



Note

Liberia: Covid-19 Impacts, Responses and Ways Forward for Sustainable and Inclusive Recovery

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Summary

This note explores the main social and economic impacts of the Covid-19 crisis in Liberia, as well as measures taken at both national and international level to address it. After reviewing the main indicators of Liberia before the eruption of the pandemic, it concludes recommending short- and medium-term options to repond to the crisis with the aim to secure long-term inclusive socio-economic development in the country.

Introduction

Liberia is a country situated in West Africa. It is surrounded by the Atlantic Ocean (South), Sierra-Leone (North-West), Guinea (North)

and Ivory Coast (East). It is one of the Least Developed Countries (LDC). In Table 1 below are basic socio-economic as well as demographic indicators for Liberia, all data are for 2019, unless another date is given.

Table 1: Liberia Key Indicators before Covid-19

Population ¹	4 937 000
Urban population ² (% of total population)	51,6
Economy (GDP)³	
GDP (Billion current USD)	3,070
GDP per capita (current USD)	621,9
GDP Growth Rate (annual %, constant 2010 prices)	-2.3 (also see below)
Structure of the Economy⁴	
Agriculture (% of Gross Value Added, GVA) (2017)	72,7
Industry (% GVA) (2017)	8,7
Services and other activity (% GVA) (2017)	18,6
Unemployment Rate ⁵ (% of labour force) (2018)	2,0
Trade ⁶	
Exports of goods and services (Billion current USD)	0,882
Exports of goods and services (% GDP)	28,7
Imports of goods and services (Billion current USD)	3,031
Imports of goods and services (% GDP)	98,7
External balance on goods and services (Billion current USD)	-2,149
External balance on goods and services (% GDP)	-70
Trade bis ⁷	
Major exports of goods (2018)	Gold, Passenger and Cargo Ships, Crude Petroleum, Iron Ore, Rubber
Major export destination (2018)	Switzerland, Germany, India, United Kingdom, China
Major imports of goods (2018)	Passenger and Cargo Ships, Refined Petroleum, Rice, Iron Structures, Boat Propellers
Major import origins (2018)	South Korea, China, Germany, Greece, India
Other indicators	
Global Hunger Index ⁸ (2020)	31,4 (serious level of hunger)
Food insecurity (% of Liberian households) ⁹ (2020)	16
Food vulnerability (% of Liberian households) ¹⁰ (2020)	42
HDI ¹¹ (2018)	0,465 (176 th rank out of 189)
Gender Development Index ¹²	0,899
Gender Inequality Index ¹³	0,651
Rule of Law index ¹⁴ (2020)	0,45 (98 th rank out of 128)

NB: The coma (,) always indicates the first decimal.

¹ <http://data.un.org/en/iso/lr.html>

² <http://data.un.org/en/iso/lr.html>

³ <https://data.worldbank.org/>

⁴ <http://data.un.org/en/iso/lr.html>

⁵ <http://hdr.undp.org/en/countries/profiles/LBR>

⁶ <https://data.worldbank.org/indicator/NE.EXP.GNFS.CD?locations=LR>

⁷ Done with information taken from <https://oec.world/en/profile/country/lbr/>

⁸ Data from 2015-2019. The impact of Covid-19 is not taken into account. Available at: <https://www.globalhungerindex.org/>

⁹ <https://www.wfp.org/countries/liberia>

¹⁰ Word for word: "marginally food secure". Available at: https://docs.wfp.org/api/documents/WFP-0000119822/download/?_ga=2.78669843.628810957.1604653282-658458224.1600247339

¹¹ <http://hdr.undp.org/en/countries/profiles/LBR>

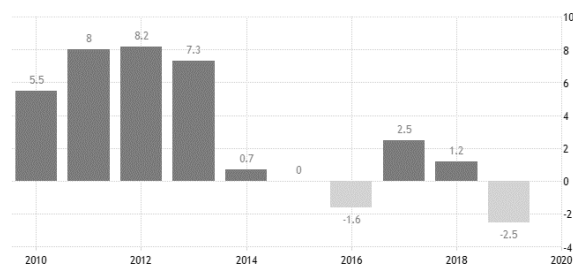
¹² Ratio of female to male HDI values. From <http://hdr.undp.org/en/indicators/137906>

¹³ Reflects inequality in achievement between women and men (gender based disadvantages) in the following dimensions: reproductive health, empowerment, labour market. Ranges from 0 (women and men fare equally) to 1 (gender fares as poorly as possible in all measured dimensions. http://hdr.undp.org/sites/default/files/hdr2019_technical_notes.pdf

¹⁴ The Rule of Law Index is a number between 0 and 1, 1 being the best and 0 being the worst. Available at: <https://worldjusticeproject.org/rule-of-law-index/country/2020/Liberia/>

Even before Covid-19, and following the EVD (Ebola Virus Disease) outbreak (2014), the GDP growth rate has been rather unstable. “The gains in poverty reduction achieved during the post-war recovery have been significantly eroded. High levels of inequality in access to assets, services, and opportunities worsen the destabilizing effect of economic shocks.”¹⁵ In 2019, the contraction was due to demand- and supply-side factors.

Figure 1: GDP Growth in Liberia from 2010 to 2020¹⁶

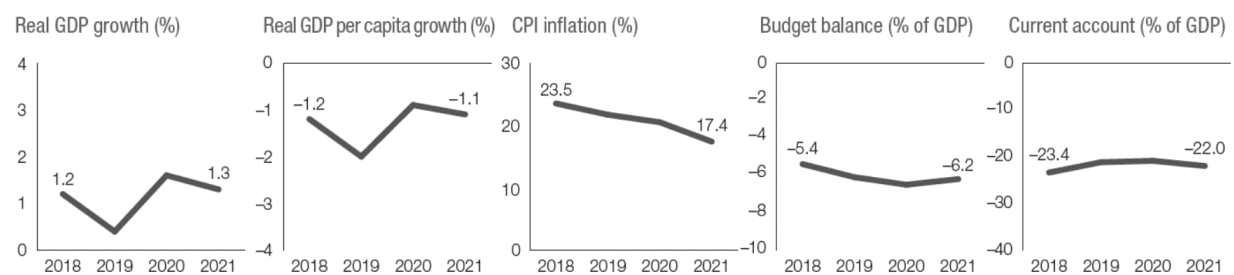


Source: Central Bank of Liberia

Hence, Liberia was already facing a challenging domestic and external environment with a weak consumption and high inflation rate, which negatively impacted the consumer purchasing power as well as the household welfare. However, the economy was poised for a recovery in 2020: in January 2020, the World Bank’s baseline projection of growth was 0,6%¹⁷ while the African Development Bank projected in 2019 a GDP growth rate of 1,6% for 2020¹⁸.

Overall, as shown in the Figure 2 below¹⁹, the growth was supposed to increase again (1,6%), the real GDP per capita growth² to remain stable (from -1,2 in 2018 to -1 in 2020, back to -1,1 in 2021). The CPI inflation, that was very high in 2018 (since 2016) and having bad effects on Liberia’s economy and Liberian purchasing power, was projected to decrease down to 17,4% in 2021.

Figure 2: Recent Trend in Key Economic Indicators



Source: Data from domestic authorities; figures for 2019 are estimates; figures for 2020 and 2021 are projections by the African Economic Outlook team. Data on the budget balance correspond to Liberia’s fiscal year, which runs from July 1 to June 30.

¹⁵ <https://openknowledge.worldbank.org/bitstream/handle/10986/34271/Liberia-Economic-Update-The-COVID-19-Crisis-in-Liberia-Projected-Impact-and-Policy-Options-for-a-Robust-Recovery.pdf?sequence=4&isAllowed=y>
¹⁶ <https://tradingeconomics.com/liberia/gdp-growth-annual>
¹⁷ Calculation made from <https://openknowledge.worldbank.org/bitstream/handle/10986/34271/Liberia-Economic-Update-The-COVID-19-Crisis-in-Liberia-Projected-Impact-and-Policy-Options-for-a-Robust-Recovery.pdf?sequence=4&isAllowed=y>

[986/34271/Liberia-Economic-Update-The-COVID-19-Crisis-in-Liberia-Projected-Impact-and-Policy-Options-for-a-Robust-Recovery.pdf?sequence=4&isAllowed=y](https://openknowledge.worldbank.org/bitstream/handle/10986/34271/Liberia-Economic-Update-The-COVID-19-Crisis-in-Liberia-Projected-Impact-and-Policy-Options-for-a-Robust-Recovery.pdf?sequence=4&isAllowed=y)
¹⁸ <https://www.afdb.org/en/countries/west-africa/liberia>
¹⁹ <https://www.afdb.org/en/countries/west-africa/liberia/liberia-economic-outlook>

Covid-19 Situation and Impacts

Trajectory of Covid-19 diseases

NB: the numbers that are given in this section may vary depending on the chosen source. Also, they can change every day. Though, one source has been chosen and will show the trends of the development of the pandemic. Also, “inadequate testing limits the reliability of these figures”.²⁰

Covid-19: data from the beginning of the pandemic ²¹

The first Covid-19 cases were confirmed in Liberia on March 17th and concerned five people. On March 18th, there was one more case. The number of confirmed cases began to increase from April 9th with 17 new cases.

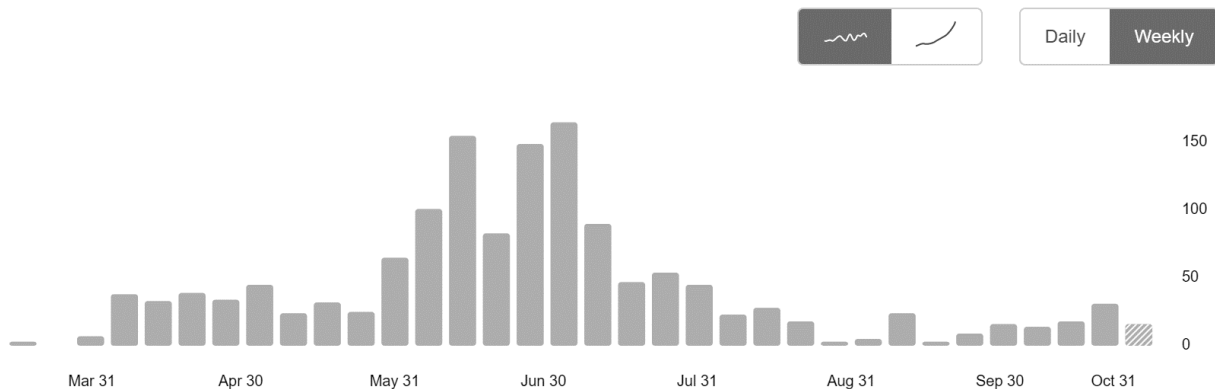
The peak of new contaminations was reached on June 29th with 84 new confirmed cases. At that date, there had been 768 cumulated confirmed cases from the beginning of the pandemic in Liberia.

The weekly contaminations were at the highest between mid-June and mid-July with respectively 155, 83, 149 and 165 new confirmed cases for each week from June 15th to July 12th. The figure below shows the weekly evolution of new confirmed cases.

As shown in Figure 3, the number of new contaminations was very low at the end of August, and it slowly began to increase again from September, with up to 18 new cases each week. Though, in the week of the 26th October, there were 31 new confirmed cases.

Figure 4 shows the cumulated Corona cases from the beginning of the pandemic. The main increase happened between the end of May and mid-July, and it remained almost stable since then.

Figure 3: Number of confirmed cases of Covid-19 per week between February and November 2020 in Liberia²²



²⁰ <https://openknowledge.worldbank.org/bitstream/handle/10986/34271/Liberia-Economic-Update-The-COVID-19-Crisis-in-Liberia-Projected-Impact-and-Policy-Options-for-a-Robust-Recovery.pdf?sequence=4&isAllowed=y>

²¹ <https://who.maps.arcgis.com/apps/opsdashboard/index.html#/0c9b3a8b68d0437a8cf28581e9c063a9>

²² <https://covid19.who.int/region/afro/country/lr>

Figure 4: Number of cumulated confirmed cases of Covid-19 between February and November 2020 in Liberia²³

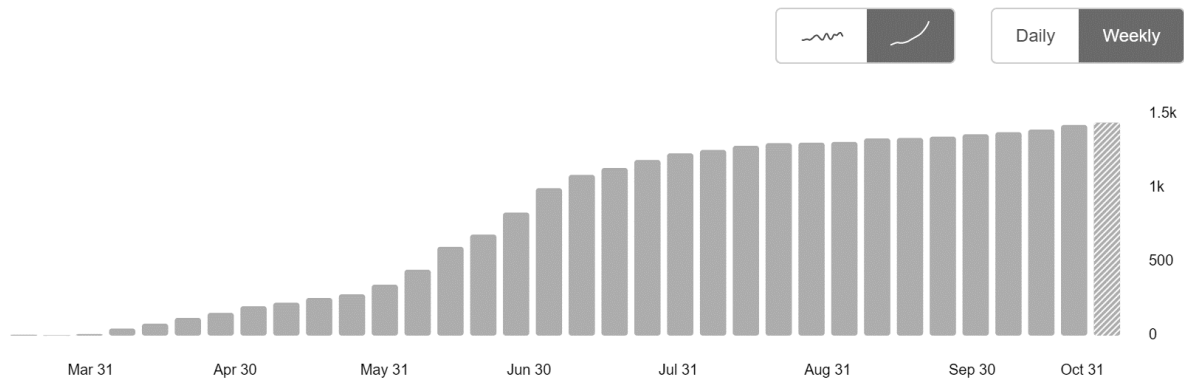
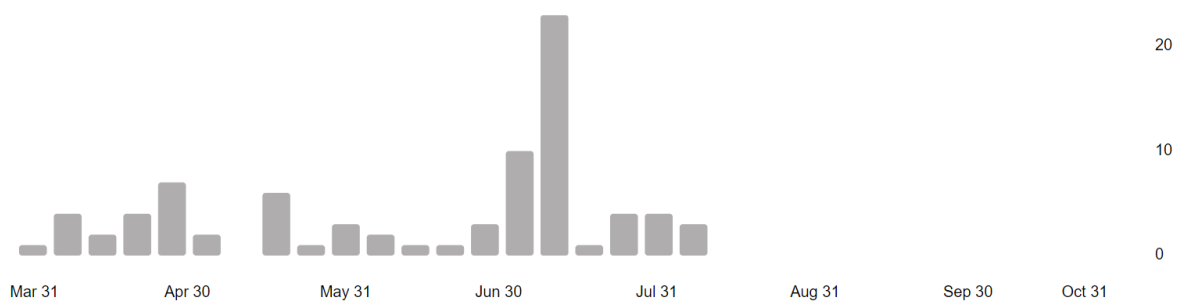


Figure 5: Weekly number of deaths caused by Covid-19 between February and October in Liberia²⁴



The first death caused by Covid-19 occurred on April 5th. The peak in number of deaths was reached on July 16th with 15 deaths. The last time was on August 13th with 3 deaths.

The proportion of the Liberian confirmed cases over the total in the WHO African Region comes to 0,11%. The infection rate comes to 28,30 per 100 000 people (data from November 9th, 2020)²⁵

Covid-19 in Liberia today (data from 9th November, 2020, WHO Data).

Today and since the beginning of the pandemic, 1442 new cases have been confirmed in Liberia. The 6 last cases were confirmed on the 8th of November. Also, since the 13th of August, no one has died because of the virus.

Out of the 1442 cumulative cases, there were 82 deaths in total (which makes a Case Fatality Ratio of 5,75%) and 1310 cumulative

²³ <https://covid19.who.int/region/afro/country/lr>

²⁴ <https://covid19.who.int/region/afro/country/lr>

²⁵ <https://who.maps.arcgis.com/apps/opsdashboard/index.html#/0c9b3a8b68d0437a8cf28581e9c063a9>

recoveries (which represents 90,85% of all cumulated cases). There are still 50 active cases.

Protective measures taken by the government to control the pandemic ²⁶

Quarantine/Confinement

Lockdown for four Liberian counties (Montserrado, Margibi, Nimba and Grand Kru) with a “stay-at home” order started on April 10th and was renewed twice, until June 5th. It was extended to all Liberian counties on April 24th. Wearing a face mask was made compulsory in public places (on April 27th). A curfew starting at 6 pm was also established on May 22nd. Those caught violating the curfew were obliged to do a Coronavirus test.

National Health Emergency

It was established on March 21st and concerns the Ministry of Health, who can make rules for the removal of persons suffering from a communicable disease and their contacts as well as corpses. The minister is also empowered for regulation of hospitals, registration of residents in an infected area, and compulsory medical examination of persons suffering or suspected to be suffering from a communicable disease.

State of Emergency

National State of Emergency was approved on April 8th for three weeks, renewable. It ended on June 9th. It concerns the president, who can impose specific restrictions.

Travel bans and restrictions – abroad

From the beginning (March 16th), travel to all countries with more than 200 cases was banned and non-essential travel by government officials cancelled. Several borders were closed (Guinea and Ivory Coast on March 31st, Sierra Leone on April 1st). All commercial flights were suspended (from March 23rd). The Roberts International Airport reopening, initially planned for June 21st, was pushed back to June 28th.

Travel bans and restrictions – within Liberia

From March 16th, travels within Liberia were minimized, specifically to cross-border traders and travellers and particularly in and outside the affected areas such as Montserrado and Margibi (March 21st). Public transports were also limited (March 21st). From April 8th, all movements between Liberian counties were prohibited.

Schools and universities

They were all closed on March 21st.

Cancellation of public events and closure of public places

The first recommendations to follow good hygiene practices and social distancing protocols came on March 16th along with the ban on large public gatherings and large crowds. Public gatherings of more than ten people including weddings and funerals were banned (March 21st) as well as places of worship were closed. They partially re-opened on May 17th (with low rate occupancy).

²⁶ <https://www.oecd.org/coronavirus/country-policy-tracker/> (updated on June 22nd) ;

<https://blogs.loc.gov/law/2020/05/liberia-government-measures-to-contain-the-spread-of-covid-19/>

Hygiene measures

Washing hands with soap and clear water at home and in all public and private establishments was made mandatory on March 21st.

Obligatory shut down of economic activities

Paid leave was granted to all non-essential governmental employees on March 16th. Also, restrictions were set up for restaurants, pharmacies, banks and supermarkets, as social distancing was required in all facilities and institutions and the number of inside allowed customers was fixed (March 21st), along with ban on street selling. Bars, nightclubs, casinos, cinemas, beauty salons and personal care services closed. In the four first locked down counties, all non-essential businesses and government offices closed on April 8th. While respecting a low occupancy and social distancing, stores selling food commodities, dry goods, building materials and electronic appliances could re-open (May 22nd). Hotels, guesthouses and gaming centres also re-opened on June 21st.

Health system measures

A Special Presidential Advisory Committee on Coronavirus and an Executive Committee on Coronavirus under the umbrella of the president were established (March 13th). A dedicated hotline to report people who show signs and symptoms to the relevant health and security authorities was also set up (March 21st). All retired health workers in Liberia were called to reinforce capabilities and strengths to fight Covid-19 (April 8th).

Socio-economic impacts

The Covid-19 crisis brings enormous economic, social and political pressures in Liberia. In the first edition of the “Liberia Economic Update”²⁷ published in June 2020, the World Bank Group reports the situation in Liberia following the eruption of the Covid-19 pandemic, mainly concentrating on the economic indicators. Globally, “the burgeoning COVID-19 pandemic poses a major threat to the Liberian economy”.

Consequences on the economic growth

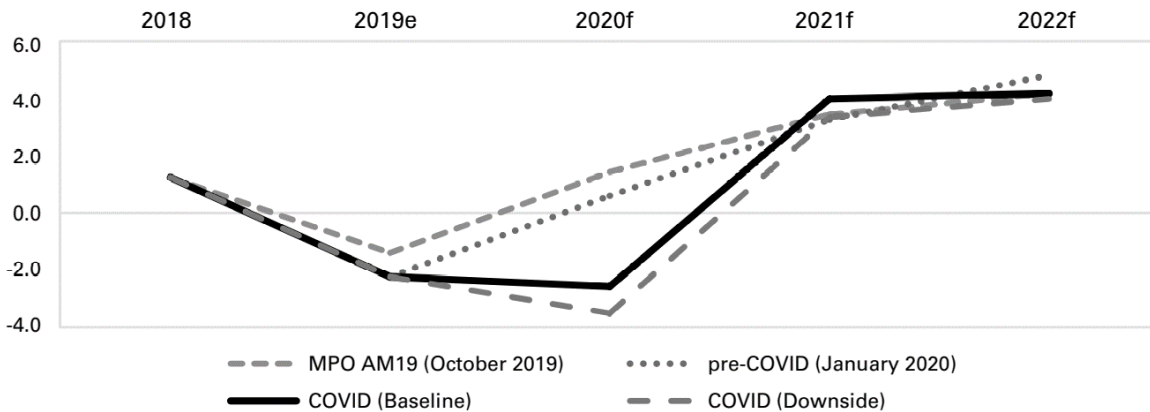
That report sets several projections for Liberia to recover from the Covid-19 crisis in terms of economic growth:

- Real GDP is projected to contract by 2,6% in 2020 (down 3,2 percentage points from the pre-Covid baseline projection in January 2020).
- If the outbreak is contained in the first half of the year (“baseline scenario”), a “sharp rebound” is expected in 2021 with a real GDP growth rate that could rise to an average of 4,1% in 2021-2022.
- If the outbreak is not effectively contained during the first six months of 2020 (“moderate down-side scenario”), “real GDP could contract by 3,6 percent in 2020 and recover more slowly, growing at an average rate of 3,7 percent in 2021-2022”.
- In the “worst-case scenario”, if the contraction was to be deeper and more prolonged, a modest recovery could be expected in 2022.

²⁷ In June 2020, the first edition of the “Liberia Economic Update” was published from the World Bank Group and named: “The Covid-19 Crises in Liberia: Projected Impact and Policy Options for a Robust Recovery”. It is meant to be an annual report designed to “monitor recent economic developments and examine emerging issues”. To be

found there:
<https://openknowledge.worldbank.org/bitstream/handle/10986/34271/Liberia-Economic-Update-The-COVID-19-Crisis-in-Liberia-Projected-Impact-and-Policy-Options-for-a-Robust-Recovery.pdf?sequence=4&isAllowed=y>

Figure 6: Real GDP Growth Rate (%)



Source: Liberia authorities, IMF/World Bank Staff estimates

Further expected impacts of the pandemic can be summed up through several other channels as stated below:

International trade and global supply chains

Due to its “highly concentrated export structure” as well as “dependence on imported fuel and food” and “heavy reliance on external aid”, Liberia is very vulnerable to external shocks. The slowdown in economic activity induced by containment measures led the rate of depreciation (which was increasing since 2017) to slow by end May 2020. However, the fall of the prices of the major Liberian export commodities, following a slowing global demand, will reduce export earnings, putting pressure on the exchange rate²⁸, which brings Liberia in a fragile foreign reserve position.

Also, exports are expected to fall sharply with negative implications for the mining and agricultural sectors: during the five first months of 2020, prices for iron fell by 2,2%,

rubber by 20%. But gold prices rose by 9,9% and should still increase until 2021.

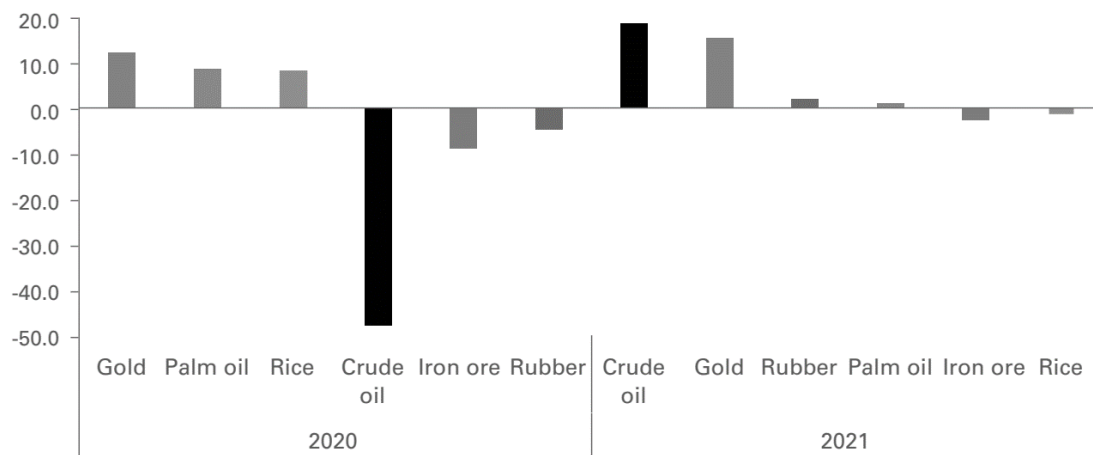
At the same time, the volatility of the import prices (particularly for food and pharmaceuticals) increases the domestic prices for certain imported as well as domestically produced products. The external inflationary pressures in Liberia should be limited due to the projected sinking crude oil prices. However, rice prices are expected to rise by 8,3% in 2020, following a 20,7% year-on-year increase during January-May 2020 and a 13,1% increase since January 2020. As rice is a key import, this will have “important implications for household welfare, food security and consumer price inflation”. Despite those forecasts, the evolution in prices remains highly uncertain and unpredictable, which could intensify macroeconomy volatility.

Finally, due to the pandemic, output growth across multiple sectors decreases. A continental supply shock affecting domestic and intra African trade may be expected. The rate of inflation should remain around 20%.

²⁸ Reduced export earnings mean that there is less demand for Liberian products and services, so less demand for Liberian Dollar on currency markets. The equilibrium of the exchange rate of the Liberian Dollar is

therefore threatened (supply>demand), and if the CBL wants to keep it, it needs to buy Liberian Dollars to increase the demand with its foreign reserve of USD.

Figure 7: Projected Price Changes for Liberia’s Main Exports and Imports, 2020-21²⁹



Source: World Bank

Tourism and business travel

Transportation and hospitality industries account for 20% of the Liberian GDP. Travel also has a spillover effect on local supply chains. The fall down in travel at international scale will therefore hit Liberia’s economy through income, employment and government revenue.

Remittances

Remittances flows to Africa are expected to decline by 23,1% in 2020 (a recovery of 4% can be expected for 2021). As they averaged 16% of GDP for the 2015-2019 period, with a third coming from the USA, this reverse growth might weaken the balance of payments, reduce private consumption and have negative second order effects on domestic demand, especially in labour intensive sectors.

Other external flows

Liberia relies “heavily” on Foreign Direct Investment (FDI) and donor assistance. Investment flows could be reduced by 30-40% over 2020-2021, which may harm the export-oriented mining, agriculture and forestry sectors. The World Bank projects a 35% decline in FDI in 2020. Also, private portfolio flows through stock and bond markets could go through a 80% decline.

²⁹ <https://openknowledge.worldbank.org/bitstream/handle/10986/34271/Liberia-Economic-Update-The-COVID-19-Crisis-in-Liberia-Projected-Impact-and-Policy-Options-for-a-Robust-Recovery.pdf?sequence=4&isAllowed=y>

Other already observed or expected impacts of the Covid-19 pandemic

The domestic economic activity and employment are also deeply hit, particularly nonfarm self-employment in urban areas. The lower demand for services mostly affects informal workers, who already mostly live in highly precarious conditions, while the informal employment accounts for about 80% of total employment in Liberia³⁰ (this rate is even higher in rural areas and among women workers). The critical service sector in Monrovia, “which is densely populated and lacks the physical, institutional, and economic infrastructure to implement pandemic response measures efficiently and with minimal impact on household welfare”, could also be profoundly disrupted. The production is slower and the workforce in the agricultural, mining and manufacturing sectors reduced. A decline in rubber output, iron ore output, output in gold sector and production in cement and beverage was observed in the period January-June 2020 (compared to the same period in the previous former year). Microfinance is very likely to be much impacted, as was the case during Ebola outbreak. Finally, in the context of increasing defaults and diminished economic activity, lending from banks and nonbank financial institutions is likely to decrease.

Poverty rates

The poverty rates³¹ are projected to increase as per capita income contracts and food prices rise. In the baseline scenario (as

defined above), it could increase from 55,5% in 2019 to 65,2% in 2020, and it could reach 68,9% under the downside scenario. Additional 335 000 to 526 000 Liberians are now at risk of falling into poverty.

Health System

The health system “remains among the weakest in the world with severe shortages of human and financial resources, limited institutional capacity and infrastructure, weak information systems, critical gaps in the availability of drugs, equipment, medical supplies, other essential inputs.”³² Less than 1,2 % of the population was estimated to have access to basic handwashing facilities in 2017.

Fiscal financing gap

The widening fiscal deficits generated by Covid-19 are projected to create an urgent balance-of-payments gap of 150 million USD (over 5% of GDP) in 2020. International financial aid might help close the fiscal financing gap in short term, but “The government remains committed to executing a realistic and credible budget over the medium term, but a deteriorating external environment and the adverse impact of the pandemic and associated lockdown measures on domestic economic activity will pose serious challenges to the administration’s ongoing fiscal consolidation efforts.”³³ The lack of fiscal space constrains the government’s ability to mount a meaningful fiscal policy response, and revenues are expected to decline further as economic activity slows. The pandemic

³⁰ HEIS, 2016, quoted in <https://openknowledge.worldbank.org/bitstream/handle/10986/34271/Liberia-Economic-Update-The-COVID-19-Crisis-in-Liberia-Projected-Impact-and-Policy-Options-for-a-Robust-Recovery.pdf?sequence=4&isAllowed=y>

³¹ <https://openknowledge.worldbank.org/bitstream/handle/10986/34271/Liberia-Economic-Update-The-COVID-19-Crisis-in-Liberia-Projected-Impact-and-Policy-Options-for-a-Robust-Recovery.pdf?sequence=4&isAllowed=y>

³² <https://openknowledge.worldbank.org/bitstream/handle/10986/34271/Liberia-Economic-Update-The-COVID-19-Crisis-in-Liberia-Projected-Impact-and-Policy-Options-for-a-Robust-Recovery.pdf?sequence=4&isAllowed=y>

³³ <https://openknowledge.worldbank.org/bitstream/handle/10986/34271/Liberia-Economic-Update-The-COVID-19-Crisis-in-Liberia-Projected-Impact-and-Policy-Options-for-a-Robust-Recovery.pdf?sequence=4&isAllowed=y>

threatens to undo hard-won progress in tightening cash management to keep the deficit under control and avoid the build-up of arrears as well as efforts to establish a new monetary framework to contain price growth.

Food Insecurity

Food insecurity already concerns large shares of both the urban and rural population, which makes them vulnerable to economic disruptions that adversely affect agricultural production and food-related supply chains. The above mentioned collapse of global oil prices “may improve household purchasing power by lowering the cost of imported fuel”, but “any such gains are likely to be concentrated among wealthier urban households and will do little to shield the poor and vulnerable from the overwhelmingly negative economic and health repercussions of the pandemic”³⁴. In fact, the purchasing power of the citizens has been drastically eroded while prices of food have spiked and it became harder to procure food. For instance, a 50 kg bag of rice costs 3000 Liberian Dollars - approximately 15 USD, an amount that 83 % of the country’s population, which lives below the international poverty line, cannot afford.³⁵

Impacts on gender and women

In a policy brief published in April 2020³⁶, the UN explores the impacts that Covid-19 is likely to have on girls and women, out of past experience with EVH and emerging data. Although Covid-19 is not supposed to affect differently males and females, the socio-economic impacts of the pandemic affect

women more than men.

In economic terms, women are much more likely than men to suffer from the impacts of the pandemic both in the short and long term. They earn less, save less, have less secure jobs and are more likely to work in the informal sector. They also have access to less social protection and have a lesser capacity to absorb economic shocks. They are the first to endure cuts or lay-offs. While men’s economic activity returned to pre-EVD-crisis levels shortly after the preventative measures subsided, the impacts on women’s economic security and livelihoods lasted much longer. Also, as 85% of daily market traders are women in Liberia, they are very likely to suffer from the economic consequences of the crisis.

It is also more difficult for women and girls to benefit from health services or have access to personal protective equipment. For instance, in times of crisis, pregnant women have limited access to family planning and are excluded from vaccination against viruses.³⁷ Diversion of attention and critical resources away from the provision of sexual and reproductive health services may result in increased maternal mortality, adolescent pregnancies and sexually transmitted diseases. Women workers are also more at exposure in front of the virus, as they globally make up 70% of frontline workers³⁸ in the health and social sector.

Needs for unpaid care work increase a lot during a pandemic. Women as “default unpaid family caregiver and majority of unpaid or poorly paid community health

³⁴

<https://openknowledge.worldbank.org/bitstream/handle/10986/34271/Liberia-Economic-Update-The-COVID-19-Crisis-in-Liberia-Projected-Impact-and-Policy-Options-for-a-Robust-Recovery.pdf?sequence=4&isAllowed=y>

³⁵ <https://www.liberianobserver.com/news/how-one-lady-is-helping-vulnerable-people-survive-each-day-during-covid-19/>

³⁶

https://www.un.org/sites/un2.un.org/files/policy_brief_on_covid_impact_on_women_9_april_2020.pdf

³⁷

<https://www.unwomen.org/en/news/stories/2020/3/statement-ed-phumzile-covid-19-women-front-and-centre>

³⁸

<https://www.unwomen.org/en/news/stories/2020/3/statement-ed-phumzile-covid-19-women-front-and-centre>

workers”³⁹ stand in the forefront of the Covid-19 response. Because of the stay-at-home order, many mothers should have been working from home but actually became teachers and caregivers for their children. They also had to face a dilemma between their wish to return to work and the need to forget it to enable their higher-earning partners continue working. The lockdown might also be very negative for adolescent girls who may definitely drop out of school before the end of their education. The gender digital divide in rural areas also magnified girls and women marginalisation, with limited access to distance education, essential services, digital finance and to information concerning the good behaviours to adopt.⁴⁰

Times of health crisis are likely to increase gender-based violence. When households are placed under the increased strains that come from security, health and money worries, particularly in confined living conditions, domestic violence and sexual exploitation are very likely to spike. Covid-19 can also be used as a threat: abusers exploit the inability of women to call for help or escape and they risk

being thrown out on the street with nowhere to go. As support services are already overwhelmed, women are even less likely to receive support when needed.

Finally, only 10% of social protection and labour market measures are aimed at women (e.g. cash transfers or food assistance that directly target women, support to women entrepreneurs and informal traders with grants and subsidized credits, or keeping childcare services open during lockdown to help relieve unpaid care burdens), which contributes to an increased gender gap.

Unemployment

The OECD observed⁴¹ that globally (in OECD countries at least), the unemployment rate increased more for women than for men, and that younger people were more likely to be affected by the pandemic. The unemployment rates increased in developed countries as well as in developing countries. Though, there are no more available precise data for Liberia for now.

39

https://www.un.org/sites/un2.un.org/files/policy_brief_on_covid_impact_on_women_9_april_2020.pdf

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<https://www.unwomen.org/en/news/stories/2020/10/statement-ed-phumzile-on-the-international-day-of-rural-women>

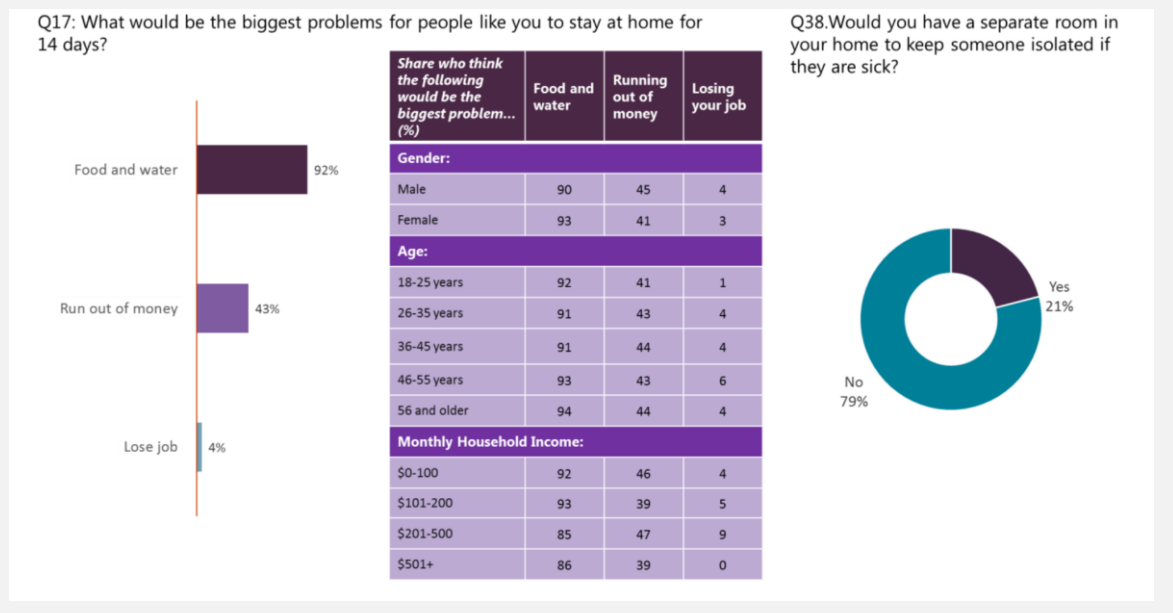
⁴¹ <https://www.oecd.org/newsroom/unemployment-rates-oecd-update-june-2020.htm>

Box 1: Survey conducted by the poll institute IPSOS⁴²

The poll institute IPSOS conducted a survey in Liberia about the response to Covid-19. Concerning the impact of the quarantine measures, it came out that:

- Quarantine measures would have a strong impact on access to food and water, but a more limited impact on employment
- One in three Liberians (32%) works outside the home, while 54% indicate they are not working. Of those employed outside the home, nearly four in five (78%) believe that their workplace could accommodate staggered shifts.
- One in five (21%) have a separate room to isolate someone who becomes sick. This proportion increase as monthly household income rises.
- Nine in ten (92%) indicate that food and water would be a problem if they had to be at home for 14 days. Fewer, but nevertheless an important minority, say they would run out of money (43%), very few (4%) believe they would lose their job.
- If asked to stay at home, on median average, Liberians would need to get both food and money after 5 days.

Figure 8: Answers to the survey led by IPSOS



⁴² https://www.ipsos.com/sites/default/files/ct/publication/documents/2020-05/liberia_report_0.pdf

Support measures at national and international level

Authorities of the Liberian Government and at the Central Bank of Liberia instituted several policy measures to ease the negative impact of the Coronavirus disease (COVID-19) pandemic on the Liberian economy.

Measures by the Liberian government ⁴³

Overall fiscal measures

On April 15th, the government proposed to fully pay the loans owned by market women, and petty and small traders in affected counties. It had to be a strong stimulus for these individuals, and should further help the banks to increase lending to new borrowers⁴⁴. That was approved by the Liberian Legislature. An Emergency Covid-19 Relief Fund was also established on April 17th, to complement Liberian government's purchase of necessities for vulnerable people and testing kits, PPE and other protective gears for health workers. It was to be funded by voluntarily contributions and private donations.

Health system measures

A Covid-19 preparedness plan was being prepared in June, *inter alia* aiming at supporting health care workers, purchasing and repairing health equipment, procuring drugs and other medical supplies, deploying surge staff to contact tracing activities. It was supported from the World Bank, that disbursed about USD 4 million for actions under the plan.

Income support measures for individuals and households excluding tax and contribution changes

Still regarding the fiscal measures, the re-appropriation of USD 25 million was proposed (April 15th) to support food distribution to households in designated affected counties for the lockdown period. It was to be implemented by the World Food Program in collaboration with a Covid-19 Food Support National Steering Committee. It was approved for the entire country by the Liberian Legislature, with priority given to vulnerable population, the disadvantaged youth, the homeless, orphanages, senior citizens, and people with disabilities. It also accommodated locally produced food first.

The government proposed (April 15th) to take up the electricity and water bills of households in the affected counties for the duration of the stay-at-home order, and it was approved by the Liberian Legislature. The estimated cost of this measure is USD 4 million.⁴⁵

Social protection

The UNDP has set a "Covid-19 Global Gender Response Tracker", that "monitors policy measures enacted by governments worldwide to tackle the Covid-19 crisis, and highlights responses that have integrated gender lens."⁴⁶ It records four social protection policy measures taken in Liberia (Box 2).

⁴³ <https://www.oecd.org/coronavirus/country-policy-tracker/> (updated on June 22nd)

⁴⁴ <https://data.undp.org/gendertacker/>

⁴⁵ <https://data.undp.org/gendertacker/>

⁴⁶ <https://data.undp.org/gendertacker/>

Box 2: Policy Details for Liberia as shown by the Covid-19 Global Gender Response Tracker⁴⁷

(i) For Covid-19 support to vulnerable households, the Government of Liberia plans to use existing Liberia Social Safety Nets Project to provide immediate relief in Greater Monrovia area and scale up cash transfers in the four most food insecure counties. Specifically, the government plans to:

- Provide one-off emergency cash-transfers to approximately 25 000 poorest households in Greater Monrovia via mobile Money,
- Scale up the Social Cash Transfer program from 3500 to 15000 extreme poor households in Liberia's four most food insecure counties (Maryland, Grand Kru, River Gee and Bomi) via mobile money, [...].

(ii) Government switched to take home meals⁴⁸, an approach they used during Ebola alongside their neighbour Sierra Leone.

(iii) The Government is planning to take up the electricity bill of households in the affected counties for the duration of the STAY-AT-HOME. Cost of this measure is US\$4 million.

Out of the EVD crisis, the government also learnt that its measures had to be transparent to encourage trust.

Measures from the Central Bank of Liberia ⁴⁹

Monetary policy

The CBL expedited the procurement of additional banknotes to help meet the Liberian dollar demand in the economy. It also allowed banks to practice limited forbearance on asset classification, provisioning, and leading policies in hard-hit sectors of the economy, while remaining vigilant for signs of banking sector stress. The policy rate was also reduced “by 500 [basis points] to 25% partly to support increased financial intermediation”.

Off with fees and charges to facilitate e-payment

In order to better facilitate the use of electronic payments, the CBL suspended fees and charges for most electronic transfers and point-of-sale outlets: commercial banks were required to suspend all charges related to

Electronic Payment Channels for customers. Mobile Money operators suspended all charges to customer from their bank accounts to their mobile money accounts and vice versa. All charges for person to person funds transfer via the internet or mobile banking services could also be suspended for a month.

Push up limits for daily transactions

The CBL also increased the allowable daily limits for mobile money transactions, and adjusted the monthly aggregate transaction limits for purchasing of goods and transfers through mobile money.

Flexibility on credit

Rules on credit (asset classification and provisioning) were suspended for three months to borrowers in aviation, hospitality, tourism, agricultural, businesses involved in cross border trading. Commercial banks and other licensed financial institutions were

⁴⁷ <https://data.undp.org/gendertacker/>

⁴⁸ This measure aims at supporting children for whom the major meal in the day is provided at school. Amid school closures, it provides them with take-home rations of food.

⁴⁹ <https://www.oecd.org/coronavirus/country-policy-tracker/> (updated on June 22nd) ; <https://www.liberianobserver.com/news/cbl-moves-to-ease-covid-19-impact-on-economy/>

therefore required to exercise flexibility to borrowers in those sectors.

Bank supervising

The CBL worked closely with the banks to ensure the availability of liquidity and avoid panic.

Support measures adopted at the international level

Several international organisations got involved in supporting Liberia (as well as other countries) in addressing the challenges caused by Covid-19. They mostly acted in providing money, medical material, food, but also some of them had a social and informative initiative. This will not be an exhaustive list, but rather some examples of provided support.

Monetary support

On April 9th, the World Bank approved a USD 7,5 million International Development Association (IDA) financing (half grant and half credit) to help strengthen the Government of Liberia's immediate capacity to respond to the Covid-19 outbreak and in the longer-term, strengthen its response to disease outbreaks and emergencies.⁵⁰ This complements the support provided through the Second Regional Disease Surveillance Systems Enhancement (REDISSE II) project which has made available up to USD 9,5 million for the response.

The Covid-19 Emergency Response Project

for Liberia aims to mitigate and contain the transmission of Covid-19, ensure adequate management of confirmed Covid-19 cases, and strengthen the laboratory network systems for Covid-19 detection and other infectious diseases as well as to provide required support to healthcare workers and families affected by Covid-19 and strengthen coordination among partners for the Covid-19 response.

The IMF provides help to countries in case of emergency calls for financing, provided that their debt is sustainable. In the frame of the programme "Rapid Credit Facility", the approved amount on June 5th, 2020 raised up to SDR 36,16 million and USD 49,98 million⁵¹ "to finance [Liberia's] urgent balance of payment needs"⁵². It also put in place discussions with the member countries to avoid that any issues could undermine the efficient functioning of the economy or threaten the interests of the citizens. There were several channels of surveillance particularly to avoid corruption⁵³. Under the Catastrophe Containment and Relief Trust, 25 members countries including Liberia were approved a first six-month tranche of debt service relief in April 2020 (applying from April 14th, 2020 to October 13th, 2020)⁵⁴. The Executive Board of the IMF approved "a second six-month tranche of debt service relief for 28 member countries under the Catastrophe Containment Relief Trust (CCRT)", including Liberia. It enables "the disbursement of grants from the CCRT for payments of eligible debt service falling due to the IMF from October 14, 2020 to April 13, 2021."⁵⁵

The IMF estimated that the risk of external

⁵⁰ <https://www.oecd.org/coronavirus/country-policy-tracker/> (updated on June 22nd) ;
<https://www.worldbank.org/en/news/press-release/2020/04/09/more-support-to-boost-liberia-covid-19-response>

⁵¹ <https://www.imf.org/en/Topics/imf-and-covid19/COVID-Lending-Tracker>

⁵² <https://www.imf.org/-/media/Files/Publications/CR/2020/English/1LBREA202001.ashx>

⁵³ <https://www.imf.org/en/About/Factsheets/Sheets/2020/04/30/how-imf-covid19-financial-help-is-used>

⁵⁴ <https://www.imf.org/-/media/Files/Publications/PP/2020/English/PPEA2020022.ashx>

⁵⁵ <https://www.imf.org/-/media/Files/Publications/PP/2020/English/PPEA2020045.ashx>

debt distress is moderate, while the overall risk of public debt distress is high with very limited space to accommodate shocks. Though, “the tension between the near-term borrowing need to minimize the COVID-19 impact and the need for medium-term borrowing space to support post-COVID-19 recovery” was pointed by the Debt Sustainability Analysis, which “highlights the potential benefit of debt relief from the Catastrophe Containment Relief Trust (CCRT)”⁵⁶ to reduce the debt service pressure in 2020. In the initial period of debt service relief (from April 14 to October 13, 2020), Liberia had debt service of SDR 11,63 million falling.⁵⁷ During the second six-month period (from October 14, 2020 to April 13, 2021), Liberia “has debt service of SDR 11,19 million falling”⁵⁸. The maximum potential period of debt service relief is 24 months, and the debt service falling due in the 24 months from April 14, 2020 amounts to SDR 45,34 million.⁵⁹

The U.S. embassy in Liberia provided approximately USD 40 million this year for assistance to Liberia’s health sector, along with working with the Ministry of Health, the National Public Health Institute of Liberia and healthcare workers across the country⁶⁰.

Medical supplies

The United Office of Project Services delivered 15 pieces of ambulances on October 27th to equip the ministry with needed logistics in the fight against Covid-19. The World Bank mobilized the funds for the ambulances.⁶¹ According to the Ministry of Health, they also contributed to the recovery by ensuring

continuous health services, and will improve access to health and socio-economic support for vulnerable groups, including women and children.

The World Health Organisation made a “huge donation” of isolation gowns, safety goggles, surgical masks, face shields, examination gloves, N92 respiratory masks, Ethanol Alcohol. Albendazole tablets, and boxes of Mectizen were also provided to be distributed into the counties.⁶²

Providing food

The World Food Project supported the Government of Liberia in response to Covid-19 emergency through the implementation of the Covid-19 Household Food Support Programme which aims to provide one-month emergency food assistance to 2.5 million people⁶³. 4,144 mt of food assistance were distributed to both men and women (50% - 50%). Food was also provided to schoolchildren and their families as take-home rations amid school closures. The WFP also worked to prepare safe reopening of schools in September.

Social initiatives with focus on women

UN Women intervened in Liberia, through policy advice and programmatic interventions to make sure that “gender-based violence, including domestic violence, is mitigated and reduced”, that “social protection and economic stimulus serve women and girls”, that “women and girls lead and participate in

⁵⁶ <https://www.imf.org/-/media/Files/Publications/CR/2020/English/1LBREA202001.ashx>

⁵⁷ <https://www.imf.org/-/media/Files/Publications/PP/2020/English/PPEA2020022.ashx>

⁵⁸ <https://www.imf.org/-/media/Files/Publications/PP/2020/English/PPEA2020045.ashx>

⁵⁹ <https://www.imf.org/-/media/Files/Publications/PP/2020/English/PPEA2020022.ashx>

⁶⁰ <https://lr.usembassy.gov/u-s-embassy-robustly-supports-liberias-covid-19-response/>

⁶¹ <http://moh.gov.lr/press-release/2020/moh-receives-15-ambulances-from-world-bank-to-fight-covid-19/>; <https://www.liberianobserver.com/news/moh-backed-with-15-ambulances-in-fight-against-covid-19/>

⁶² <https://www.liberianobserver.com/news/who-provides-covid-19-preventive-materials-drugs-to-moh/>

⁶³ https://docs.wfp.org/api/documents/WFP-0000119822/download/?_ga=2.78669843.628810957.1604653282-658458224.1600247339

Covid-19 response planning and decision-making”, and that “data and coordination mechanisms include gender perspectives”⁶⁴. UN Women’s response focused on five main areas: Prevention and awareness-raising, Support for rapid assessments, Access to essential services (such as health, justice and policing, social services, including helplines and shelters), Violence against women in public spaces and Support to women’s groups.

With funding from the Embassy of Sweden, UN Women intended in July 2020 to provide financial resources amounting to USD 27 500 to the Women, Girls and Children pillar led by the Ministry of Gender, Children, and Social Protection for the production of masks: it encouraged women to do their own small businesses, to produce something, increasing their protection.⁶⁵

The Liberian National Rural Women Association, in partnership with UN Women, sensitized women in rural areas on measures to protect themselves and their families such as wearing a mask or keeping social distances. It also took the opportunity to distribute an assortment of Covid-19 prevention materials to its members, including buckets, hand sanitizers, detergents and soap produced by the group with support from UN Women⁶⁶.

Towards Sustainable and Inclusive Recovery: Key Issues to Address

Before the pandemic, Liberia already faced several challenges, that made it more fragile to face any emerging crisis. The Covid-19 crisis did not bring many new challenges, but rather broadened and deepened the existing ones. Therefore, to recover better from the pandemic, the main challenges to be addressed concern structural deficits in the Liberian socio-economic system while dealing with the more urgent and immediate impacts of Covid-19. The pandemic response therefore should be viewed and developed as short- and medium-term steps that contribute to long term inclusive socio-economic development of the country.

Short term

To face the pandemic and address its urgent issues, the crisis related to the funding needs of the health sector must be addressed. Addressing the lack of Personal Protection Equipment (PPEs) in health facilities⁶⁷ and ensuring supply of required medicines and equipment should be a priority while medium to long term plans are prepared for the strengthening of the health care system.

Also urgent is an adequate short-term fiscal policy response, aiming at “protecting critical public expenditures as fiscal revenues decline, and providing emergency relief to vulnerable populations and affected businesses”⁶⁸. More globally, all fiscal policies should be adapted to the crisis. In its report published in June 2020, the World Bank Group wrote that “Measures should be

⁶⁴ <https://www.unwomen.org/en/news/in-focus/in-focus-gender-equality-in-covid-19-response/un-women-response-to-covid-19-crisis>

⁶⁵ <https://africa.unwomen.org/en/news-and-events/stories/2020/07/female-owned-tailoring-businesses-get-a-boost>

⁶⁶ <https://africa.unwomen.org/en/news-and-events/stories/2020/07/national-rural-women-structure-of-liberia-raises-awareness-on-covid-19>

⁶⁷ <https://www.liberianobserver.com/news/shortage-of-ppe-soars-to-42-amid-over-us100m-donation-to-fight-covid/>

⁶⁸ <https://openknowledge.worldbank.org/bitstream/handle/10986/34271/Liberia-Economic-Update-The-COVID-19-Crisis-in-Liberia-Projected-Impact-and-Policy-Options-for-a-Robust-Recovery.pdf?sequence=4&isAllowed=y>

simple, transparent, manageable, easily reversible”. It gave some examples of short term policy measures, such as “lowering the personal income tax (PIT) and payroll tax rates for lower-income taxpayers from 15 to 10 percent or the deferral of PIT payments for 12 months for lower-income households”, “introducing a new PIT bracket for incomes above L\$1,600,000 with a 35 percent rate”, “deferring property tax payments by six months for residential properties” and “deferring corporate income tax (CIT) payment for SMEs”. It will be important to improve the access to finance for MSMEs, as they are keys for continued economic activity, employment as well as the recovery. Finally, in the financial measures adopted by the CBL, it is important that the sustainability and profitability of financial service providers is not harmed.

Another short-term challenge concerns the social protection programs and the education access: the rising levels of food insecurity and extreme poverty must be addressed “through a combination of in-kind food distribution and cash transfer”⁶⁹. Also, protecting Liberian’s human capital is vital, and the pandemic time is a “valuable time to learn” that time cannot be lost for the children. The continuity of learning was mainly ensured by educational radio programming, but the whole territory does not have the required radio coverage, pointing to the need for more medium to long term infrastructure investments. To address the issue of inflation and raising prices for basic food, that increased the food insecurity, a possible solution is to establish a price monitoring system for basic food.

It is also vital to ensure the continuation of essential trade and market activities. To

make all international trade activity easier, it could be useful to change the regulation on administrative permits for imports and exports and to address the mismatch in working hours at the National Port Authority.⁷⁰

The need of more transparency and efficiency in the use of granted international funds has been highlighted: in an article from the Daily Observer which quoted the Executive Director of the IREDD thus: “Liberia has made efforts to mobilize revenue in the fight against COVID-19. As of this report, more than US\$100 million has been received by the Government either in the form of loans or grants from the World Bank Group, the African Development Bank (AfDB) and the International Monetary Fund (IMF). How these monies are being applied to the fight against what is a global health scourge remains murky.”⁷¹

Women should be equally represented in all Covid-19 response planning and decision making, as “policies that do not consult women or include them in decision-making are simply less effective, and can even do harm.”⁷² Equal access to medical services as well as products and vaccines should be ensured.

Medium-term

The above short-term measures should be in the context of a coherent medium-term approach. One major objective should be to find the right balance between the need to maintain the debt sustainability and all the needed public spending to face the crisis: “Financial regulation and supervision will have to help crisis-affected banks and firms, without compromising the financial system’s ability to support longer-term growth. And these efforts must also be balanced against

⁶⁹ <https://openknowledge.worldbank.org/bitstream/handle/10986/34271/Liberia-Economic-Update-The-COVID-19-Crisis-in-Liberia-Projected-Impact-and-Policy-Options-for-a-Robust-Recovery.pdf?sequence=4&isAllowed=y>

⁷⁰ <https://openknowledge.worldbank.org/bitstream/handle/10986/34271/Liberia-Economic-Update-The-COVID-19->

<https://www.liberianobserver.com/news/shortage-of-ppe-soars-to-42-amid-over-us100m-donation-to-fight-covid/>

⁷¹ <https://www.liberianobserver.com/news/shortage-of-ppe-soars-to-42-amid-over-us100m-donation-to-fight-covid/>

⁷² https://www.un.org/sites/un2.un.org/files/policy_brief_on_covid_impact_on_women_9_april_2020.pdf

the need to maintain social stability while simultaneously preparing the ground for sustained and inclusive growth over the long term” (IMF)⁷³. Indeed, the pandemic fiscal impact is expected to push up the total public sector debt by at least 8,6 percentage points of GDP in 2020⁷⁴. Understanding and assistance by development partners, including the IMF, World Bank and others should be secured for this purpose.

Lockdowns and social distancing measures to face Covid-19 gave a boost to online activity and e-commerce everywhere. Indeed, digitalisation holds promise for inclusive socio-economic growth and development. However, the crisis and the subsequent uptake of online trade and business activities also brought to fore several challenges such as cybersecurity, data privacy issues, digital fraud, asymmetric market power, platform dominance, the digital divide and all related infrastructure issues⁷⁵. The medium-term response to these challenges should encompass: holistic digitalisation/e-commerce policies, investment in related skills and trainings, appropriate regulations, and support to the digitalisation efforts of MSMEs and women.

The care economy should also be addressed, as both paid (but actually underpaid) and unpaid care work are foundational to daily life and the economy but are entrenched in gendered norms and inequalities. Also, it is important to target women and girls in all efforts to address the socio-economic impact of Covid-19 such as with the designing of fiscal stimulus packages and social assistance programmes. Those measures were needed before the pandemic but “have become more vital in the context of the pandemic”⁷⁶.

Many of the above can be addressed through a holistic and forward-looking set of trade and related policies that consciously employ trade as a tool for inclusive socio-economic development. Development and implementation of such a set of trade and related policies therefore will be an important medium term objective.

Long term

In the longer term, the lack of physical infrastructures will have to be addressed including the weak radio coverage and internet connectivity. Investments will also be needed in human capital development, healthcare, and targeted social programmes, particularly for women and youth. Such investments will contribute to improving the productivity and competitiveness of all sectors in Liberia, from agriculture to manufacturing to services. They will also promote social inclusion and cohesion. The end result will be a prosperous and peaceful country with the strength to successfully face future crisis.

⁷³ <https://www.liberianobserver.com/news/sub-saharan-africas-post-covid-economic-recovery-relies-on-governance-reforms/>

⁷⁴ <https://openknowledge.worldbank.org/bitstream/handle/10986/34271/Liberia-Economic-Update-The-COVID-19->

[Crisis-in-Liberia-Projected-Impact-and-Policy-Options-for-a-Robust-Recovery.pdf?sequence=4&isAllowed=y](#)

⁷⁵ http://www.cuts-geneva.org/pdf/KP2020-RRN-MSMEs_and_Covid-19.pdf

⁷⁶ https://www.un.org/sites/un2.un.org/files/policy_brief_on_covid_impact_on_women_9_april_2020.pdf



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