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**THIS ACTION IS FUNDED BY THE EUROPEAN UNION**

**ANNEX 2**

to the Commission Implementing Decision on the financing of the annual action plan 2024 in favour of the Republic of Liberia

**Action document for “Private Sector Development in Republic of Liberia”**

**ANNUAL ACTION PLAN**

This document constitutes the annual work programme within the meaning of Article 110(2) of the Financial Regulation, within the meaning of Article 23 of the NDICI-Global Europe Regulation.

**1 SYNOPSIS**

**1.1 Action Summary Table**

|   |  |
|---|--|
| <b>1. Title<br/>CRIS/OPSYS<br/>business reference<br/>Basic Act</b> | Private Sector Development in Republic of Liberia<br>OPSYS number: ACT-62431<br>Financed under the Neighbourhood, Development and International Cooperation Instrument (NDICI-Global Europe)   |
| <b>2. Team Europe Initiative</b>                                    | No   |
| <b>3. Zone benefiting from the Action</b>                           | The Action shall be carried out in Liberia   |
| <b>4. Programming document</b>                                      | Multiannual Indicative Programme (MIP) 2021-2027 for Liberia   |
| <b>5. Link with relevant MIP’s objectives / expected results</b>    | The Action is in line with the following MIP’s objectives:<br>1. Enable youth to respond to economic growth opportunities that increase employability and entrepreneurship potential;<br>2. Increase decent jobs, formal employment and value addition through private sector development in the value chains of agriculture, fisheries, and forestry;<br>3. Enhance linkages to local, national, regional, and international markets.   |
| <b>PRIORITY AREAS AND SECTOR INFORMATION</b>                        |  |
| <b>6. Priority areas / sectors</b>                                  | Priority area 1: Enhancing and preserving natural resources for sustainable growth: indicative sector; (310) Agriculture, forestry and fisheries (food and nutrition security, food safety, resources’ management).<br>Priority area 2: Promoting decent jobs and inclusive growth; (321) SME development (processing of food and industrial crops, business environment, innovation).<br>Priority area 3: Improving financial and democratic governance; (151) Economic governance, Public Finance Management (PFM), business and investment climate. |

|  |   |                                     |                                     |                            |
|--|---|-------------------------------------|-------------------------------------|----------------------------|
| <b>7. Sustainable Development Goals (SDGs)</b> | Main SDG: 8 (Decent work and economic growth)<br>Other significant SDGs: 9 (Industry, innovation and infrastructure); 12 (Sustainable consumption and production); 13 (Climate action); 10 (Reduced inequalities); 5 (Gender equality); 15 (Life on land).  |                                     |                                     |                            |
| <b>8a) DAC codes</b>                           | 33110 Trade policy and administrative management – 20%<br>310 Agriculture, forestry, fishing – 35%<br>151 Government and civil society – 20%<br>312 Forestry – 15%<br>410 General environment protection – 10%  |                                     |                                     |                            |
| <b>8b) Main delivery channel</b>               | Contribution agreements:<br>Third Country Government (Delegated co-operation) – 13000   |                                     |                                     |                            |
| <b>9. Targets</b>                              | <input type="checkbox"/> Migration<br><input checked="" type="checkbox"/> Climate<br><input checked="" type="checkbox"/> Social inclusion and human development<br><input checked="" type="checkbox"/> Gender<br><input type="checkbox"/> Biodiversity<br><input checked="" type="checkbox"/> Education<br><input checked="" type="checkbox"/> Human rights, democracy and governance |                                     |                                     |                            |
| <b>10. Markers (from the DAC form)</b>         | <b>General policy objective @</b>   | <b>Not targeted</b>                 | <b>Significant objective</b>        | <b>Principal objective</b> |
|  | Participation development/good governance   | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>   |
|  | Aid to environment @  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>   |
|  | Gender equality and women's and girl's empowerment  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>   |
|  | Reproductive, maternal, new-born and child health   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>   |
|  | Disaster risk reduction @   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>   |
|  | Inclusion of persons with disabilities @  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>   |
|  | Nutrition @   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>   |
|  | <b>RIO Convention markers</b>   | <b>Not targeted</b>                 | <b>Significant objective</b>        | <b>Principal objective</b> |
|  | Biological diversity @  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>   |
|  | Combat desertification @  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>   |
|  | Climate change mitigation @   | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>   |
|  | Climate change adaptation @   | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>   |
| <b>11. Internal markers and tags</b>           | <b>Policy objectives</b>  | <b>Not targeted</b>                 | <b>Significant objective</b>        | <b>Principal objective</b> |
|  | Digitalisation @  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>   |
|  | digital connectivity  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | /                          |
|  | digital governance  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |                            |
|  | digital entrepreneurship  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |                            |
|  | digital skills/literacy   | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |                            |
| digital services                               | <input checked="" type="checkbox"/>   | <input type="checkbox"/>            |                                     |                            |
| Connectivity @                                 | <input type="checkbox"/>  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |                            |

|                                      |   |   |   |                          |
|--------------------------------------|---|---|---|--------------------------|
|                                      | digital connectivity<br>energy<br>transport<br>health<br>education and research   | YES<br><input checked="" type="checkbox"/><br><input type="checkbox"/><br><input type="checkbox"/><br><input checked="" type="checkbox"/><br><input type="checkbox"/> | NO<br><input checked="" type="checkbox"/><br><input checked="" type="checkbox"/><br><input checked="" type="checkbox"/><br><input checked="" type="checkbox"/><br><input checked="" type="checkbox"/> |                          |
|                                      | Migration @   | <input checked="" type="checkbox"/>   | <input type="checkbox"/>  | <input type="checkbox"/> |
|                                      | Reduction of inequalities @   | <input type="checkbox"/>  | <input checked="" type="checkbox"/>   | <input type="checkbox"/> |
|                                      | Covid-19  | <input checked="" type="checkbox"/>   | <input type="checkbox"/>  | <input type="checkbox"/> |
| <b>BUDGET INFORMATION</b>            |   |   |   |                          |
| <b>12. Amounts concerned</b>         | Budget line: 14.020120<br>Total estimated cost: EUR 25 000 000<br>Total amount of EU budget contribution EUR 25 000 000 |   |   |                          |
| <b>MANAGEMENT AND IMPLEMENTATION</b> |   |   |   |                          |
| <b>13. Type of financing</b>         | <b>Indirect management</b> with the entities to be selected in accordance with the criteria set out in section 4.4.1.   |   |   |                          |

## 1.2 Summary of the Action

Liberia, a West African nation heavily reliant on mineral resources, rubber, palm oil, and food imports, aspires to achieve a middle-income status by 2030 and advance towards the SDGs. This transformation requires structural changes in the economy, particularly in the sectors of agriculture, fisheries, and forest, to increase revenues, foster inclusive growth and entrepreneurship, and create decent jobs, especially for youth and women.

However, these sectors face important challenges, including inadequate collaboration among stakeholders along the value chains, lack of technical expertise insufficient infrastructure and equipment, limited access to finance, low quality of products and non-compliance with basic standards related to food security.

To address these challenges and unlock the full potential of Liberia's economic development, a collaborative effort aligned with the Global Gateway will enhance the investment climate and business environment. This entails policy dialogue, regulatory reforms, value chain development (cassava, fisheries, and wood processing), support to micro, small, and medium-sized enterprises (MSMEs), public-private partnerships (PPPs), capacity building and empowerment initiatives for women and youth. Accessing innovative financial mechanisms like the EU External Investment Plan, notably the European Fund for Sustainable Development Plus (EFSD+) will be crucial. The focus will be on inclusive agrifood sectors, fisheries, aquaculture and wood processing in both urban and rural areas.

The Action aims at building market-driven, sustainable, and inclusive value chains for cassava, fisheries and wood processing with the goal of fostering enhanced job creation, sustainable economic growth and increased competitiveness for business in Liberia. The specific objectives are: improving the overall business environment and investment climate by facilitating public-private dialogue and engaging in regulatory reforms; and strengthening the sustainability, inclusiveness, performance and growth of the cassava, fisheries and wood processing value chains to promote trade and decent job creation. The Action will be implemented through contribution agreements with EU Member States agencies.

The Action is coherent with the two Team Europe Initiatives (TEIs) on 'Safe and Sustainable Food Systems' and 'Forestry and Biodiversity' and will contribute to the realisation of the EU Gender Action Plan 2021-2025 (GAP III)<sup>1</sup>.

Focusing on economic diversification and on sustainable value chains development the Action will support Liberia to progress towards the SDGs, namely, SDG 5 (gender equality), SDG 8 (decent work and economic growth), SDG 9 (industry, innovation, and infrastructure), SDG 10 (reduced inequalities), SDG 12 (responsible consumption and production), and SDG 13 (climate action).

<sup>1</sup> [https://international-partnerships.ec.europa.eu/system/files/2021-01/join-2020-17-final\\_en.pdf](https://international-partnerships.ec.europa.eu/system/files/2021-01/join-2020-17-final_en.pdf).

### 1.3 Zone benefitting from the Action

The Action shall be carried out in Liberia, which is included in the list of ODA recipients.

## 2 RATIONALE

### 2.1 Context

Liberia is a least developed country with a population of 5.36 million in 2022, witnessing an increase of nearly 50% in the last 15 years. More than half of the population lives in urban areas, with approximately one third living within a radius of 80 kilometres from Monrovia. The civil wars (1989-2003) led to a massive destruction of infrastructures and huge economic and social damages. The cost of addressing the Ebola epidemic (2014-2015) coincided with a decrease in the economic activity, thus reducing Government's revenue. Higher donor support significantly offset the loss. Economic growth suffered from macroeconomic instability and then from the COVID-19 pandemic. Growth rebounded to 5% in 2021. Despite external factors (e.g. the impact of Russia's aggression in Ukraine), growth should reach 5-6% in the medium term if Liberia taps its potential through persistent and adequate structural reforms and prudent macroeconomic policies. The International Monetary Fund (IMF) completed the sixth review of the Extended Credit Facility (ECF) with Liberia in July 2023. This review was never finalised due to lack of data and the busy electoral period. The current ECF ended in December 2023 without obtaining the expected results, the final disbursement was not made, and the programme was not extended by 6 months as it was initially foreseen. In line with both IMF and ECOWAS<sup>2</sup> benchmarks, Liberia is at moderate risk of external debt and at high risk of overall distress with limited space to accommodate shocks. The stock of public debt rose to 51.3% of the GDP at the end of 2022<sup>3</sup>.

Despite some economic growth, the reconstruction is slow and difficult in Liberia. With low human development indicators, 51% of the population lives below the poverty line and 80% of Liberian citizens hold informal employment. Expensive and unreliable electricity supply, poor road infrastructure, erratic connectivity, especially in the rural areas, and serious governance challenges constrain investment and economic development. Liberia ranks 175 out of 189 countries on the UNDP's Human Development Index of 2022. The latest Gini coefficient in 2016 was 35.3. Poverty is largely higher in rural zones and affects specially the youth and the elderly<sup>4</sup>. Liberia has a very low level of financial inclusion and literacy and huge gender gaps and socioeconomic disparities. Overall, women lack opportunities and participation in management and decision-making positions at all levels in society<sup>5</sup>.

Liberia has limited resilience and adaptive capacity to combat the effects of climate change. It is a high-risk country in terms of disasters (i.e. economic, epidemic disease outbreaks, environmental, social). Liberia's revised Nationally Determined Contribution (NDC) 2021 echoes the Government's leadership in addressing climate change. It aims at reducing GHG emissions by 15% by 2030 with the long-term goal of carbon neutrality by 2050. Within Liberia's NDC framework, specific attention is given to nine sectors, notably agriculture, forest, and fisheries, highlighting the significance of these areas in the country's climate mitigation and adaptation strategies.

Liberia has adopted a concessions-based approach<sup>6</sup> to development, where exports are driven mainly by a limited number of large foreign firms. While this regime plays a role in the fiscal and socioeconomic advancement of Liberia, its impact on the broader economy is limited. Liberia exports mainly iron ore, gold, and natural rubber. According to figures of 2022, the top trading partners for Liberia in terms of imports were Ivory Coast, India, China and the EU whereas in exports, Switzerland, the EU and the USA. Overall, the top trading partners were Ivory Coast, the EU, and China<sup>7</sup>.

<sup>2</sup> ECOWAS Bank for Investment and Development (EBID).

<sup>3</sup> Central Bank of Liberia, Annual Report 2022.

<sup>4</sup> <https://pip.worldbank.org/country-profiles/LBR>.

<sup>5</sup> Country Level Implementation Plan (CLIP) Liberia.

<sup>6</sup> Concession means the grant of an interest in public assets by the Government of Liberia or one of its agencies to a private sector entity for a specified period of time during which the asset may be operated, managed, utilised or improved. The private sector entity pays fees or royalties to the Government during the specified period of time.

<sup>7</sup> [https://webgate.ec.europa.eu/isdb\\_results/factsheets/country/details\\_liberia\\_en.pdf](https://webgate.ec.europa.eu/isdb_results/factsheets/country/details_liberia_en.pdf).

Liberia is a net importer of food. Agriculture in Liberia<sup>8</sup> remains subsistence-oriented, rainfall season dependent, employing rudimentary technology and unskilled workers, with non-competitive production and low productivity. However, agriculture contributes largely to socioeconomic development through food security, employment, household income generation, Government revenues, and social stability.

Fisheries currently represent at least 10% of agricultural GDP and contribute 3.2% to the country's overall GDP. Liberia has the second largest ship registry in the world and the fleet represents about 12% of the world's ocean-going fleet. In Liberia the fisheries sector provides a means of employment and livelihood for about 33,000 persons, including full and part time fish traders. The coastal counties of Liberia are endowed with recovered fish stocks, unique in the West African region, contributing significantly to people's livelihoods, nutritional intake, and the overall economy. The increasing demand for aquaculture in Liberia underscores its potential, with fish farming emerging as a lucrative source of income and sustenance. Liberia has made specifically strides since 2017 to put in place mechanisms to structure the fisheries sector, creating the National Fisheries and Aquaculture Authority (NaFAA) and enacting the 'Fisheries and Aquaculture Policy and Strategy'.

The new Government has decided on a list of priorities called the ARREST Agenda<sup>9</sup> that will form the base for the new long-term development strategy in Liberia. Within the ARREST Agenda, promoting agriculture, fisheries development and forestry management stands out as a core objective aimed at facilitating sustainable job creation. In the agriculture sector the Government's priorities are to strengthen domestic capacities, promote agricultural mechanisation, support agribusiness enterprises development to enhance agriculture value chains, improve access to agricultural value chain financing and diversify agriculture production.

Liberian forests represent over half of the remaining rainforests in West Africa. Covering around 4.2 million hectares, these primary forested lands constitute 43.4% of the country's total land area. However, the current deforestation rate is alarming, with approximately 30,000 hectares lost each year, representing 2% of the total forest cover. The primary drivers of deforestation are conversion for agriculture and mining activities, with uncontrolled logging exacerbating forest degradation. Deforestation undermines climate resilience and leads to biodiversity loss, soil degradation and increased vulnerability to natural disasters. The ARREST Agenda also supports climate-change mitigation initiatives and commits to implement all international agreements and protocols on climate change. Likewise, it commits to empower the Environment Protection Agency (EPA) to coordinate, integrate, harmonise, and monitor the implementation of environmental policies. This includes promoting environmental awareness through public participation; and enforcing environmental laws, guidelines, regulations and policies across the counties of Liberia. The Agenda also supports community participation in environmental management programmes and encourages engagement in forest and biodiversity conservation efforts.

Liberia benefits the Everything but Arms scheme, granting its exports free access to the EU market. While the country signed the African Continental Free Trade Area (AfCFTA) agreement in March 2018 and ratified it in July 2023, the instrument for AfCFTA ratification has yet to be deposited at the African Union Commission. Liberia's accession to the World Trade Organisation (WTO) in 2016 and the ratification of AfCFTA have the potential to significantly impact the business environment and the required regulatory reforms such as trade facilitation and competition policies. Liberia faces the challenge of competing with goods originating from other African countries, especially neighbouring countries. A proper implementation of ECOWAS continental trade<sup>10</sup> rules is instrumental for both MSMEs and larger companies to diversify, enhance their competitiveness and increase their regional market shares, while participating in regional value chains.

Reforms are needed to unleash the full potential of the Liberian economy in terms of sustainable growth and the creation of decent jobs, while boosting businesses competitiveness. The country can only progress along the path of economic development and adequately provide for its youth if value is added locally. Supporting inclusive local entrepreneurship, fostering innovation and nurturing new business solutions can serve as a catalyst for attracting private sector investment. Agriculture, fisheries and forest hold tremendous potential for employment creation,

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<sup>8</sup> Liberia Agricultural Sector Investment Plan (LASIP II, 2018-2022) focused on diversifying Liberia's economy through agricultural value chains development and a modern industrial policy to increase production, productivity and income.

<sup>9</sup> On 24 January 2024, the newly elected president Boakai revealed the ARREST Agenda for agriculture, roads and infrastructure development, improve the rule of law, rethink the education sector, improve sanitation and unlock the potential for the tourism sector. The Agenda aims to prioritise economic reforms that stimulate sustainable economic growth and job creation.

<sup>10</sup> The World Bank is implementing the Liberia Investment, Finance, and Trade (LIFT) project that aims to support Liberia's private and financial sectors, improve the investment climate, and increase the efficiency of trade in the country.

particularly in service provision and value addition. By focusing on the processing of staple crops such as cassava, fishery products, and wood, Liberia can establish viable pathways for creating decent jobs and adding value to its economy.

This Action is fully in line with the approach of the flagship TEI – Investing in Young Business in Africa (IYBA) that seeks to facilitate the conditions in which early-stage businesses and entrepreneurs in Sub-Saharan Africa can thrive – especially women and young people.

The Action will complement other initiatives under IYBA such as Women’s Entrepreneurship for Africa (WE4A), Business Incubators Technical Assistance Programme (BIC Africa) that provides support for early-stage businesses and entrepreneurs and Support to Entrepreneurship Ecosystem Development Programme (SEED) which provides support to the entrepreneurship ecosystem.

## 2.2 Problem Analysis

### **Short problem analysis:**

#### **Economic governance, business environment, investment climate**

Public-private dialogue: plays a vital role in enhancing the business environment and investment climate by enabling the identification and resolution of constraints. Private sector and the Government should jointly work on a regular basis to identify and tackle barriers to investment through structured public-private dialogues. Strengthening the structures of organisations like the Liberia Chamber of Commerce (LCC) and the Liberia Business Association (LIBA) is crucial to positively influence business conditions in Liberia and eliminate barriers to private sector operations. The importance of strong associations in Liberia lies in their ability to facilitate effective public-private dialogue aimed at improving the business environment and investment climate. These associations not only voice the demands of their members, but also enable entrepreneurs to build trade networks, access credit and finance, and advocate for favourable policies. This is especially important for women who make a very significant economic contribution and are generally excluded from productive opportunities. Support is therefore needed to allow Liberian business associations to improve these services. Likewise, establishing strategic partnerships and relationships with entities like the European Chamber of Commerce in Liberia (ECCL) established in 2023, can further bolster Liberia's business landscape.

Investment and PPPs: Promoting stronger and enhanced collaboration between the Government and private sector companies is crucial in Liberia to develop, finance and operate bankable projects that can attract further investments. PPPs are likely to promote and operationalise large-scale Government projects in various fields such as infrastructure, health or entrepreneurial ecosystems. Simplifying and providing more coherence to the overall business framework is essential to facilitate such partnerships and attract investments. As Liberia progresses with the negotiations on the AfCFTA Protocol on Investment, there will be a need to review the country’s legal framework. In addition, technical support is essential to ensure that PPPs function effectively in Liberia, encompassing legal, financial, and technical expertise. Strengthening the institutional capacity and providing adequate support will be instrumental in realising the full potential of PPPs and attracting investments to drive economic growth and development.

Readiness and compliance with the AfCFTA: Leveraging opportunities from the private sector in the implementation of the AfCFTA should be enhanced. The World Bank (WB) is focusing strongly on tariffs and trade facilitation through the Liberia Investment, Finance, and Trade (LIFT) project, addressing key aspects of AfCFTA compliance. An efficient and effective system for managing Sanitary and Phytosanitary (SPS) measures is critical. Currently Liberia lacks a clear institutional framework for food safety, with unclear responsibilities among ministries and agencies. The existing reference laboratory for food safety is non-operational and links with private sector stakeholders are missing. Food safety platforms facilitating information exchange between public and private actors are needed for public health and enhanced food trade. Additionally, trade in services is also a key element for business development, but Liberia faces serious challenges in this area. Without competitive services, the economy will struggle with competitiveness. Technical assistance is needed for policy development, negotiation skills, and adaptation of regulations to competition and to the AfCFTA trade rules. This support will aid Liberia in overcoming obstacles and aligning with AfCFTA requirements.

Support policies on global value chains sustainability: The EU Green Deal will impact trade relations between the EU and Liberia. Likewise, the EU Circular Economy Action Plan involves several initiatives with an impact on

production, consumption and environmental standards, and has relevance for the Action especially in sectors such as agriculture and forest, where sustainability and environmental standards are increasingly important. There are two legislative measures that will have a strong impact, namely, the ‘Directive on corporate sustainability due diligence’ and the ‘Regulation on deforestation-free products’. There are also reports denouncing forced and child labour in Liberia, as well as challenges related to occupational health and safety, shortcomings in freedom of association and collective bargaining (as per International Labour Organisation (ILO) convention 87)<sup>11</sup>, and environmental issues such as greenhouse emissions, pollution, biodiversity loss, including deforestation and forest degradation<sup>12</sup>. Addressing these challenges is essential to ensure the sustainability and ethical integrity of global value chains.

Network for incubators and business parks: Existing conditions for start-ups, setting up enterprises and upscaling businesses are inadequate and insufficient in Liberia. The business ecosystem for young and women entrepreneurs, as well as for innovation and technology development is very limited. Women are systematically clustered in lower productivity and lower earning sectors. To address these gaps, technical assistance is required to support the creation of business parks, and reinforce the capacities of incubators and accelerators capable of providing valuable expertise and support for start-ups and companies. These incubators and business parks should facilitate meaningful networking opportunities with experts and the broader business community, including enhanced collaboration with associations such as LCC or LIBA. Engaging entrepreneurs at every stage of business development, promoting them at business fairs (e.g. EU-Liberia Business Forum) and organising events like business-to-business, bootcamps, and investors’ weeks are essential for fostering a vibrant entrepreneurial ecosystem in Liberia.

Support equipment and service innovation to agrifood value chains: Technologies and innovation are fundamental for unleashing the productive potential of entrepreneurs and enabling them to fully contribute to and benefit from business growth and transformation, especially in agrifood value chains. Prioritising the transformation of food commodities is essential to reduce food losses, improve local value addition, and create decent jobs. Developing local and low-technology equipment is critical for supporting new sectors that serve agrifood development and promote more inclusive, green and blue sustainable growth. By investing in equipment and innovation tailored to agrifood value chains, Liberia can foster economic growth, reduce food waste, and strengthen the resilience of its agricultural sector while creating opportunities for entrepreneurship and employment.

Bankable projects: Support for technical, legal, financial, and environmental studies is necessary to develop bankable projects through PPPs and address bottlenecks to attract private capital. This support should benefit directly the National Investment Commission (NIC), the National Bureau of Concessions (NBC) and relevant ministries, enhancing their capacity for PPPs. Moreover, MSMEs seeking to expand and invest further often lack the necessary capacities.

The local commercial banking sector does not have the capacity to analyse files in promising sectors such as agriculture or fisheries and lack sufficient equity. Technical assistance will pave the way to improve access to finance through commercial banks and leverage innovative financial instruments under the EFSD+ for access to finance or potentially green investments<sup>13</sup>.

### **Agrifood and wood processing value chains**

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<sup>11</sup> Liberia has received observations from the Committee of Experts on the Application of Conventions and Recommendations regarding ILO convention 87 (Freedom of Association and Protection of the Right to Organise Convention). During the last International Labour Conference in June 2023, the case of Liberia was selected for the list of cases in the Committee on the Application of Standards.

<sup>12</sup> DG INTPA is preparing a regional programme on Responsible Business Conduct (RBC) for a total of EUR 40 million. Liberia is a targeted country with forest, agrifood and fisheries as potential sectors. The main goal of the programme will be to promote smart and inclusive growth and sustainable development in Africa by supporting responsible business practices, in line with internationally agreed norms and principles set out in the UN, ILO and OECD instruments and raise awareness on regulatory and policy developments on RBC, particularly on due diligence. The National Action Plan on RBC is under development in Liberia.

<sup>13</sup> Liberia has been identified in several Proposed Investment Programmes (PIPs) under the EFSD + Open Architecture. Liberia should feature as a priority country in the guarantee agreements of at least 5 PIPs, including Choose Africa Ventures Programme, EDFI MSME Platform Plus, or Africa SME Programme for Inclusive Growth and Job Creation.

Agricultural concessions, such as those for rubber and palm oil, are typically managed by international firms known for their high productivity. However, most of the agricultural sector consists of smallholder farming households, facing serious competitiveness challenges due to their smaller farm size (averaging 1.6 hectares). Access to resources, technology, and training is crucial to ensure that these farmers can adapt and improve their livelihoods. Households typically grow a mix of food crops, predominantly rice and cassava. Shifting from subsistence agriculture to demand-driven market-oriented production is crucial to capitalise on factors like population growth, urbanisation, increasing demand for high quality commodities, while addressing the competition from regional and international markets. This transition must be supported with access to resources and technology to ensure a smooth shift without compromising livelihoods. Market-oriented production would as well reduce Liberia's excessive dependency on imports and enhance food security and economic stability.

Market access, transformation and value addition of agrifood, fish products, and wood processing will be the core of this Action. Cassava and fisheries have been identified as key value chains for economic diversification, import substitution, and nutritious diet. Supporting agrifood value chains also presents opportunities for women and youth economic empowerment. Women and youth face specific challenges that hinder their participation in the agrifood/business sector, but with the right support, they can scale up and create businesses, contributing to Liberia's economic growth and development.

Cassava: holds a significant position in Liberia's agricultural landscape as the second staple crop after rice. Annual cassava production is estimated at approximately 520,000 metric tons. However, yields remain poor, averaging around 5-6 metric tons per hectare. Most cassava growers, processors and sellers in Liberia are women. Cassava transformation remains limited, presenting many missed opportunities. Various cassava products such as gari, fufu paste, fried chips, starch, high quality flour, fructose syrup and even animal feed can be produced.

Although some processors, including women groups and cooperatives, have been identified in the sector, there is room for expansion and improvement. These processors are equipped with different processing capacities, indicating potential for growth and diversification within the cassava industry. Supporting and enhancing cassava processing capabilities could not only boost agricultural productivity but also empower women and youth.

Fisheries: The sector is a significant source of employment, with approximately 15,000 fishermen and 25,000 fish processors and traders. Liberia has the potential to produce over 300,000 tons of inland fish annually. Aquaculture, in particular, is experiencing increasing domestic and international demand from other West African countries. Liberia stands out in the region as the only country with a recovered marine fish stock, thanks to Government efforts in implementing sustainable fisheries management plans. Investment opportunities across the fisheries value chain are abundant, with potential focus on fisheries infrastructure such as landing piers, cold storages, and processing plants, as well as on aquaculture promotion. Investments in post-harvest practices, concretely in the reduction of post-harvest losses, could increase the value of fish production, thereby improving national and local food security and safety. Furthermore, there are various opportunities for value addition within the sector, including processing facilities for marine fisheries and aquaculture, such as salting, icing, filleting, canning, packaging, smoking and drying.

Wood processing: Covering 43% of Liberia's land mass, forests provide vital resources and opportunities in terms of green economy, especially for rural population, and have the potential to contribute to the reduction of extreme poverty. The forest sector contributes on average to 10% of the overall GDP. The bulk of logging activities are exported through concessions, while the informal forest sector, comprising activities such as charcoal production and chainsaw milling, serves as a vital source of employment and income for around 19,000 to 24,000 workers across urban and rural areas.

In 2013, Liberia ratified the Forest Law Enforcement, Governance, and Trade (FLEGT) Voluntary Partnership Agreement (VPA) with the EU, signalling its commitment to sustainable forest management. However, Liberia's timber value chain remains underdeveloped, with limited manufacturing and processing capacities. Carpentry and woodworking products often lack proper processing, drying and quality control measures, resulting in lower-quality output. There are neither sawmills nor kiln facilities in Liberia and the entire primary processing is done using rudimentary equipment such as chainsaws and ripping machines at the extraction sites. Chainsaw millers are crucial in the supply chain, operating the entire primary transformation, felling trees and sectioning them into planks by using chainsaws. However, calibration, drying, treatment, and quality control are either absent or poorly executed. Furthermore, storage, logistics and distribution facilities, including those at the port of Monrovia, are predominantly open-air, adversely impacting product quality.

To foster investments in the timber industry, concerted efforts are needed to promote value addition and local processing. This can be achieved through the provision of equipment such as dryers and mobile sawmills, coupled with skills development. Additionally, there is a pressing need to establish a local sawmill industry capable of supplying legal wood to the domestic market. These interventions must align with the new EU regulation 2023/1115 on deforestation-free products<sup>14</sup>.

**Identification of main stakeholders** and corresponding institutional and/or organisational issues (mandates, potential roles, and capacities) to be covered by the Action:

Chambers of commerce and business networks:

- The LCC is the leading business organisation in Liberia representing the interests of the private sector.
- The LIBA serves as the apex body for Liberian-owned enterprises and supports the MSME sector in Liberia.
- The ECCL, which was recently established, represents the interests of companies from European countries operating in Liberia.

These trade organisations will play a key role in public-private dialogue and in all the activities related to the improvement of the business environment and investment climate. They will also play a key role in the development of structured ecosystems to ease business creation and in developing bankable projects through PPPs.

Government authorities:

- The Ministry of Commerce and Industry (MoCI).
- The NIC is the agency responsible for promoting investment and strengthening the private sector in Liberia.
- The Public Procurement and Concessions Commission is responsible for ensuring economic and efficient use of public funds in public procurement and concessions awards respecting the principles of fairness, transparency and accountability.
- The Trade Facilitation Committee is the institutional platform for planning and implementing trade facilitation reforms and for the coordination and consultation of stakeholders.
- The Ministry of Agriculture (MoA) is responsible for the management, governance and development of the agricultural sector.
- The Liberia Agricultural Commodities Regulatory Authority is the regulator of agricultural trade.
- The Forest Development Authority (FDA) is responsible for the management and protection of the forest, wildlife and natural resources.
- The NaFAA is tasked to improve the institutional and legislative framework for the management of the fisheries sector.
- The Liberia Standards Authority is an extension of the MoCI, offering services to both private and public sectors in product testing, quality assurance and food inspection.
- The Ministry of Labour is responsible for the promotion, administration, development, regulation and control of labour law and practices.
- The Ministry of Gender, Children, and Social Protection is responsible for gender equality and women's empowerment.

Government authorities will play a critical role in enhancing economic governance, improving the business environment and fostering a favourable investment climate. They will actively contribute to reinforcing regulatory frameworks to align with the EU Green Deal objectives. Moreover, they will collaborate with the private sector to develop bankable projects through PPPs. They will also facilitate the development of business ecosystems and job

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<sup>14</sup> Deforestation undermines climate resilience by releasing stored CO<sub>2</sub>, altering water cycles, and causing biodiversity loss, which diminishes nature's ability to adapt to climate change. It leads to soil degradation, affecting soil health and carbon storage, and disrupts microclimates, increasing local temperatures. Moreover, deforestation increases vulnerability to natural disasters by removing natural barriers against floods, landslides, and hurricanes, making communities more susceptible to extreme weather events exacerbated by climate change.

intermediation services. Government authorities will serve as key actors in advancing targeted value chains and promoting effective coordination within these value chains.

Private sector companies with a special focus on MSMEs, microbusinesses, and solo entrepreneurs in the sectors of agrifood/business, fisheries and forest<sup>15</sup>.

### 3 DESCRIPTION OF THE ACTION

#### 3.1 Objectives and Expected Outputs

The **overall objective** of this Action is to increase the competitiveness and environmental sustainability of cassava, fisheries and wood processing value chains in Liberia for enhanced job creation, economic growth, and competitiveness of Liberia's businesses.

The **specific objectives** of the action are to:

1. Improve regulatory, public-private dialogue and investment climate frameworks in line with shared green deal commitments.
2. Increase productivity, quality, and inclusive decent job creation in the cassava, fisheries, and wood processing value chains in accordance with trade and environmental sustainability standards.

The **outputs** to be delivered by this Action contributing to the corresponding specific objectives are:

1. Contributing to outcome 1 (or specific objective 1):
  - 1.1 Improved knowledge, tools and coordination mechanisms of national institutions, private sector stakeholders, and business advocacy organisations on public-private dialogues and partnerships.
  - 1.2 Increased capacities of competent institutions in adapting the policy and regulatory framework to the requirements and commitments of the EU Green Deal.
  - 1.3 Improved job intermediation and business promotion services with a strong focus on youth, women, and people with disabilities.
  - 1.4 Increased opportunities for bankable projects<sup>16</sup> in accessing innovative financial instruments.
2. Contributing to outcome 2 (or specific objective 2):
  - 2.1 Increased capacities of the companies and stakeholders linked to the cassava and fisheries value chains to boost local production, processing, and distribution on a coordinated and sustainable manner.
  - 2.2 Improved knowledge and tools of local associations and cooperatives in the wood processing and furniture makers sectors on sustainable production and traceability systems.

#### 3.2 Indicative Activities

*Activities relating to output 1.1:*

- 1.1.1 Empower private sector and business advocacy organisations, such as LCC, LIBA and ECCL;
- 1.1.2 Revitalise public-private dialogue platforms;
- 1.1.3 Promote and launch business and economic for a, a such as an EU-Liberia Business Forum;
- 1.1.4 Develop and strengthen the overall regulatory framework on PPPs.

<sup>15</sup> There are two Team Europe Initiatives (TEIs) on 'Safe and Sustainable Food Systems' and 'Forestry and Biodiversity' in Liberia.

<sup>16</sup> Bankable projects in the targeted value chains and/or other sectors (i.e., infrastructure for example).

*Activities relating to output 1.2:*

- 1.2.1 Map institutional and regulatory framework on sustainable value chain due diligence in Liberia<sup>17</sup> and promote certification systems;
- 1.2.2 Build the capacities of relevant ministries and social partners on fundamental ILO<sup>18</sup> conventions, occupational health and safety.

*Activities relating to output 1.3:*

- 1.3.1 Mapping exercise on the dynamics and challenges on the overall business ecosystem in Liberia;
- 1.3.2 Create a number of MSME parks/incubators on agribusiness;
- 1.3.3 Boost business links and alliances to develop international recognition and business exposure of Liberia;
- 1.3.4 Create the National Employment Observatory and enhance job intermediation services.

*Activities relating to output 1.4:*

- 1.4.1 Improve the capacities of the NIC and the NBC;
- 1.4.2 Prepare feasibility studies and support activities under the EFSD+, with special priority to green investments and access to finance.

*Activities relating to output 2.1:*

- 2.1.1 Boost local production, processing, and distribution of the cassava value chain;
- 2.1.2 Develop a baseline study on the dynamics, opportunities and challenges of the fisheries/aquaculture sector;
- 2.1.3 Assist fishers, fish producers, handlers and processors, fishmongers and traders in improving their product handling techniques, and implementing sanitary and hygiene practices and procedures.

*Activities relating to output 2.2:*

- 2.2.1 Develop a baseline study on the dynamics, opportunities and challenges of the wood processing sector;
- 2.2.2 Support local associations and cooperatives of carpenters and furniture makers establishing direct links with technical and vocational education and training (TVET) interventions on trade and curricula development in wood processing and carpentry.

### 3.3 Mainstreaming

#### **Environmental protection and climate change**

Outcomes of the Environmental Impact Assessment (EIA) screening: the EIA screening classified the Action as Category C (no need for further assessment).

Outcome of the Climate Risk Assessment (CRA) screening: the CRA screening concluded that this Action is of low risk (no need for further assessment).

The EU's support to agrifood value chains in Liberia forms part of a broader strategy aimed at transitioning towards sustainable, green, and inclusive development, in alignment with the country's updated NDC 2021 and the EU Green Deal. This Action aligns with the overarching vision of achieving low-carbon and climate-resilient socio-economic development, emphasizing the integration of both climate change mitigation and adaptation measures.

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#### **Gender equality and empowerment of women and girls**

As per the OECD gender DAC codes identified in section 1.1, this Action is labelled as G1. This implies that the Action will promote gender equality and women's economic empowerment by ensuring that women are key beneficiaries of the Action.

<sup>17</sup> For example, the EU regulation 2023/1115 on deforestation free products.

<sup>18</sup> For example, ILO conventions 87 and 98.

Women's empowerment is a central strategy in the development of the selected value chains, notably cassava, fish and wood. The Action prioritises gender equality throughout the implementation of activities, spanning from production to transformation and distribution phases within the value chains. Additionally, gender equality considerations are integrated into entrepreneurship support initiatives, including capacity-building programmes tailored to address the specific needs of women. This intervention aligns with the objectives of the EU GAP III, further reinforcing its commitment to promoting gender equality and women's empowerment in development initiatives.

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### **Human rights**

The Action will uphold human rights and promote responsible business conduct, with a particular focus on fostering decent work and implementing occupational health and safety measures at workplaces. The Action will also promote the implementation of the UN Guiding Principles on Business and Human Rights and raise awareness to eradicate forced labour, including child labour. Liberia has ratified various international and regional normative frameworks that include, the Convention on the Elimination of All Forms of Discrimination against Women in 1984; the Protocol to the African Charter on Human and Peoples' Rights on the Rights of Women in Africa in 2008; the Convention on the Rights of Persons with Disabilities in 2012; the Convention on the Rights of the Child in 1993; the International Covenant on Civil and Political Rights, among others<sup>19</sup>. This Action will apply a rights-based approach throughout the design and implementation of the intervention as well as an intersectionality approach.

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### **Disability**

As per OECD disability DAC codes identified in section 1.1, this Action is labelled as D1. This classification indicates that people with disabilities (PWD) will be a target group of the Action, as they often face considerable educational and occupational obstacles. The average percentage of PWD in Liberia reaches 14.2% according to data from 2016<sup>20</sup>. The causes of disability vary, ranging from congenital conditions and birth trauma to accidents and illness. The two civil wars in Liberia between 1999 and 2003 also caused an increase in the number of PWD. The Action is committed to upholding the rights of PWD, ensuring that all planned activities related to project formulation, implementation and evaluation are inclusive of PWD. The Action will also actively encourage partners and programme participants to undertake initiatives aimed at safeguarding the rights of PWD. Furthermore, the Action will be in line with the EU Strategy for the Rights of Persons with Disabilities 2021-2030<sup>21</sup>, and the guidance note on disability inclusion in EU external action.

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### **Reduction of inequalities**

In 2021 Liberia faced significant socio-economic challenges, with 51% of the population living below the poverty line<sup>22</sup> and an income per capita stood at USD 680. The country ranked 175 out of 189 countries on the UNDP Human Development Index of 2022, reflecting its low levels of human development. Liberia also struggles with limited financial inclusion, low literacy rates and poor-quality education, contributing to one of the largest gender gaps and socio-economic disparities in the world.

Education access remains a pressing issue, with an estimated 47% of women and girls, and 33% of men and boys, having never attended school. In rural areas, these rates are even higher, reaching 63% and 43% respectively. In addition, the education system fails to equip students with the necessary skills for employment.

To address these challenges, the Action aims to enhance employment creation and expand access to business opportunities for the population, thus, laying the groundworks for addressing economic inequalities in a sustained manner. By focusing on job creation and women's economic empowerment, the Action is expected to have a positive impact on livelihoods and socio-economic development.

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### **Democracy**

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<sup>19</sup> Liberia Gender Equality Profile. UN Women (2021).

<sup>20</sup> <https://disabilitydata.ace.fordham.edu/country-briefs/lr/>.

<sup>21</sup> <https://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=8376&furtherPubs=yes>.

<sup>22</sup> <https://hdr.undp.org/sites/default/files/Country-Profiles/MPI/LBR.pdf>.

The Action will advocate for participatory approaches within value chains by facilitating the strengthening of public-private dialogue and encouraging the active involvement of civil society organisations. Upholding democratic principles and rejecting all forms of exclusion are key criteria for supporting beneficiaries and fostering partnerships. By promoting inclusivity and engagement among stakeholders, the Action aims to ensure that decision-making processes within value chains are transparent, representative, and responsive to the needs of all stakeholders.

### **Conflict sensitivity, peace and resilience**

The Action aims to prioritise the development of sustainable approaches to create decent job opportunities for youth and women. In addition, it focusses on strengthening relationships among value chain actors in both rural and urban areas. By doing so, the Action aims to lay down the basis for addressing potential social unrest and enhancing the overall resilience of the population to external shocks. This integrated approach seeks to foster inclusive economic growth and social cohesion, create a more robust private sector, reduce economic dependence on single commodities, and empower individuals and communities through enhanced entrepreneurship.

### **Disaster risk reduction**

Prevention and management of disaster risks is a crucial aspect of the Action, particularly considering the vulnerability of some key value chains, such as cassava to climate fluctuations, crop pests, and market fluctuations. Climate change mitigation and adaptation measures will be considered to reduce risks and develop opportunities in climate resilient value chains. Furthermore, the Action is aligned with the National Disaster Risk Reduction and Resilience Strategy of Liberia 2020-2030 and the Liberia National Adaptation Plan 2020-2023.

### **Other considerations if relevant**

N/A

## 3.4 Risks and Lessons Learnt

| <b>Category<sup>23</sup></b> | <b>Risks</b>   | <b>Likelihood<br/>(High/<br/>Medium/<br/>Low)</b> | <b>Impact<br/>(High/<br/>Medium/<br/>Low)</b> | <b>Mitigating measures</b>  |
|------------------------------|--|---|---|---|
| 1, 2                         | Difficulties linked to access to finance to allow the value chains development   | High  | High  | Development of Village Savings and Loans Associations and linkages to banks, microfinance institutions and EFSD+ instruments.   |
| 2, 3                         | Lack of sustained commitment of producers, including MSMEs and women entrepreneurs to participate in the programme's activities            | Medium  | High  | Outreach activities to demonstrate economic benefits especially to MSMEs and women entrepreneurs. Adoption of an inclusive and participatory approach during the planning, which will build ownership.  |
| 1, 2, 3                      | Lack of implementation capacity of Government institutions and frequent turnover of civil servants hampering capacity-building initiatives | High  | High  | Donor coordination mechanisms, led by national institutions to improve the implementation capacity. Government agencies involved in capacity building initiatives will be requested to implement mechanisms to retain staff for a reasonable period and ensure internal knowledge transfer. |

<sup>23</sup> The risk categories can be related to: 1) to the external environment; 2) to planning, processes and systems; 3) to people and the organisation; 4) to legality and regularity aspects; 5) to communication and information.

|            |   |        |        |   |
|------------|---|--------|--------|---|
| 2, 3, 5    | Limited dialogue among the public and private sector and existing vested interests in Liberia may derail reform processes | Medium | Medium | An open, structured and supported public-private dialogue will be launched, with significant consultation and awareness raising to ensure that the interests of all are included, in particular women's interests and priorities. |
| 1, 2, 3, 5 | Dispersed stakeholders and effective coordination in a multi-stakeholder environment                                      | Medium | Medium | A programme steering committee along with working groups and continuous relations with all tiers of Liberia's authorities will contribute to more effective communication, reporting and transparency among institutions.         |
| 1, 2, 3    | Limited engagement by the targeted institutions to gender equality and women's empowerment and to PWD inclusion           | Medium | Medium | The Action will provide adequate resources to work with the targeted institutions on the importance of mainstreaming gender equality and integrating PWD.   |

### Lessons Learnt:

There has been a concerted effort from various donors and organisations (i.e., Sweden, France, Germany, France, WB, USAID) to support sectors like agriculture, energy, infrastructure, and TVET in Liberia<sup>24</sup>. Interventions show that there are challenges that remain, such as limited infrastructure and capacities, governance issues, and skill gaps. Recent programmes to support agriculture focus on subsistence farming and target farmers living in poverty, especially women and youth. Due to the lack of adequate infrastructure, equipment and skills, a significant portion of local production is lost before reaching markets and consumers. This fact emphasises the importance of investing in infrastructure development in interventions, such as preservation and conservation systems, and providing training and support for farmers and fishermen to improve their skills and access to markets.

Current EU-funded interventions on TVET play a crucial role in developing the skills of young people and linking them with business opportunities in targeted value chains. Establishing these links ensures that the skills developed through TVET programmes are aligned with the specific needs of industries and businesses operating in Liberia. This helps bridging the gap between education and employment, ensuring that graduates are equipped with the skills demanded by the labour market.

Lessons learned highlight the need of securing Government commitment and ownership, as well as engaging key stakeholders from both the public and private sectors. Revitalizing platforms for dialogue between these stakeholders may ensure that interventions are aligned with local needs and priorities. In terms of private sector development, promoting access to finance for MSMEs is crucial. Additionally, coordination with other stakeholders working in different sectors is essential for maximizing impact and avoiding duplication of efforts.

Finally, sustainable value chain development requires a long-term approach and ongoing engagement beyond the duration of specific programmes. Consolidating gains achieved and expanding local production and value addition will require continued collaboration and investment over time.

<sup>24</sup> TVET by the Private Sector in Liberia (EU); Markets and Value Chains in Agriculture (GROW1 – Sweden); Promoting MSME Development and Employment Opportunities in Liberia through a Market System and Cluster Development Approach in Agro-Industry Value Chains (GROW 2 – Sweden); Liberia Investment, Finance, and Trade Project (World Bank); Liberia Agribusiness Private Sector Development Project (IFC), etc.

### 3.5 The Intervention Logic

The underlying intervention logic for this Action is that:

IF the knowledge, tools and coordination mechanisms of national institutions, private sector stakeholders, and business advocacy organisations on public-private dialogues and partnerships are improved;

IF the capacities of competent institutions in adapting the policy and regulatory framework to the requirements and commitments of the EU Green Deal are strengthened;

IF the job intermediation and business promotion services are improved with a strong focus on youth, women, and people with disabilities;

AND IF the opportunities for bankable projects in accessing innovative financial instruments are increased;

THEN the regulatory, institutional and investment framework that enables business development and public-private articulation will be improved in line with EU Green Deal commitments;

THEN the overall business environment and investment climate will improve, the competitiveness of the Liberian economy will raise, and an ecosystem for companies and start-ups will be available to enhance entrepreneurship;

THEN the development of value chains will accelerate and private sector actors will provide more value addition to their products and provide viable avenues for decent job creation and economic growth.

### 3.6 Logical Framework Matrix

This indicative logframe constitutes the basis for the monitoring, reporting and evaluation of the intervention.

On the basis of this logframe matrix, a more detailed logframe (or several) may be developed at contracting stage. In case baselines and targets are not available for the Action, they should be informed for each indicator at signature of the contract(s) linked to this action document, or in the first progress report at the latest. New columns may be added to set intermediary targets (milestones) for the output and outcome indicators whenever it is relevant.

- At inception, the first progress report should include the complete logframe (e.g., including baselines/targets).
- Progress reports should provide an updated logframe with current values for each indicator.
- The final report should enclose the logframe with baseline and final values for each indicator.

The indicative logical framework matrix may evolve during the lifetime of the Action depending on the different implementation modalities of this Action.

The activities, the expected outputs and related indicators, targets and baselines included in the logframe matrix may be updated during the implementation of the Action, no amendment being required to the financing decision.

| Results   | Results chain:<br>Main expected results  | Indicators   | Baselines<br>(values and years)  | Targets<br>(values and years)   | Sources of data  | Assumptions   |
|-----------|--|--|--|---|--|---|
| Impact    | Competitiveness and environmental sustainability of cassava, fisheries and wood processing value chains for enhanced job creation, economic growth and competitiveness of Liberia's businesses are increased | <p>1 Contribution of agriculture, fisheries and forestry to the overall GDP (%)</p> <p>2 Unemployment rate, by sex, age, and disability (GERF 1.11)</p> <p>3 Manufacturing value added as a proportion of GDP</p> <p>4 WB doing business and distance to the frontier score (GERF 1.13)</p>  | <p>1 Agriculture and fisheries: 38.8% of overall GDP; Forest: 10% of overall GDP (2024)</p> <p>2 Employment in agriculture: 50% (2024)</p> <p>3 Agriculture growth: 8% (2022)</p> <p>4 WB doing business and distance to the frontier score (2023)</p> | <p>1 Tbd (2028)</p> <p>2 Tbd (2028)</p> <p>3 Tbd (2028)</p> <p>4 Tbd (2028)</p>   | <p>1 National statistics and data of Central Bank of Liberia (CBL)</p> <p>2 National statistics and data of the Ministry of Labour</p> <p>3 National statistics and data of CBL</p> <p>4 WB doing business and distance to the frontier report</p> | <i>Not applicable</i>   |
| Outcome 1 | 1 The regulatory, public-private dialogue and investment climate frameworks in line with shared green deal commitments are improved  | <p>1.1 Number of government policies developed or revised with civil society organisation (i.e. business advocacy organisations) participation through EU support (GERF 2.29)</p> <p>1.2 Number of MSME that have been created and/or accelerated through the MSME parks/incubators on agribusiness created by the intervention</p> <p>1.3 Number of businesses created in value chains</p> <p>1.4 Number of jobs created in the value chains</p> <p>1.5 Number of public-private partnerships that have been established to increase the competitiveness of cassava, fisheries and wood processing value chains</p> | <p>1.1 Zero (2024)</p> <p>1.2 Zero (2024)</p> <p>1.3 Zero (2024)</p> <p>1.4 175/190 (2020)</p> <p>1.5 Zero (2024)</p>  | <p>1.1 Ten (2028)</p> <p>1.2 Sixty business; 200 jobs (2028)</p> <p>1.3 Eight initiatives and campaigns (2028)</p> <p>1.4 Improved score (2028)</p> <p>1.5 Ten (2028)</p> | <p>1.1 Progress reports; Mid-term review</p> <p>1.2 Progress reports; Data from the MoCI</p> <p>1.3 Progress reports; Data from the MoCI</p> <p>1.4 Data of the Ministry of Labour and MoCI</p> <p>1.5 Progress reports; Data from the MoCI</p>    | National institutions, decision-makers, and private sector stakeholders continue interested in developing and participating in a structured public and private dialogue under the leadership of the MoCI. |
| Outcome 2 | 2 The productivity, quality and inclusive decent job creation in the cassava,  | 2.1 Number of MSMEs  | <p>2.1 Zero (2024)</p> <p>2.2 Zero (2024)</p>  | 2.1 Two hundred (2028)  | 2.1 National statistics; Progress reports  | National institutions, decision-makers, and private sector  |

|                                |   |  |  |  |  |  |
|--------------------------------|---|--|--|--|--|--|
|                                | fisheries, and wood processing value chains in accordance with trade and environmental sustainability standards are increased   | <p>applying sustainable consumption and production practices with EU support (GERF 2.6.)</p> <p>2.2 Percentage of labour skilled in agriculture/fisheries among personnel employed in relevant food businesses (MIP indicator)</p> <p>2.3 Percentage of labour skilled in forestry among personnel employed in relevant businesses (MIP indicator)</p> <p>2.4 Number of youth who benefited from youth empowerment schemes or found employment in relevant sectors (MIP indicator)</p> | <p>2.3 Tbd (2024)</p> <p>2.4 Tbd (2024)</p>                                | <p>2.2 50% (2028)</p> <p>2.3 50% (2028)</p> <p>2.4 Five hundred (2028)</p>   | <p>2.2 National statistics; Progress reports</p> <p>2.3 Data from the Ministry of Labour</p> <p>2.4 Data from the Ministry of Youth and Sports</p> | <p>stakeholders continue interested in developing and participating in a structured public and private dialogue under the leadership of the MoCI.</p>  |
| Output 1 relating to Outcome 1 | 1.1 Knowledge, tools and coordination mechanisms of national institutions, private sector stakeholders, and business advocacy organisations on public-private dialogues and partnerships are improved | <p>1.1.1 Number of public and private dialogue platforms that have increased their operation with the support of the EU</p> <p>1.1.2 Number of institutions, companies and/or organisations that have participated in the business fora and events organised with the support of the intervention</p> <p>1.1.3 Number of representatives from the private sector and the competent institutions who have been involved in the design of the new investment code</p>                    | <p>1.1.1 Zero (2024)</p> <p>1.1.2 Zero (2024)</p> <p>1.1.3 None (2024)</p> | <p>1.1.1 Two platforms (2028)</p> <p>1.1.2 Eight events (2028)</p> <p>1.1.3 A new investment code aligned with AfCFTA (2028)</p> | <p>1.1.1 Data from the MoCI</p> <p>1.1.2 EU-Liberia Business Fora report</p> <p>1.1.3 Data from the MoCI</p>                                       | <p>National institutions, decision-makers, private sector stakeholders and business advocacy organisations continue interested in developing and participating in a structured public and private dialogue and partnerships.</p> |
| Output 2 relating to Outcome 1 | 1.2 Capacities of competent institutions in adapting the policy and regulatory framework to the requirements and commitments of the EU Green Deal are increased                                       | <p>1.2.1 Number of policy and regulation proposals that have been drafted to implement the EU new diligence directives and the EU Green Deal</p> <p>1.2.2 Number of people, staff of the relevant institutions and other key stakeholders, who have increased their knowledge on EU Green Deal,</p>  | <p>1.2.1 Zero (2024)</p> <p>1.2.2 Zero (2024)</p>                          | <p>1.2.1 At least three (2028)</p> <p>1.2.2 Tbd (2028)</p>   | <p>1.2.1 Progress reports; Mid-term review</p> <p>1.2.2 Minutes of participation in relevant targeted activities</p>                               | <p>National institutions, decision-makers, private sector stakeholders and business advocacy organisations continue interested in adapting the policy and regulatory framework.</p>  |

|                                |   |  |  |  |  |   |
|--------------------------------|---|--|--|--|--|---|
|                                |   | fundamental ILO conventions and other relevant regulations   |  |  |  |   |
| Output 3 relating to Outcome 1 | 1.3 Job intermediation and business promotion services with a strong focus on youth, women, and people with disabilities are improved   | 1.3.1 Number of incubators, accelerators and business parks in operation with EU support<br>1.3.2 Number of experts that have been included in the incubators' network, disaggregated by sex<br>1.3.3 Number of entrepreneurs who have developed or improved their businesses in coordination with financial investors, disaggregated by sex   | 1.3.1 Zero (2024)<br>1.3.2 Tbd (2024)<br>1.3.3 Zero (2024)               | 1.3.1 Three (2028)<br>1.3.2 Twenty (2028)<br>1.3.3 Sixty of which at least thirty women (2028)                 | 1.3.1 Progress reports<br>1.3.2 Progress reports<br>1.3.3 Progress reports; EFSD + operational reports   | National institutions, business advocacy organisations, and development finance institutions continue interested in promoting and developing the financial and business regulatory framework for business promotion services. |
| Output 4 relating to Outcome 1 | 1.4 Opportunities for bankable projects in accessing innovative financial instruments are improved  | 1.4.1 Number of bankable projects that have been formulated or developed with the support of the intervention and presented to funding institutions<br>1.4.2 Number of feasibility studies and/or project proposals linked to EFSD+ activities to promote green investments and access to finance  | 1.4.1 Zero (2024)<br>1.4.2 Zero (2024)                                   | 1.4.1 Twenty (2028)<br>1.4.2 Twenty (2028)   | 1.4.1 Progress reports; Mid-term review<br>1.4.2 Progress reports; EFSD + operational reports  | National institutions, business advocacy organisations, and development finance institutions continue interested in formulating and developing the framework for accessing innovative finance.                                |
| Output 1 relating to Outcome2  | 2.1 Capacities of the companies and stakeholders linked to the cassava and fisheries value chains to boost local production, processing and distribution on a coordinated and sustainable manner are improved | 2.1.1. Number of smallholders reached with EU supported interventions aimed to increase their sustainable production, access to markets and/or security of land (GERF 2.1)<br>2.1.2. Number of people who have benefitted from institution or workplace based VET/skills development, by age, sex, and people with disabilities (GERF 2.14 and MIP indicator)<br>2.1.3. Number of people linked to the targeted value chains who have increased their knowledge on product handling techniques, and implementing | 2.1.1 Zero (2024)<br>2.1.2 Tbd<br>2.1.3 Zero (2024)<br>2.1.4 Zero (2024) | 2.1.1 Two thousand (2028)<br>2.1.2 50% increase (2028)<br>2.1.3 Two hundred (2028)<br>2.1.4 Two hundred (2028) | 2.1.1 Progress reports; Mid-term review<br>2.1.2 Data from the Ministry of Education<br>2.1.3 Progress reports; Mid-term review<br>2.1.4 Progress reports; Mid-term review | Companies and stakeholders active in cassava and fisheries value chains are committed to local production, processing and distribution.   |

|                                      |  |  |   |   |   |   |
|--------------------------------------|--|--|---|---|---|---|
|                                      |  | <p>sanitary and hygiene practices and procedures, disaggregated by sex</p> <p>2.1.4 Number of companies of the cassava and fisheries value chains that have been connected with potential clients or investors with the support of the Action</p>  |   |   |   |   |
| Output 2<br>Relating to<br>Outcome 2 | 2.2 Knowledge and tools of local associations and cooperatives in the wood processing and furniture makers sectors on sustainable production and traceability systems are improved | <p>2.2.1 Number of wood processors that have learnt new technologies and/or techniques to implement more sustainable and efficient production and transformation practices</p> <p>2.2.2 Number of people, staff of the wood processors, the competent institutions and/or other key stakeholders, who have increased their knowledge on traceability procedures, tools and standards</p> | <p>2.2.1 Tbd</p> <p>2.2.2 Zero (2024)</p> | <p>2.2.1 Two hundred (2028)</p> <p>2.2.2 Two hundred (2028)</p> | <p>2.2.1 Progress reports; Mid-term review</p> <p>2.2.2 Progress reports; Mid-term review</p> | Local associations and cooperatives in the wood processing and furniture makers sector are committed to sustainable production. |

## 4 IMPLEMENTATION ARRANGEMENTS

### 4.1 Financing Agreement

In order to implement this Action, it is envisaged to conclude a financing agreement with Liberia.

### 4.2 Indicative Implementation Period

The indicative operational implementation period of this Action, during which the activities described in section 3 will be carried out and the corresponding contracts and agreements implemented, is 48 months from the date of entry into force of the financing agreement. Extensions of the implementation period may be agreed by the Commission's responsible authorising officer by amending this financing decision and the relevant contracts and agreements.

### 4.3 Implementation of the Budget Support Component

N/A

### 4.4 Implementation Modalities

The Commission will ensure that the EU rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the Action with EU restrictive measures<sup>25</sup>.

#### 4.4.1 Indirect Management with an entrusted entity

This Action may be implemented in indirect management with entrusted entities, which will be selected by the Commission's services using the following criteria:

- A track record in designing and implementing technical cooperation projects that strengthen public policies in developing countries, and in particular in private sector development;
- A track record of expertise in the Western African region and strong commitment for the development of Liberia.

The implementation by these entrusted entities entails the following outputs:

- Output 1.1 Economic governance through public-private dialogue conducive to appropriate reforms is approved and the capacities of national institutions to promote private sector development and decent jobs strengthened;
- Output 1.2 New regulations and capacities to adapt to the EU Green Deal drafted and strengthened;
- Output 1.3 A structured ecosystem to ease business creation promoted and the capacities for job intermediation services with a strong focus on youth, women, and disabled enhanced;
- Output 1.4 Bankable projects in the targeted value chains defined and access to innovative financial instruments promoted;
- Output 2.1 The development of the cassava and fisheries value chains accelerated through enhanced vertical and horizontal coordination of actors;
- Output 2.2 Legal wood transformation and traceability systems promoted.

<sup>25</sup> [www.sanctionsmap.eu](http://www.sanctionsmap.eu). Please note that the sanctions map is an IT tool for identifying the sanctions regimes. The source of the sanctions stems from legal acts published in the Official Journal (OJ). In case of discrepancy between the published legal acts and the updates on the website it is the OJ version that prevails.

4.4.2 Changes from indirect to direct management mode (and vice versa) due to exceptional circumstances (one alternative second option)

If negotiations with the selected entrusted entities fail (section 4.4.1), that part of this Action may be implemented in direct management through public procurement.

4.5. Indicative Budget

| Indicative budget components  | EU contribution<br>(amount in EUR) |
|---|------------------------------------|
| Implementation modalities – cf. section 4.4   |                                    |
| Specific objective 1: Improve the overall business environment, investment climate and competitiveness through an enhanced public-private dialogue and regulatory reforms   |                                    |
| Indirect management with an entrusted entity – cf. section 4.4.1  | 11 800 000                         |
| Specific objective 2: Increase productivity, quality, and inclusive decent job creation in the cassava, fisheries, and wood processing value chains in accordance with trade and environmental sustainability standards |                                    |
| Indirect management with an entrusted entity – cf. section 4.4.1  | 13 000 000                         |
| Evaluation – cf. section 5.2<br>Audit – cf. section 5.3   | 200 000                            |
| Totals  | 25 000 000                         |

4.6 Organisational Set-up and Responsibilities

The implementing partners will do the technical, administrative, and financial management of the programme, including the day-to-day activities.

At a strategic level, a Project Steering Committee (PSC) will be established. It will be headed by the MoCI and will gather:

- Representatives of the EU Delegation in Liberia;
- Key ministries and agencies (MoCI, MoA, MFDP, NIC, FDA, NaFAA);
- Private sector representatives in Liberia (e.g. LCC, LIBA, ECCL);
- Other relevant stakeholders such as youth and women organisations.

The PSC will meet twice a year and will be in charge of:

- Advising and providing strategic recommendations for the programme;
- Ensuring the consistency of actions with national policies and priorities and other development partners' projects;
- Approving annual work plans and progress reports;
- Ensuring the necessary arbitrations and making proposals to reorient activities when required;
- Monitoring and evaluation.

The implementing partners and/or the national authorities will regularly organise technical meetings and will invite all the stakeholders to follow the implementation of the different components of the programme.

The WB is implementing the LIFT project that aims to support Liberia's private and financial sectors to improve the investment climate and increase the efficiency of trade in Liberia. Since the two interventions may have synergies, it is also planned to hold potentially joint PSC to increase impact.

As part of its prerogative of budget implementation and to safeguard the financial interests of the Union, the Commission may participate in the above governance structures set up for governing the implementation of the Action and may sign or enter into joint declarations or statements, for the purpose of enhancing the visibility of the EU and its contribution to this Action and ensuring effective coordination.

## 5 PERFORMANCE MEASUREMENT

### 5.1 Monitoring and Reporting

The day-to-day technical and financial monitoring of the implementation of this Action will be a continuous process, and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the Action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the Action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the logframe matrix (for project modality) and the partner's strategy, policy or reform action plan list (for budget support).

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

Roles and responsibilities for data collection, analysis and monitoring:

It is envisaged that the monitoring and reporting of the Action will be done by the implementing partner. Fine-tuning the logframe and establishing a baseline for the Action will need to be done. In consultation with the government of Liberia, the logical framework will be defined during the preparation/inception phase of the Action so that the results and indicators match the Action logframe. Monitoring and reporting on the Action will be the responsibility of the selected implementing partner. Reports will be drawn every six months for each result. They must be accompanied by the corresponding invoice, financial report and expenditure verification report. A final activity report accompanied by a final invoice, the financial report and the expenditure verification report must be drawn up at the end of the contract with the implementing partner. The draft final activity report including both operational and financial aspects must be submitted at least three months before the end of the implementation period of the contract. All monitoring and reporting will assess how the Action is considering the principle of gender equality, the human rights-based approach and the rights of persons with disabilities, including inclusion and diversity. Indicators shall be disaggregated at least by sex whenever possible and meaningful.

### 5.2 Evaluation

Having regard to the importance and nature of the Action, a mid-term and a final evaluation will be carried out for this Action or its components via independent consultants contracted by the Commission. The mid-term evaluation will be carried out for problem solving and learning purposes, in particular with respect to the fact that the Action will complement other EU funded projects in Liberia but provides a much more market-oriented approach and includes innovative actions considering the green economy and sustainable value chains. The final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision), taking into account in particular the fact that there are innovative activities and approaches and a potential subsequent phase of the Action.

The Commission shall inform the implementing partner at least 4 months in advance of the dates envisaged for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities. The evaluation reports may be shared with the partners and other key stakeholders following the best practice of evaluation dissemination. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, apply the necessary adjustments.

### 5.3 Audit and Verifications

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

## 6 STRATEGIC COMMUNICATION AND PUBLIC DIPLOMACY

The 2021-2027 programming cycle will adopt a new approach to pooling, programming and deploying strategic communication and public diplomacy resources.

In line with the 2022 “[Communicating and Raising EU Visibility: Guidance for External Actions](#)”, it will remain a contractual obligation for all entities implementing EU-funded external actions to inform the relevant audiences of the Union’s support for their work by displaying the EU emblem and a short funding statement as appropriate on all communication materials related to the actions concerned. This obligation will continue to apply equally, regardless of whether the actions concerned are implemented by the Commission, partner countries, service providers, grant beneficiaries or entrusted or delegated entities such as UN agencies, international financial institutions and agencies of EU member states.

However, action documents for specific sector programmes are in principle no longer required to include a provision for communication and visibility actions promoting the programmes concerned. These resources will instead be consolidated in Cooperation Facilities established by support measure action documents, allowing Delegations to plan and execute multiannual strategic communication and public diplomacy actions with sufficient critical mass to be effective on a national scale.

## Appendix 1 REPORTING IN OPSYS

A primary intervention (project/programme) is a coherent set of activities and results structured in a logical framework aiming at delivering development change or progress. Identifying the level of the primary intervention will allow for:

- Articulating actions or contracts according to an expected chain of results and therefore allowing them to ensure efficient monitoring and reporting of performance;
- Differentiating these actions or contracts from those that do not produce direct reportable development results, defined as support entities (i.e., audits, evaluations);
- Having a complete and exhaustive mapping of all results-bearing actions and contracts.

Primary interventions are identified during the design of each action by the responsible service (Delegation or Headquarters operational Unit).

The level of the primary intervention chosen can be modified (directly in OPSYS) and the modification does not constitute an amendment of the action document.

The intervention level for the present Action identifies as (tick one of the 4 following options):

|   |                      |  |
|---|----------------------|--|
| <b>Action level (i.e., budget support, blending)</b>  |                      |  |
| <input type="checkbox"/>  | Single action        | Present Action: all contracts in the present Action                |
| <b>Group of actions level (i.e., top-up cases, different phases of a single programme)</b>  |                      |  |
| <input type="checkbox"/>  | Group of actions     | Actions reference (CRIS#/OPSYS#): N/A                              |
| <b>Contract level</b>   |                      |  |
| <input checked="" type="checkbox"/>   | Single Contract 1    | Indirect management with entrusted entities (Specific objective 1) |
| <input checked="" type="checkbox"/>   | Single Contract 2    | Indirect management with entrusted entities (Specific objective 2) |
| <b>Group of contracts level (i.e., series of programme estimates, cases in which an action includes for example four contracts and two of them, a technical assistance contract and a contribution agreement, aim at the same objectives and complement each other)</b> |                      |  |
| <input type="checkbox"/>  | Group of contracts 1 |  |