



LIBERIA 2024 INVESTMENT CONFERENCE

INFRASTRUCTURE – LAYING THE FOUNDATION FOR GROWTH

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General Context

- ❖ It is estimated that Liberia loses as much as 1.5-2% of GDP annually to inadequate infrastructure (transport, power, water and sanitation) – a circumstance that is correctable through appropriate investment and collaborative action.
- ❖ In most emerging economies public budgets and skills are insufficient by themselves to deliver the infrastructure projects needed to sustain economic and demographic growth.
- ❖ The Government of President Boakai recognize the infrastructure problem, but have neither the financial resources nor the technical ability needed to close the gap. Therefore, private capital and expertise especially in road transport must be mobilized, and that is the focus of my presentation.

Sector Overview

The provision of a coherent national transport system for the population living in the land area of 43,000 sq. km has been a major development challenge over the years. Roads are the predominant mode of transportation in the country and currently account for over 90% of passenger and freight traffic. The road density is 10.3 km per 100 square kilometers. This road density is lower than the Sub-Saharan Africa's average of 10.9.

(i) road network of approximately 13,000km of classified roads

(ii) air transport infrastructure (one international airport)

(iii) maritime transport - 4 seaports with a coastline of 350mi

(iv) Rail transport -3 independent lines (493km)

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OVERVIEW OF LIBERIA'S ROAD NETWORK

Roads inventory conducted by the Ministry of Public Works in **2019**, the country has a total road network of approximately **13,026.20 km**. Out of this amount, only **8.7% (1,131km)** of the road network is paved while **91.3%** is unpaved.

Our primary roads constitute about **18%** of the entire road network, of which, only **23%** of the primary or major roads are paved and **77%** are unpaved. Additionally, about **36%** of the primary or major roads are in good condition, This is due to the fact that the primary road network is predominately characterized by lateraites.

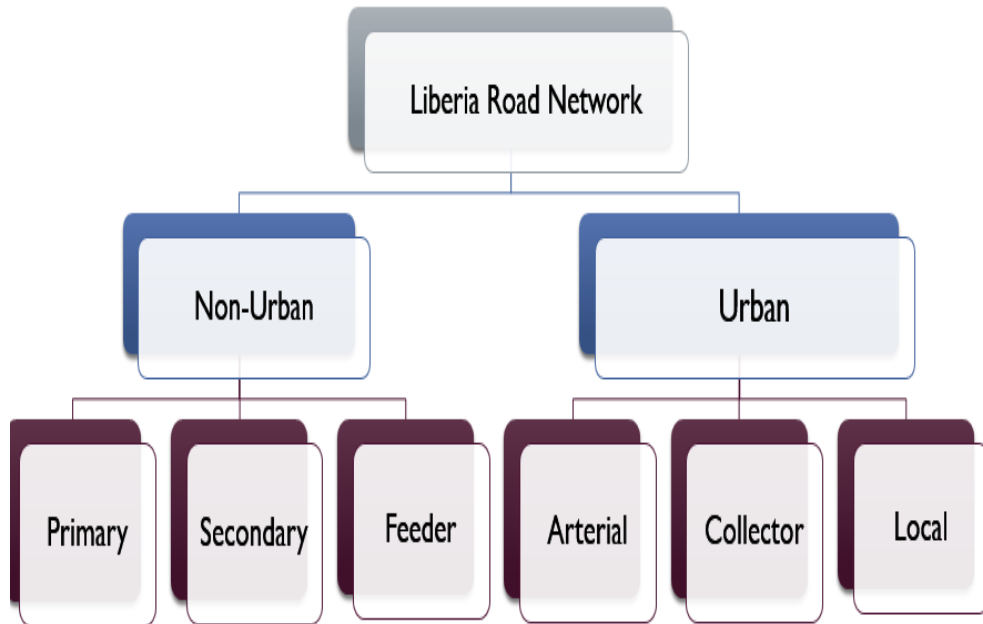
There are only **72 km** paved out of the **2,500 km** of the secondary road, while **12 km** out of **7,518 km** of feeder road are paved.

Source: Infrastructure Strategic Team

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OVERVIEW OF LIBERIA'S ROAD NETWORK

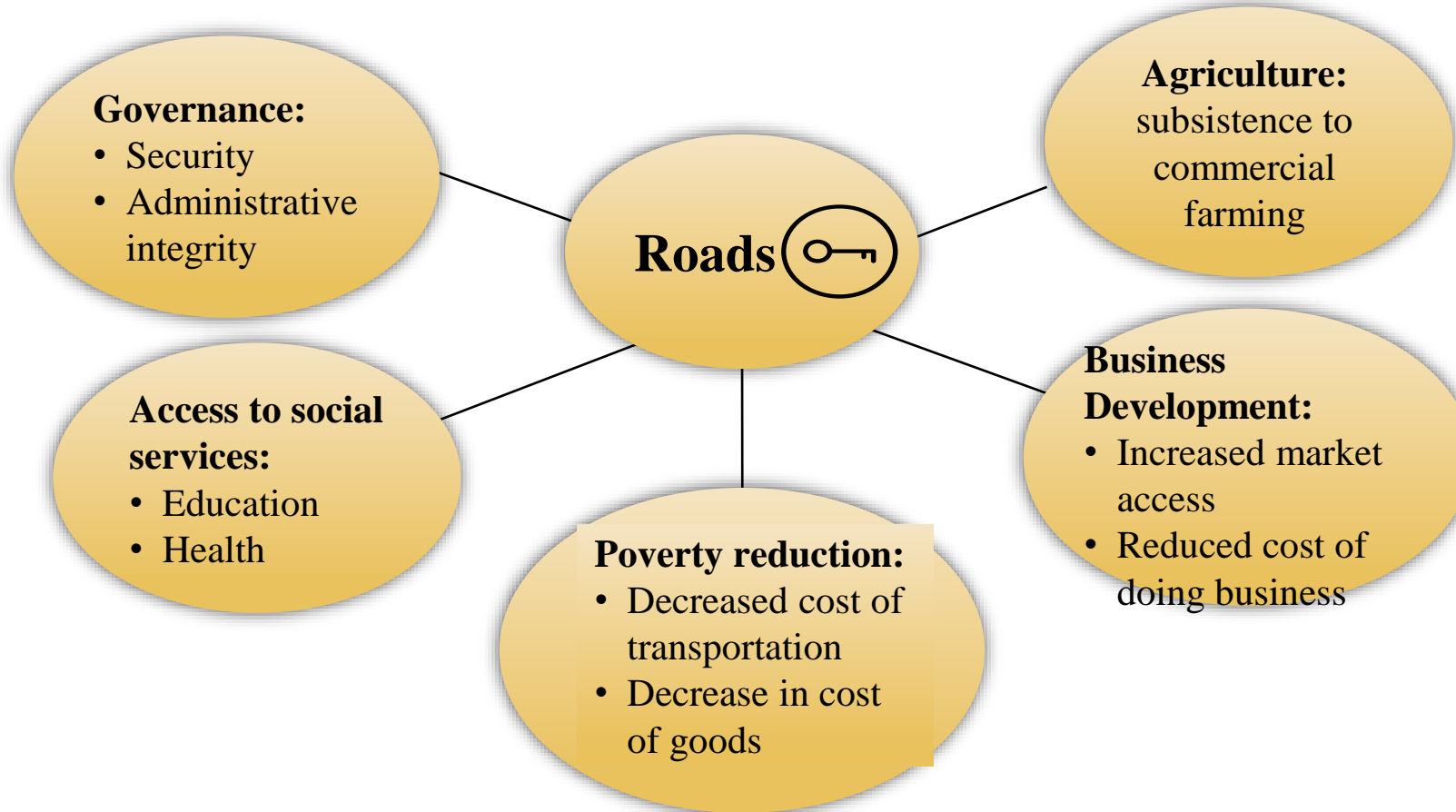
ROAD CLASSIFICATION HIERARCHY



Category	Road Classification	Total Kilometer
Non-urban Road	Primary Road	2,323.40
	Secondary Road	2,599.70
	Feeder Road	7,537.80
Sub-total (A)		12,460.90
Urban Road	Arterial	41.0
	Collector	71.0
	Local	453.40
Sub-total (B)		565.40
Grand Total (A+B)		13,026.20

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SOCIAL ECONOMIC BENEFITS



The prioritization and investment in roads is an **impact multiplier**; unlocking otherwise constrained potential across sectors:



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**THE ROAD INFRASTRUCTURE
FINANCING INVESTMENT
GAP**

PRIMARY CORRIDORS: FUNDING NEEDS

1,291km of primary roads have yet to be paved and have no concrete funding discussions

57% of unpaved roads in Liberia are in poor or very poor condition, and will require rehabilitation or reconstruction to improve them to a maintainable level to enhance economic development

Following a cost estimate of \$1m/km, to complete the planned primary network will cost \$1.2 Billion

The strategy for the funding the remaining primary corridor is through:

- National Road Fund
- Budget allocation
- Multilateral Bank Fund
- Bilateral and donor funding
- PPP Funding



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PRIMARY CORRIDOR: ZEWDRU - GREENVILLE

Corridor : Zwedru – Greenville (185 km)

Preliminary assessment was conducted. Detailed feasibility study and a complete engineering design will have to be done along with the proper alignment. This will enhance tourism.

The Estimated Feasibility cost - \$647,000.00

The Estimate of Construction - 167 million (No funding)

The strategy for funding the remaining primary corridor is through:

- Road Fund
- Budget allocation
- Multilateral Bank Fund
- Bilateral funding
- PPP Funding/BOT



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PRIMARY CORRIDOR: KOKOYA - COMPOUND #3 G. BASSA

Corridor : Kokoya - #3 Compound Grand B. (260 km)

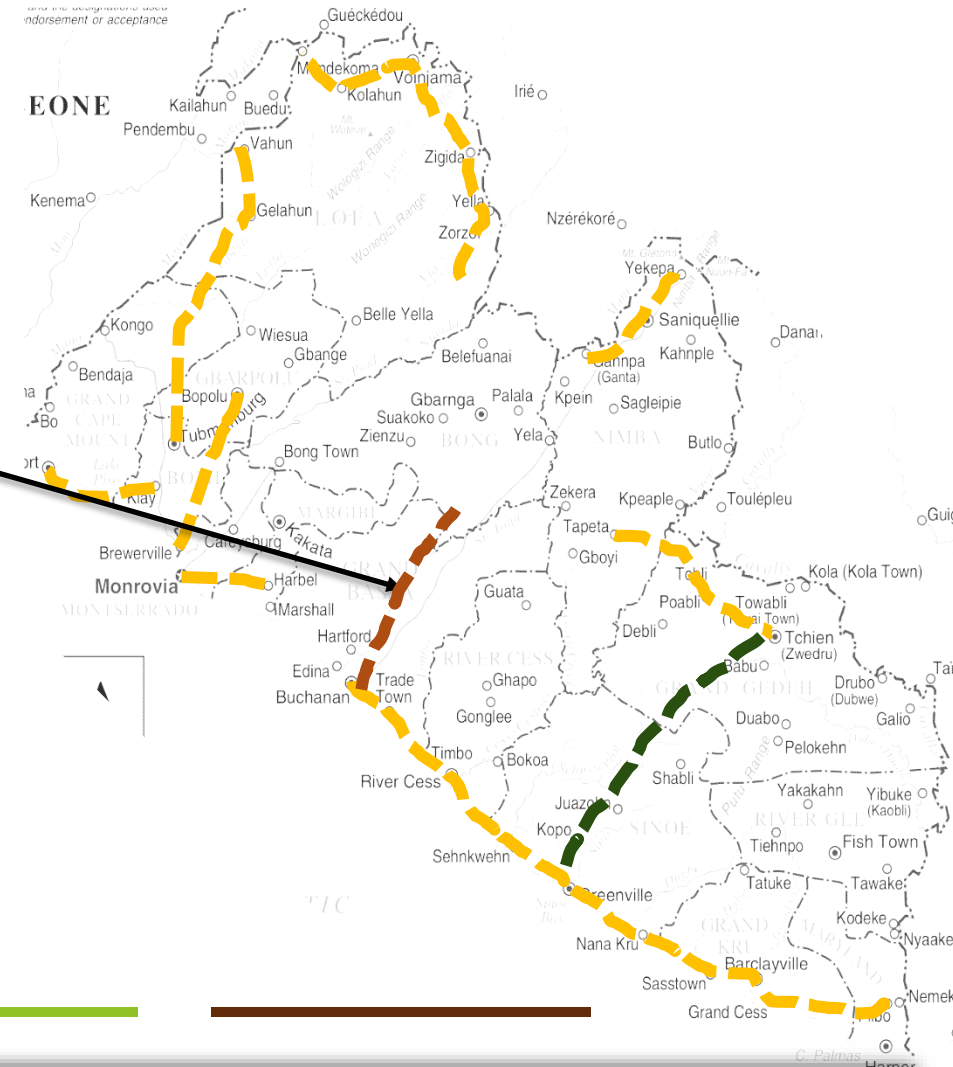
This is new route proposed under the general strategy for connectivity of the northern part of the country to the south. Preliminary assessment has been done. However, detail feasibility will be required. This will enhance agriculture

The estimated feasibility cost - \$780,000.00

The Estimate of Construction - 234 million (No Funding)

The strategy for funding the remaining primary corridor is through:

- Road Fund
- Budget allocation
- Multilateral Bank Fund
- Bilateral funding
- PPP Funding/BOT



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TOURISTIC CORRIDOR: KPATAWEE WATERFALL

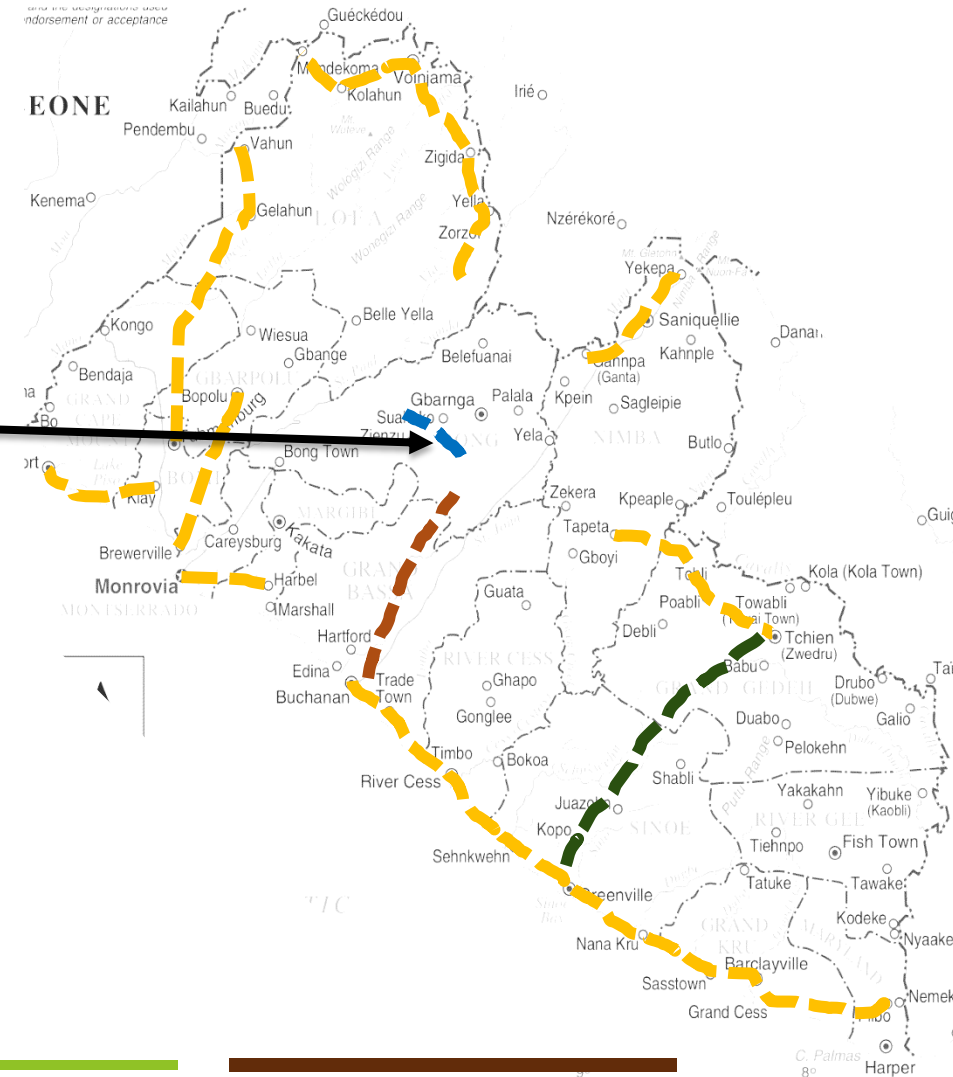
Corridor : Kpatawee Waterfall Road . (20km)

This corridor is inserted in the strategy as part of the immediate project to be done to increase awareness around tourism as potential area for growth of the economy.

The estimated Design-built - 23 million (No Funding)

The strategy for the funding the remaining primary corridor is through:

- Road Fund
- Budget allocation
- Multilateral Bank Fund
- Bilateral funding
- PPP Funding/BOT



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TOURISTIC CORRIDOR: MARDINA - ROBERTSPORT

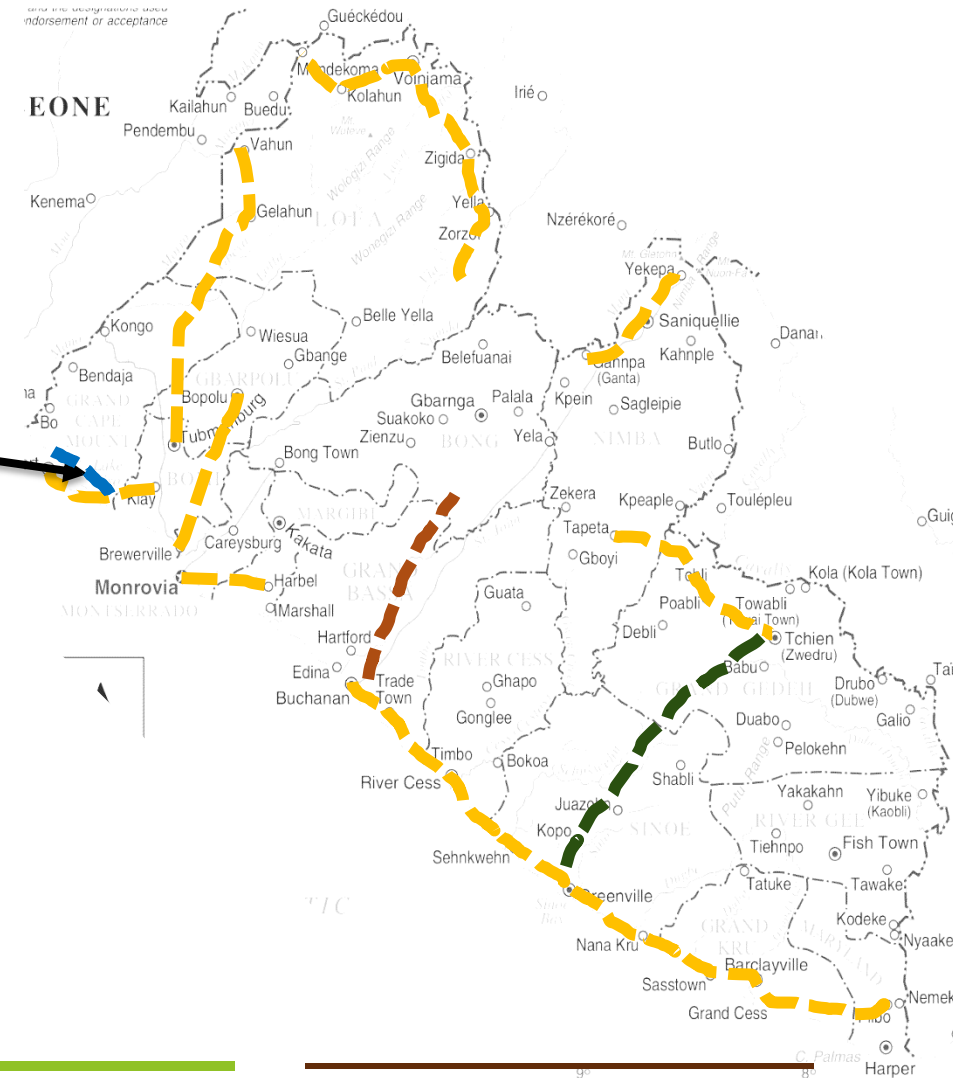
Corridor : Mardina - Robertsport Road . (41km)

This corridor is inserted in the strategy as part of the immediate project to be done to increase awareness around tourism as potential area for growth of the economy.

The estimated Design-built - 40 million (No Funding)

The strategy for the funding the remaining primary corridor is through:

- Road Fund
- Budget allocation
- Multilateral Bank Fund
- Bilateral funding
- PPP Funding/BOT



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PRIMARY CORRIDOR: BREWERVILLE- GBARPOLU

Corridor : Brewerville - Gbarpolu

This corridor is inserted in the strategy as part of the immediate project to be done to increase awareness around tourism as potential area for growth of the economy.

The Estimated distance : 86 km

The Estimated Cost: \$ 80 million (No Funding)

The strategy for the funding the remaining primary corridor is through:

- Road Fund
- Budget allocation
- Multilateral Bank Fund
- Bilateral funding
- PPP Funding/BOT



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PRIMARY CORRIDOR: KESSELY BOULEVARD - 12TH STREET

Corridor : Kesselly Boulevard – 12th Street (16 -21 km)

Preliminary feasibility study was conducted in IMC Worldwide and other Chinese firms. Gov. Detailed feasibility study and a complete engineering design will have to be done along with the proper alignment.

**The estimated feasibility cost 3.3 million
The Estimate of construction : 80 -112 million (No Funding)**

The strategy for the funding the remaining primary corridor is through:

- Road Fund
- Budget allocation
- Multilateral Bank Fund
- Bilateral funding
- PPP Funding/BOT



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PRIMARY CORRIDOR: KESSELY BOULEVARD - 12TH STREET

Length:	16 km - 21 km
Indicative Cost:	\$80 - 112m (No funding)
Possible Funding Sources:	
Next Step :	Detail Feasibility, design and construction .
Economic Rationale:	<ul style="list-style-type: none">• The project is the primary link between industrial complex, passing through mangroves and communities, thereby greatly improving social, commercial and economic functions along the corridor.• It will increase access to the CBD, improving access to markets centers.• It will accelerate the provision of related infrastructure (electricity and potable water).• Increase tourism to the mangroves.



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PRIMARY CORRIDOR: BATTERY FACTORY - CAPITOL HILL

Corridor : Battery Factory-Capitol Hill (6 - 8.5 km)

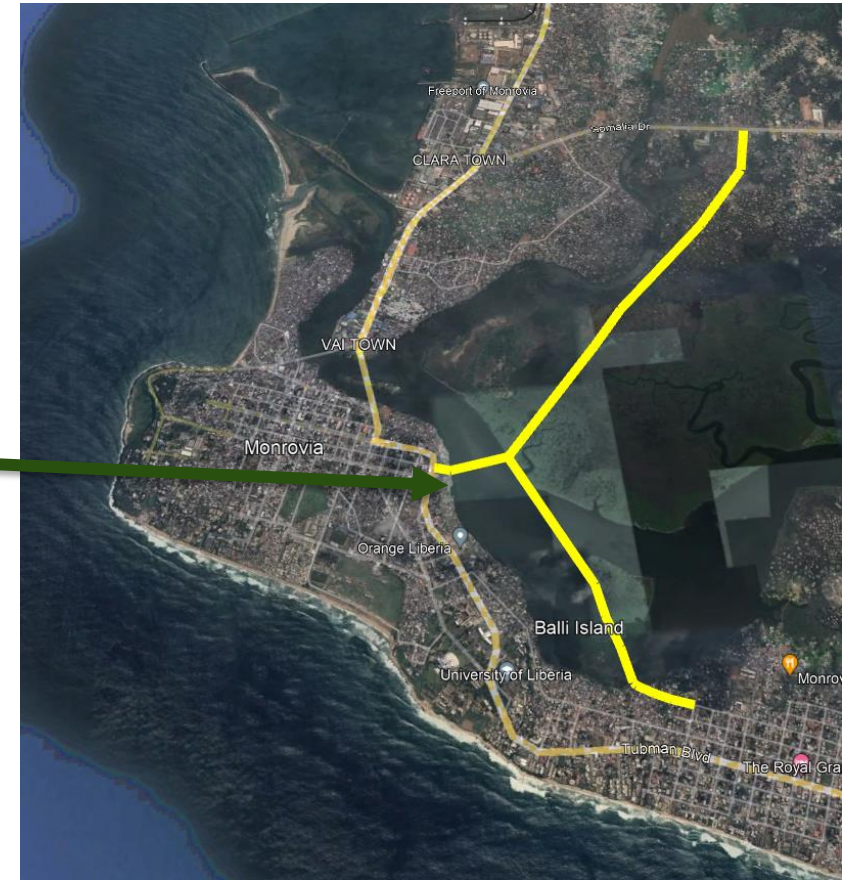
Preliminary feasibility study was conducted. Detailed feasibility study and a complete engineering design will have to be done along with the proper alignment

The estimated feasibility cost : \$ 2m

The Estimate of construction : \$ 56m - 70m (No funding)

The strategy for the funding the remaining primary corridor is through:

- **Road Fund**
- **Budget allocation**
- **Multilateral Bank Fund**
- **Bilateral funding**
- **PPP funding/BOT**



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PRIMARY CORRIDOR: COASTAL HIGHWAY

Corridor : Coastal Corridor (*Buchanan – Cestos Junction – Greenville – Barclayville – Pleebo*)

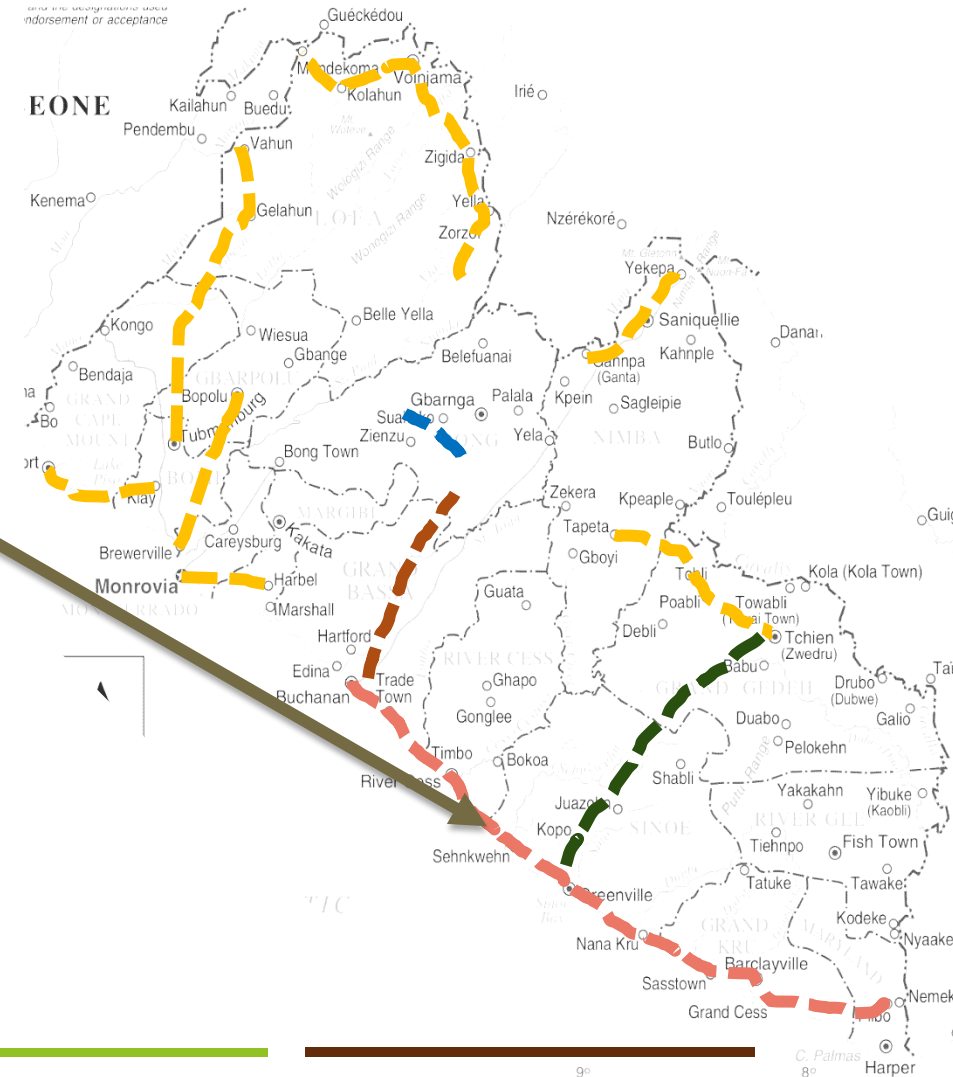
This corridor is inserted in the strategy as part of the immediate project to be done to increase awareness around tourism as potential area for growth of the economy.

Total length : **480km**

Construction Cost : \$ **510 million (Partial Funding)**

The strategy for the funding the remaining primary corridor is through:

- Road Fund
- Budget allocation
- Multilateral Bank Fund
- Bilateral funding
- PPP Funding



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PRIMARY CORRIDOR: FREEPORT - BO WATERSIDE

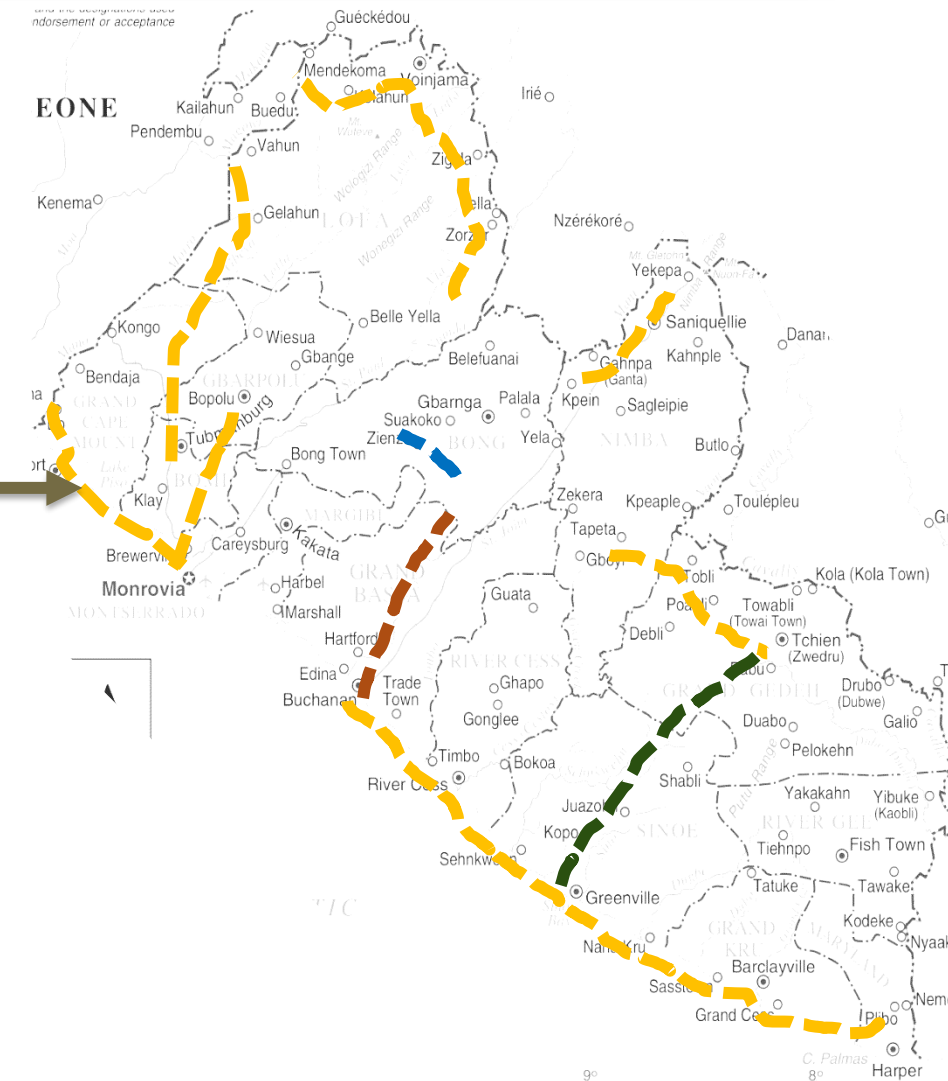
Corridor : Freeport - Bo Waterside

This corridor is inserted in the strategy as part of the immediate project to be done to increase awareness around tourism as potential area for growth of the economy.

The estimated distance : 138 km
The Implementation \$ 112 million

The strategy for the funding the remaining primary corridor is through:

- Road Fund
- Budget allocation
- Multilateral Bank Fund
- Bilateral funding
- PPP Funding/BOT



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GAP IN ROAD INFRASTRUCTURE FINANCING SCHEDULE

No.	Project	Distance (Km)	Funding Status	Estimated Cost (US\$)	Location	Feasibility
1	Zewdru - Greenville	185.0	Not Available	167,000,000.00	Nimba & Bong	Pending
2	Kokoya - Compound #3 G. Bassa	260.0	Not Available	234,000,000.00	Nimba & G. Bassa	Pending
3	Kpatawee Waterfall Road	20.0	Not Available	23,000,000.00	Bong	Pending
4	Kesselly Boulevard	21.0	Not Available	115,300,000.00	Montserratado	Pending
5	Battery Factory - Capitol Hill	8.50	Not Available	56,000,000.00	Montserratado	Pending
6	Coastal Highway	480.0	Not Available	510,000,000.00	Bassa, Rivercess, Sinoe, G. Kru	Preliminarily Completed
7	Freeport - Bo Waterside	138.0	Not Available	112,000,000.00	Mont. Bomi & C. Mount	Partially Ongoing
8	Community Road	240.0	Not Available	149,700,000.00	Montserratado	Pending
9	County Capital (Urban Road)	336.0	Not Available	201,600,000.00	14 counties capitals	Pending
10	Brewerville - Bopolu	86.0	Not Available	81,000,000.00	Montserratado & Gbarpolu	Pending
11	Bopolu-Vahun	224.0	Not Available	201,600,000.00	Gbarpolu & Lofa	Pending
12	Mardina - Robertsport	41.0	Not Available	40,180,000.00	Mont. & G. Cape Mount	Pending
13	Feeder Roads	7,518.0	Not Available	2,200,000,000.00	15 Counties Rural Road	Pending
14	Secondary Roads	2,500.0	Not Available	1,750,000,000.00	15 Counties secondary Road	Pending
Total Investment Cost				-\$5,691,680,000.00		

GAP IN ROAD INFRASTRUCTURE FINANCING

Many of the primary corridor depicted are unpaved and funding discussions are not yet concrete

Many of the primary roads have largely been financed by GoL allocations and funds from International Finance Institutions (IFIs)

However, Liberia's budget totals nearly 700m a year and its borrowing is constrained by a \$400m debt ceiling



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INVESTMENT STRATEGY-ROAD TRANSPORT INFRASTRUCTURE

In order to open Liberia's priority primary road network in a timely manner. This Strategy is designed to develop the below funding methodologies for road transport financing:

01 Joint Sector Partners Funding

➤ **Development partners should be advised on the priority of Government funding on primary road corridors**

02 Capital Investment Funding

➤ **Attract capital investment from Business and individuals at a determined interest rate and payable over a length of time.**

03 Resource Extraction Concession Funding deals

➤ **In exchange for a quantifiable number/value of resources or as corporate social responsibility for companies to fund identified primary road projects.**

04 Road Funds

➤ **Road construction & maintenance is expensive henceforth, it requires dedicated funding to meet demand. The RFA should be used for such purpose. (tool system - potential for additional charges**

05 Public Private Partnership/Build Operate Transfer (BOT)

➤ **12 billion has been expanded for infrastructural development in Africa using PPP. We need to rethink the PPP model for financing capital intensive road projects in Liberia**

PROPOSED TOLL SYSTEM CORRIDOR: FUNDING NEEDS

Two (2) Potential Toll Corridors

(Monrovia-RIA-Buchanan & Red-light-Ganta, Guinea-border)

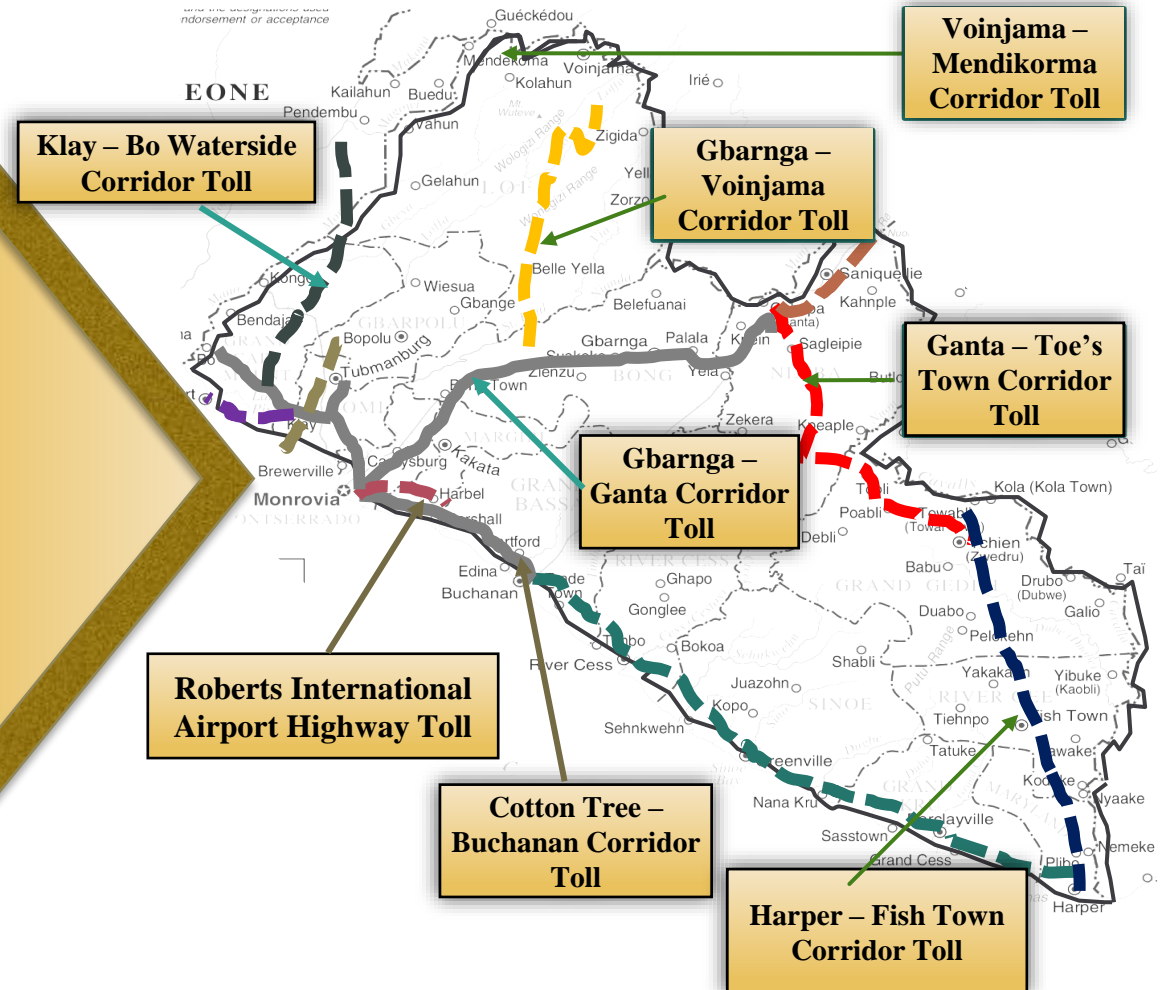
Six (6) Potential Toll Corridors Future Investment

(Klay - Bo Waterside, Gbarnga-Voinjama, Voinjama-Mendikorma, Ganta-Toes Town, Harper - Fish Town)

Total Daily Traffic of 3,250 vehicle/day (RIA Corridor)

Estimated Cost **Toll System** Construction (1.5 Million)

The Toll System has the Potential to Generate Additional Revenue of 1.4 Million Bi-annually



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Key attributes for investors wanting to invest in Liberia

- i. A mindset and expectation that reflect those distinctive realities – persistence and resilience, a long-term view of project success and appropriate risk tolerance
- ii. Deep knowledge of each target market and each particular environment and well as of local dynamics
- iii. An entrepreneur/engineer outlook rather than a more hands-off financier-type viewpoint, with a integrated end to end view of project and willingness to acquire in house capabilities for the different stages and to get involved from initial concept to feasibility, bankability, and eventually construction and operations, alternatively a willingness to recognize and reward work done by third parties.
- iv. Awareness of community engagement as a core priority, not an add-on

Best Practice Project Development

- ❖ Accommodate shifts in timing
- ❖ Find a champion in the government
- ❖ Set up co-funding of feasibility studies and other development expenses
- ❖ Work with the right combination of partners
- ❖ Maintain precise documentation and aim for balanced deals
- ❖ Attempt to secure financial closure within one administration
- ❖ Set clear rules of engagement for discussion of financial stability

Best Practice Project Development con't

- ❖ Government and private sector investors much work together towards certain goals:
 - i. Best practice sharing, templates and standardization
 - ii. More, smaller quicker deals
 - iii. More innovation, such as issuing infrastructure bonds in local currencies and using the platform approach to deals
 - iv. Increased regional investment opportunities in key corridors

Conclusion

The challenges are huge, but so are the opportunities – a winning proposition for those who get it right.

- ❖ For private investors, there is money to be made
- ❖ For government – the possibility of transformative social and economic development. And the biggest winners will be the almost 5.2 million Liberians whose life prospects stand to change for the better.

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THANK YOU
