in the city of Monrovia and to discuss with the primary collection service providers, namely community-based enterprises (CBEs) and small and medium enterprises (SME). The CBEs reported that their work is being challenged when the waste accumulated at the transfer stations is not removed frequently by MCC. This situation is occurring when the counterpart funding is not paid and MCC lacks fuel to empty

the transfer stations. It was also reported that out of 31 CBEs initially created and supported during the EMUS project, only 14 of them are still operating.

The other technical challenge reported by CBEs is the challenges in accessing slum areas and areas with steep slopes that motorized equipment cannot access. In some cases, the use of a wheelbarrow is not even possible. CBEs also reported that they were facing serious financial challenges due to their inability to collect fees from citizens. The percentage of households participating in pre-collection services is around 50%. However, households can also dump directly at the skip locations and avoid subscribing with CBEs, further impeding the financial viability of CBEs. As a result, CBEs are proposing to reduce the fee towards MCC for the financial sustainability of primary collection services. At the same time, the fact that MCC is facing challenges in resources for secondary collection shall be considered. The mission agreed with MCC that the solid waste management strategy to be developed shall assess the financial model and provide some input.

Two major small and medium-sized enterprises (SMEs) were contracted under the recently completed EMUS project. These SMEs were paid directly by the project. MCC is currently responsible for the collection with the provision of new equipment under the project. There are, however, major concerns due to lack of funds for O&M. The arrangements for the overall management of solid waste will be reviewed under the project with the involvement of all stakeholders to define and implement a sustainable mechanism with solid waste management including sustainable revenue streams.

The implementation of this component is a challenge due to the financial challenges facing the GoL. In the Grand agreement it was agreed that the government shall pay USD 350,000 per quarter (USD 140,000 per year) as counterpart funding for operation and maintenance. An amount of USD 750,000 was budgeted for the 2018-2019 budget cycle and only USD 375,000 has been released so far.

The Mission is very concerned that MCC has not yet ensured that all solid waste management fees are properly credited to the solid waste account administrated by the PFMU. The Grant agreement required that all revenue shall be credited to this account and that all accrued revenues would be tracked as one of the indicators of the CLUS project. MCC should ensure the funds are credited to the proper account to be used for solid waste management related expenditures. The possibility of organizing a meeting on the issue of sustainability financing with representatives of GoL and MCC to address this specific issue was proposed and agreed with between the mission and MCC.

In conclusion, the progress towards the PDO has been rated as moderately unsatisfactory. The achievements made with collection of waste and the modest improvement in revenue mobilized is being impacted negatively by the inability of the GoL and MCC to finance the activities for O&M and labor.

Overall Rating: Moderately Unsatisfactory

Component 3: Institutional Capacity Development and Project Management

This component is financing the capacity building of staff, preparation of a long-term waste management strategy for Greater Monrovia, public awareness and citizen engagement activities, and project management costs.

The Terms of Reference for the preparation of a long-term waste management strategy for Greater Monrovia has been prepared. The PIU will fast-track the procurement and establish a timeline for the preparation of the strategy. One critical activity will be providing a means to increase service revenues and reduce operational expenses. The measures to address the gap between revenues and costs should involve stakeholders at all levels. A baseline study is being developed in conjunction with Cities Alliance and is expected to provide key inputs into the development of the strategy.

The PIU was tasked with improving the Grievance Redress Mechanism processes to ensure people with grievances report in the system. The World Bank team will support the PIU in updating the communication strategy developed under the EMUS project and improve internal communication with project stakeholders as well as external communication with the public about achievements to date and creating awareness of further project activities and objectives.

The PIU agreed to prepare a comprehensive capacity-building plan for the next calendar year to be reviewed and approved by the World Bank team. Prior to the implementation of any training activity, the PIU will be required to seek a “No Objection” from the World Bank indicating inter alia, (i) type of training, (ii) number of people attending, (iii) venue for the training, and (iv) associated costs.

The implementation of this component is rated as *Satisfactory*. About 108 staff from MCC, EPA and PCC have benefitted from capacity-building activities, on various topics, in Liberia and abroad. Public awareness and citizen engagement campaigns are ongoing and will continue to be deployed throughout project implementation, using an updated and structured communication plan.

Overall Rating: Satisfactory

3.2 Summary of Key Findings

Procurement Management

The mission reviewed procurement activities, documentations, conformance to legal agreement, and STEP-update compliance. The mission also advised on challenges and way forward. The progress reflects that, out of 47 planned procurements, 40.4% of contracts have been signed with 6.4% completed, translating into a total commitment of USD 3,397,493.40 (35.2%) of the estimated procurement amount of USD 9,632,454.40. There has been some progress, but procurement of major items is still outstanding (not committed yet), representing about 64.8% of the planned procurement disbursement. It is noted that all procurements executed so far are in the approved Procurement Plan in STEP. The mission acknowledges the continuous effort by the PIU/Project to catch up on the slippages, but more effort is needed from the Implementing Agency (MCC) to support the PIU to increase implementation progress. The mission advised the Project to ensure: (i) contract execution in full compliance with the Conditions of Contract; (ii) approval

of contracts and payments in due time to avoid ineligibility and interest on delayed payment, etc. to avoid perception of governance issues; and (iii) full compliance with STEP requirements to reflect accurately the procurement progress of the project, and to improve implementation to arrest slippages.

Overall Procurement Rating: Overall Procurement performance is rated *Moderately Satisfactory* while procurement risk remains *Substantial*, with the related prior review and method thresholds applicable.

Financial Management and Disbursement

An assessment of the financial management (FM) arrangements at the Project Financial Management Unit (PFMU) of the Ministry of Finance and Development Planning (MFDP) to determine the continued adequacy of the accounting and financial management system for the smooth implementation of the CLUS Project was undertaken as part of the supervision mission. The supervision was conducted in accordance with the World Bank FM Policy (OP/BP10.0 *Financial Management*) and the Financial Management Manual for World Bank-Financed Investment Operations issued by the Bank's Operations Policy and Country Services (OPCFM) on March 1, 2010.

As per the supervision results, the CLUS Project continues to maintain satisfactory financial management arrangements necessary to ensure that Bank Grant proceeds are being used for the purposes intended in an economical and efficient manner.

The total amount disbursed on October 17, 2018 was USD 2,086,164.77 with a disbursement rate of 19.9%. The ISR FM rating for the project is *Satisfactory* and the FM risk rating remains *Substantial*. Detailed results of the supervision are presented in Annex 2.

Environmental and Social Safeguards

The social safeguards focused on assessing the status of agreed actions from the May 2018 mission and providing guidance to emerging challenges. Social safeguards implementation performance was upgraded to *Satisfactory* as most of the agreed actions from the previous missions had been addressed.

Progress of agreed actions from last mission

- **Grievance Redress Mechanism (GRM) training and awareness** - training of local-level grievance committees and disclosure of the GRM was completed for Cheesemanburg, Stockton Creek, Fiamah and Whein Town. Grievance Log sheets were signed at the transfer stations with only a few complaints documented. The PIU is requested to begin reporting on the key GRM indicator i.e. **the number of grievances received and resolved within the stipulated time**. The project is also advised to **develop brochures and to post contact details for complaints uptake at vantage points in the project areas**.

- **Grievance resolution** – The grievance committee investigated and concluded that the concrete boundary stones at the proposed landfill site were broken during a theft of the iron rods. The team is advised to keep monitoring the site and pick up signals for potential land issues beyond theft.
- **Stakeholder Engagement Plan** – the stakeholder Engagement Plan is completed. Series of engagement were undertaken during the period including awareness on the GRM, the hydrological studies, the feasibility studies for the construction of the community access road etc. **Engagement should continue as planned and minutes of meetings should be filed.**
- **Safeguards Implementation Work Plan** – The project safeguards officer prepared the work plan and it was reviewed and cleared by the Bank.
- **Environment and social screening for community access road** – Land for the construction of the community access road in Cheesemanburg was voluntarily donated and an MOU was signed. However, the Bank recommended a quick environmental and social screening of the site to inform the need for the preparation ESIA, ESMP or RAP as needed. The screening report was received from the client on **October 18, 2018**. The Bank will review and provide comments. **The PIU was also advised to prepare and submit a project brief for EPA's decision.**
- **Procurement and distribution of PPEs for street cleaners** – The project procured and distributed rain coats, rain boots and safety vests to MCC and PCC street cleaners. Health and safety trainings on the functions and importance of using PPEs was also conducted by the safeguard officer to all street sweepers, skip attendants, heavy and light duty drivers, solid waste directors and supervisors. **It is advised for the safeguards officer to monitor usage of the PPEs and conduct intermittent health and safety trainings.**

Current issues

- **Citizens Engagement** - The mission observed at the Whein town landfill site that 3 youth from the local communities were recruited to assist the site supervisor to monitor and prevent the dumping of medical and other toxic waste at the landfill site. The youth are rotated every 3 months to ensure the majority get to participate and earn some income as well.
- **Communication Strategy** – The mission team included a Communication Consultant to advise on the project's communication strategies. The existing Stakeholder Engagement Plan (SEP) was identified as largely focused on local-level community engagement. The consultant will therefore review the SEP, including previous communication strategy, under the closed EMUS project to design a broader communication strategy.
- **Safeguards Capacity** – The Community Liaison Officer had resigned. It is advised that the contractual process for his replacement be fast-tracked to support the safeguards work.

Project Management

The mission noted that the Steering Committee for the project as agreed during the last mission has yet to be formed. The mission insisted that the Ministry of Finance and Development Planning and the Ministry of Internal Affairs lead the process for convening the Steering Committee. The Committee is expected to meet quarterly in the early stages to provide the necessary guidance for project implementation. The Committee may decide to meet two times a year subsequently when key implementation challenges have been resolved.

The mission noted that there are some contracts for which the World Bank issued no objection but are yet to be signed. The mission reminded the implementing agency that delay in signing contracts after the Bank's no objection could result in the no objection being rescinded. Therefore, the implementing agency shall make sure that contracts are signed no later than 2 weeks after the no objection is issued.

IV. NEXT STEPS AND AGREED ACTIONS

The next mission will be held in February 2019. A Mission Announcement letter will be issued prior to the mission.

Table 2: Summary of Agreed Actions

	Actions	Responsible	Due Date
1	The 'loan' provided to the Government of Liberia in respect to the waste management operations and maintenance expenses should be paid back to the LRTF	MoFDP	Immediate
2	The contribution from the Government of Liberia to the operations and maintenance expenses should be increased	MoFDP	Immediate
3	Ensure there is strict compliance with the provisions of the tax code	PMFU Director	Immediate
4	The delays in finalizing the awarding of 3 individual consultant contracts must be adhered to. Following the Bank Procurement Regulations, the procurement process is to either be finalized, or closed and re-launch in future.	PIU	Immediate
5	The existing delays in the signing of the Service Providers Contracts of the PIU staff, despite the Bank having provided No Objection instructions must be rectified to avoid further procurement anomalies.	MCC & MoFDP	Immediate
6	Finalize the bidding documents and technical specifications for the design of the landfill, and share with Task Team	PIU	15 December 2018
7	Prepare TOR for consultancy services for the Whein Town landfill closure, stability analysis and fencing	PIU + Engineer from MoPW	15 December 2018
8	Organize a meeting with the WB Environmental and Social Safeguards Specialist to review the existing ESMP and the minor rehabilitation of the transfer stations – Results to be shared with the Task Team	PIU + Sekou Kamara	15 December 2018

9	When weather conditions are favorable, push back waste resulting from the landslide	PIU	15 December 2018
10	The PIU shall formally inform the MCC, copying the MoFDP & the WBG on the issue and request their guidance of what should be done after the remaining counterpart funding is expended	PIU	15 December 2018
11	Draw up a listing of all completed trainings (including ad hoc trainings), and future trainings to be held within a year	PIU	15 December 2018
12	Develop a public awareness plan for the solid waste management and citizens engagement process, and share with the Task Team	PIU	15 January 2019
13	GPS trackers to be installed in each transfer vehicle, and clear objectives set for the usage of the equipment.	PIU & MCC	15 December 2018
14	Update the project work schedule and share with Task Team	PIU	15 December 2018
15	The operations of the project should be reviewed by the Internal Audit Unit on a regular basis and the internal audit reports should be forwarded to the Bank together with the IFRs on a quarterly basis	PFMU Director	15 December 2018 (and 45 days after the end of each quarter)
16	Completion of capacity assessment of the entities within the sector: MCC, PCC, EPA and townships: Including revenue maximization and solid waste management	PIU	30 December 2018
17	Launch the bidding process for the solid waste management strategy	PIU	30 December 2018
18	Submit the approved 2018/2019 Annual Work Plan and Budget to the World Bank	PIU	30 December 2018
19	Preparation of project brief for EPA	PIU	30 December 2018
20	Recruitment of a Community Liaison Officer	PIU	30 December 2018
21	Development of Grievance Redress Mechanism brochure and posters	PIU	30 January 2019

Annex 1: List of Officials Met and Composition of World Bank Team

Monrovia City Corporation

No	Name	Position	Organization
1	Jefferson T. Koijee	City Mayor	MCC
2	Franco Grimes	Chief of Staff to Mayor	MCC
3	Abraham B. Y. Garneo	Director, General Service Prog.	MCC
4	James F. Harris	Manager	MCC
5	Frederick W. Cole	Director	MCC
6	Sayetta Kpadeh	Director	MCC
7	Massa J. M. Stubblefield	Director	MCC

Paynesville City Corporation

No	Name	Position	Organization
1	E. Pam Belcher-Taylor	City Mayor	PCC
2	Bindu Brewer	Chief Resilient Officer	PCC
3	Robena Vincent	Director, Special Projects	PCC
4	Stanley Zahn	City Manager	PCC

Project Implementation Union/ Monrovia City Corporation

No	Name	Position	Organization
1	Tolbert Kerkulah	Project Coordinator	PIU/MCC
2	Molly B. Zinnah	Accountant	PIU/MCC
3	Edwin D. Johnson	Procurement Specialist	PIU/MCC
4	F. Oliver Williyan	Director, Southern Region	PIU/MCC
5	Wesley Mamulu	Solid waste Engineer	PIU/MCC
6	Emmanuel Dakoloma	Senior Data Officer	PIU/MCC
7	Prince E. Wiah	Manager, Fiamah Transfer Station	PIU/MCC
8	Amos S. McGill	Manager, Stockton Creek Transfer Station	PIU/MCC

Other Stakeholders

No	Name	Position	Organization
1	Vera Kellen	Project Manager	EU
2	Grace Richardson	Project Manager	WaterAid
3	Thomas A. Morgan	General Manager	LMGC
4	J. Saygbe Fah	Ops. Manager	LIBRA
5	Eomuso Ridley	General Manager	HYSAA
6	Baisbo C. Sneh	Manager	Barnesville Waste
7	Augustine Paye	Manager	People Waste & Pet Control
8	Davies Koroma	General Manager	Exquisite
9	Winston D. Gargo	G M G	D M G
10	Welleh Bohlen	General Manager	SKD Venture

11	Bestiman D. Toe	General Manager	Community Waste Disposal Enterprise
12	Margret Dumbar	General Manager	Swary & Damba
13	Momodu Metzger	Manager	City Sanitation
14	Gabriel A. Nyarko	General Manager	Green Planet Ens.
15	Augustus R. Yarbah	General Manager	Alpha Sanitation
16	Fayiah Sonsi	General Manager	Clean Liberia
17	Gertrude M. Anderson	General Manager	Ocean
18	Samuel T. Duo	CBE	AUS
19	Alphonso B. Kromus	CBE	ESS
20	Sampson W. Toby	CBE	Zero Waste
21	Derainec Eastman	SME	O C G C
22	James K. Mulbah	SME	Green City

World Bank Team

No	Name	Position	Organization
1	Farouk M. Banna	TTL	World Bank
2	Charles J. A. Ashong	Senior Procurement Spec.	World Bank
3	Sekou A. Kamara	Environmental Spec.	World Bank
4	Gloria M. Mahama	Social Development Spec.	World Bank
5	Sydney A. Godwin	Financial Management	World Bank
6	Thierry R. M. Martin	Consultant	World Bank
7	Maria M. Nghidinwa	Consultant	World Bank
8	Harold Esseku	Consultant	World Bank
9	Tania J. A. Abraham	Consultant	World Bank
10	Zoe-Quoi Diggs-Duncan	Program Assistant	World Bank

Annex 2: Results Framework

CLUS Project Key Indicator Performance Matrix (Sep. 2017 to Sep 2018)

Indicators/Description	Baseline	Actual (Sep. 2017 to Sep. 2018)	End Target (June 2020)
Indicator 1: Number of People with access to regular waste collection under the project	0	740,000	600,000.00
Indicator 2: Cheesemanburg landfill constructed and operational (Yes/No)	No	No	Yes
Indicator 3: Annual revenues accruing to the solid waste management operation from GOL, MCC and other internal sources Amount (USD)	1,800,000.00	987,260.00	2,300,000.00
Indicator 4: Quantity of Waste collected and disposed based on independent audited weighbridge data (tons)	0	134,784.91	240,000.00
Indicator 5: Cumulated Landfill Area Capped sq meter)	0	0	25,000
Indicator 6: Number of people benefiting from capacity building, including MCC staff, Liberia EPA, community members, other local governments in Greater Monrovia.	0	108	200
Indicator 7: % of Female Capacitated	0	15	50
Indicator 8: Percentage of Grievance Recorded and Acted Upon	0	100	90

Annex 3: Procurement

The mission reviewed procurement activities, documentations, conformance to legal agreement, and STEP update compliance. The mission also advised on challenges and way forward.

Procurement Progress: A review of the current procurement plan(PP) indicated that overall, out of 47 planned procurements (NB: Increased from previous 38 Noto 47 No), 6.4% have been completely executed; 34% are ongoing contracts; 19.1% are in the pre-contract procurement stages, while 31.9% of the planned procurements are yet to be initiated (NB: 8.5% of the planned procurement was terminated), translating into a total commitment of US\$3,397,493.40 (35.2%) of the procurement estimated amount of USD 9,632,454.40 (NB: A reduction from approx. USD 13 Million to USD 9.6 Million). There has been an increase in the delivery of procurement activities, and thus the project has seen some procurement progress, but there are still the critical procurements outstanding (not committed yet) which is holding about 64.8% of the planned procurement disbursement. The mission acknowledges the continuous effort by the PIU/Project to catch up on the slippages but advised that more effort is needed from the Implementing Agency (MCC) to support the PIU in increasing implementation progress. It is noted that all procurements executed so far are in the approved PP, following the World Bank Procurement Regulations (PR) for IPF Borrowers, and procedures.

Project Documents: The mission advised that the Borrower must endeavor to read the legal agreement, PAD, PIM thoroughly to understand how the Project is structured; how the Project must be implemented, and the responsibilities of the various players, especially on reviews, clearances, signing of contracts, clearances of payments, contract monitoring and supervision, reporting, etc. The mission advised the Project to continue to organize information dissemination for all stakeholders, especially the implementing agency/ies to continually sensitize all the stakeholders of the Project and in particular MCC on the implementation arrangement and the procurement process to get the full support of all in implementing the Project.

Contract Management: The mission advised the Project to ensure contracts are delivered in accordance with the Conditions of Contract, while applying the appropriate clauses accordingly; and to sign service providers' contracts and make payments on time to avoid ineligibility and interest fees on delayed payment, etc. as well as to avoid perception of governance issues.

Critical procurement issues observed by and advised on by the mission are as follows:

- Delays in finalizing negotiation of three individual consultant contracts for the MCC: The mission advised the Project to write to the recommended candidates with a week-long ultimatum, giving them a one-week grace period to respond and confirm acceptance of the Project offer before considering the negotiation unsuccessful. The Project is then to follow the procurement process to close the process appropriately in accordance with Bank Procurement Regulation and re-launch in future.
- Delays in signing of Service Providers Contracts: The mission noted that this has been reoccurring and is currently affecting the PIU staff themselves, (as noted in the Bank STEP system) because the Bank gave a “no objection” over two months ago. However, the system has yet to receive the signed contracts. The mission reminded the stakeholders and MCC that the contracts are what legitimize the PIU’s delivering on the Project and that all activities of the Project will be suspended if there is no legal backing for the PIU staff. The mission reminded the stakeholders that after receiving the Bank’s “No Objection,” the

Borrower has a maximum of two weeks to execute Bank's "No Objection" instructions. The mission therefore advised that the anomaly be rectified as soon as possible to avoid the Bank's applying sanctions.

- Delays in payment to service providers: The mission also noted that these delays are impacting contract execution and delivery. The mission advised stakeholders that the longer it takes for the client to honor a certified-payment request without the appropriate reasons, the greater the perception that there are underlying governance issues, which can cause a lot of challenges with investigation on the Project. The delays can also lead the service providers to charge interest on delayed payments, thereby affecting the funding of the Project, with its limited resources. The mission advises the Borrower/MCC/PIU to ensure service providers payment requests are thoroughly vetted in a timely manner to ensure prompt payment as per the contract stipulation.
- Delays/insufficient release of counterpart funding: The mission noted that this is gradually impacting the delivery of services under the Project and affecting project implementation progress as the Project is not able to pay service providers under O&M on time, (and is coupled with the possibility of interest charges due to delayed payment), should the delays go beyond the stipulated time in the Contract. The mission advised the Borrower to endeavor to ensure timely release of the appropriate and adequate amount of the counterpart funding to ensure continuous delivery and implementation of the Project. It was also noted that some delays occur with the e-signing at the various authorized offices. The mission has indicated to stakeholders to sensitize the officers to ensure timely and appropriate response. Meanwhile the mission indicated this concern will be raised to the country management level to address with the Ministry of Finance.
- Delays in evaluations: The mission noted delays caused by the inadequate response to duty by some of the evaluation panel members. The mission advised the Project to ensure that the appropriate members are empaneled, and that the modalities of participation well be spelt out before the start of the evaluation in order to ensure that the evaluation is conducted in an effective and timely manner and that the evaluation report is completed and signed on time.
- PIU: The mission advised the Project to immediately submit into STEP all outstanding TORs for Bank reviews and clearances as the project implementation is running behind schedule. The mission further advised that the Project should initiate finalization of the Design and Build (DB) bidding document for the DB of the Cheesemanburg landfill site, so the procurement can be launched on time to ensure that the Contractor is engaged at least three months before the completion of the hydrogeological studies. That way the contractor can start preliminary work towards the DB assignment before the final report of the Hydrogeological studies report comes out. The mission also informed the project to ensure that the Program timelines in the Inception Report (in weeks) for the Hydrogeological Studies are reflected in real time dates for clarity. The mission suggested that the PIU should consolidate some of its separate adverts in order to reduce operating cost. Furthermore, the mission advised the PIU/Project to continue to ensure the appropriate application of the approval requirements for prior-review procurement (by the Bank ONLY) and post-review procurements (by MCC or PPCC per approval limit). Finally, the mission advised the PIU to ensure consistency in procurement progress

reporting by using the agreed upon template and format, so management can easily track progress in comparison.

STEP: The Bank continues to offer hand-holding to support Project in handling STEP, when needed to ensure complete compliance to STEP to accurately reflect the procurement progress of the project on both priorand postreview procurements.

PPR: has been conducted and a draft report is currently under review. A preliminary view shows the observation is in line with what the mission has noted and advised on. The mission advises the Project to endeavor to implement the recommended actions to be put out in the PPR report. The mission further advises the Project to continue to perform with good improvement.

Staffing: The Project continues to maintain the approved Procurement staffing arrangement. Staff members are delivering as required on the Project. The mission advises PIU to continue to ensure that the quality of the procurement documents sent to the Bank continue to improve to meet the Bank requirements to ensure quicker review and receipts of Bank's "No Objections."

Records Keeping has improved very much. Nonetheless, the mission advised continuous improvement on filing, records keeping and management.

Challenges: The mission noted the challenges presented by the Project and is of the view that if the Project implements what the mission advises the challenges can be surmounted to a large extent going forward.

Overall Procurement Rating: Overall Procurement performance is rated **Moderately Satisfactory** while procurement risk remains **SUBSTANTIAL**, with the related prior review and method thresholds applicable.

Thresholds Effective 1 January 2017													
RISK RATING	Prior Review Threshold in (US\$ '000)				Procurement Method s Thresholds (in US\$'000)								
	Consultants		Works			Goods, IT and non-consulting services			Shortlist of National Consultants				
	Works	Goods, IT Systems+ Non Con. Serv	Firms	Individuals	Open International or ICB	Open National or NCB	Request for Quotation/ National Shopping	Open International or ICB	Open National or NCB	Request for Quotation/ National Shopping	Consulting services	Engineering & construction supervision	
SUBSTANTIAL	≥\$10,000	≥\$2,000	≥\$1,000	≥\$300	≥5000	<5000	≤200	≥500	<500	≤100	<100	≤200	

Annex 4: Financial Management Supervision Report

Key Information on the Project

Project Name:	Cheesemanburg Landfill and Urban Sanitation (CLUS) Project		
Project ID:	P159961		
Credit No.:	TF A5269		
Implementing Agency:	Monrovia City Corporation		
Effectiveness Date:	September 20, 2018		
Closing Date:	June 30, 2020		
Application Deadline:	October 31, 2020		
Credit/Grant Amount:	USD 10,500,000.00		
Program Duration:	3 years		
Disbursed Amount:	USD 2,086,164.77 (19.9%)		
Cancelled Amount:	USD 0		
Period Covered by Review:	September 2017 – June 2108		
Previous ISR Rating:	Satisfactory (S)	Current ISR Rating:	Satisfactory (S)
Previous FM Risk Rating:	Substantial	Current FM Risk Rating:	Substantial

EXECUTIVE SUMMARY

A supervision mission was undertaken by the Bank FM team in October 2018 to assess the financial management (FM) arrangements at the Project Financial Management Unit (PFMU) of the Ministry of Finance and Development Planning (MFDP) to determine the continued adequacy of the accounting and financial management system for the smooth implementation of the CLUS Project. The supervision was conducted in accordance with the World Bank FM Policy (*OP/BP10.0 Financial Management*) and the Financial Management Manual for World Bank-Financed Investment Operations issued by the Bank's Operations Policy and Country Services (OPCFM) in March 1, 2010.

As per the supervision results, the CLUS Project continues to maintain satisfactory financial management arrangements necessary to ensure that Bank Grant proceeds are being used for the purposes intended in an economical and efficient manner.

The total amount disbursed as of close of business on October 17, 2018 was USD 2,086,164.77 with a disbursement rate of 19.9%. The ISR FM rating for the project is *Satisfactory* and the FM risk rating remains *Substantial*. Detailed results of the supervision are presented below.

ISR FM Rating:

The ISR FM rating is *Satisfactory*. FM arrangements for the project continue to be adequate for the purposes of ensuring that project funds are used for purposes intended with economy and efficiency.

FM Risk Rating

The overall FM Rating for this project is *Substantial*.

FM REVIEW: FINDINGS – FM Supervision Mission

- **Budgeting:** The 2018 / 2019 Annual Work Plan and Budget (AWP & B) is being finalized for submission to the Bank. There have been no changes to the existing budgeting arrangements and being a government entity, the Project's budget guidelines are consistent with the approved Government of Liberia procedures and those outlined in the Project Implementation Manual

The mission recommends that actions should be taken to ensure that the approved 2018 / 2019 AWP & B is submitted to the Bank by November 15, 2018. Going forward approved AWP & B should be submitted to the Bank no later than May 31, each year.

- **Accounting:** The Project's accountant, (working under the oversight of the PFMU director), and the project accounts officer, (supervised by the project coordinator) are responsible for maintaining the accounting records, transaction process and payments etc. Our assessment indicates that the accounting function is satisfactory and adequate. The SUN accounting software continues to be used by PFMU
- **Internal Controls:** There is adequate segregation of function and different levels of authorization and approval. The activities of the Project were during the period under review reviewed by the Internal Audit of the PFMU, but the reports were not submitted to the Bank.

The Mission recommends that the operations of the project should be reviewed by the Internal Audit Unit on a regular basis and that the internal audit reports should be forwarded to the Bank together with the interim financial reports (IFRs) on a quarterly basis.

- **Funds Flow & Disbursements:** The funds flow arrangement has not changed and remains adequate for project implementation. The mission noted that the 'loan' provided to the Government of Liberia for waste management operational and maintenance expenses has yet to be repaid. While the Government of Liberia is expected to contribute the sum of USD 1,400,000.00 for the 2018 / 2019 fiscal year, the amount appropriated to the CLUS project for the year 2018 / 2019 is USD750,000.00. Total disbursement by the Trust Fund to the Project, on the other hand, during the period July 1, 2018 - October 17, 2018 is USD941,364.86.

The mission recommends efforts be made to increase its contribution to the project this fiscal year in order to ensure the smooth implementation of the project. The Mission also recommends that the loan be repaid soon as not doing so has ineligibility and cashflows implications.

- **Financial Reporting:** The IFRs, which meet the Bank's requirements, have consistently been submitted to the Bank before the deadlines.

The Project was advised to submit the September 2018 IFRs no later than November 14, 2018,

- **External Audit:** The audit report for the year ending June 30, 2018 has been signed and will be submitted to the Bank soon.

The project was advised to have the 2017 / 2018 audit report and the management letter submitted to the Bank before the deadline of December 31, 2018.

- **Transaction Review:** The mission conducted a review of Project's transactions for the September SOE's submitted for 2017 – July 2018. The payment vouchers and necessary supporting documentation

was clearly labeled and orderly filed in folders. The mission, however, believes the withholding tax provisions of the tax code were not strictly complied with.

The project was advised to ensure strict compliance with the provisions of the tax code.

- **GAC – Fraud and Corruption:** No issues of fraud or corruption or misappropriation came to our attention.

FM Action Plan

Issues	Agreed Actions	By Whom	By When
1. Submission of Approved 2018 / 2019 AWP & B to the Bank	The approved 2018 / 2019 AWP & B to be submitted to the Bank by November 15, 2018.	Project Coordinator	November 30, 2018.
2. Submission of Approved AWP & B to the Bank	Approved AWP & B should be submitted to the Bank no later than May 31, each year.	Project Coordinator	May 31, each year 13
3. Non - submission of internal audit reports to the Bank	The operations of the project should be reviewed by the Internal Audit Unit on a regular basis and the internal audit reports should be forwarded to the Bank together with the IFRs on a quarterly basis.	PFMU director	November 14, 2018 & (ii) 45 calendar day after the end of each quarter
4. Counterpart funding requirements not met	Contribution of the Government of Liberia to be increased.	Ministry of Finance and Development Planning	Immediate
5. The ‘loan’ provided to the Government of Liberia in respect of waste management operational and maintenance expenses is yet to be repaid	‘Loan’ to be repaid immediately	Ministry of Finance and Development Planning	Immediate
6. Submission of the IFR for the quarter ending September 30, 2018	IFR for the quarter ending September 30, 2018 to be submitted by November 14, 2018	PFMU Director	November 14, 2018
7. Submission of the audit report and management letter for the year ended June 30, 2018	Audit report & management letter for the year ended June 30, 2018 to be submitted by December 31, 2018	PFMU Director	December 31, 2018
8. Compliance with provisions of the tax code	Strict compliance with the provisions of the tax code.	PFMU Director	Immediate

Updated FM Risk Assessment

Type of Risk	Residual Risk Rating		Brief Explanation of Changes and any New Mitigation Measures	
	Previous	Current		
INHERENT RISK				
Country Level	High	High		
Entity Level	High	High		
Program Level	Substantial	Substantial		
OVERALL INHERENT RISK	High	High		
CONTROL RISK				
Budgeting	MS	MS		
Accounting	S	S		
Internal controls	S	S		
Funds Flow	S	S		
Financial Reporting	S	S		
Auditing	S	S		
OVERALL CONTROL RISK	S	S		
Rating: HS – High Satisfactory; S – Satisfactory; MS – Moderately Satisfactory; MU – Moderately Unsatisfactory; U – Unsatisfactory; HU – Highly Unsatisfactory				

