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This action is financed by the European Union

**ANNEX 1**

of the Commission Decision on the Annual Action Programme 2016 in favour of the Republic of Liberia to be financed from the 11<sup>th</sup> European Development Fund

**Action Document for the EU Liberia Agriculture Programme (EULAP)**

**INFORMATION FOR POTENTIAL GRANT APPLICANTS**

**WORK PROGRAMME FOR GRANTS**

This document constitutes the work programme for grants in the sense of Article 128(1) of the Financial Regulation (Regulation (EU, Euratom) No 966/2012), applicable to the EDF in accordance with Article 37 of the Regulation (EU) 2015/323, in the following section concerning grants awarded directly without a call for proposal: 5.4.1 Grant – direct Award (direct management)

<b>1. Title/basic act/ CRIS number</b>	EU Liberia Agriculture Programme (EULAP) CRIS number: LR/FED/039-293 financed under the 11 <sup>th</sup> European Development Fund	
<b>2. Zone benefiting from the action/location</b>	Republic of Liberia	
<b>3. Programming document</b>	National Indicative Programme (NIP) for the Republic of Liberia for the period 2014-2020	
<b>4. Sector of concentration/ thematic area</b>	Sector 4: Agriculture	DEV. Aid: YES <sup>1</sup>
<b>5. Amounts concerned</b>	Total estimated cost: EUR 32 777 777. Total amount of EDF contribution EUR 30 000 000. This action might be co-financed by potential grant beneficiaries for an indicative amount of EUR 2 777 777.	

<sup>1</sup> Official Development Aid is administered with the promotion of the economic development and welfare of developing countries as its main objective.

<b>6. Aid modality(ies) and implementation modality(ies)</b>	Project Modality Direct management –grants – Direct award Indirect management with the World Bank (WB) and the Food and Agricultural Organisation (FAO)			
<b>7. a) DAC code(s)</b>	31120			
<b>b) Main Delivery Channel</b>	21 000 International Organisations and NGOs			
<b>8. Markers (from CRIS DAC form)</b>	<b>General policy objective</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Main objective</b>
	Participation development/good governance	<input type="checkbox"/>	X	<input type="checkbox"/>
	Aid to environment	<input type="checkbox"/>	<input type="checkbox"/>	X
	Gender equality (including Women In Development)	<input type="checkbox"/>	X	<input type="checkbox"/>
	Trade Development	<input type="checkbox"/>	X	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	X	<input type="checkbox"/>	<input type="checkbox"/>
	<b>RIO Convention markers</b>	<b>Not targeted</b>	<b>Significant objective</b>	<b>Main objective</b>
	Biological diversity	X	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	X	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	X	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	<input type="checkbox"/>	<input type="checkbox"/>	X
	<b>9. Global Public Goods and Challenges (GPGC) thematic flagships</b>	Food and nutrition security & Sustainable Agriculture		
<b>10. Sustainable Development Goals (SDGs)</b>	This action contributes to SDG 1 (targets 1.4 and 1.5), and 2 (targets 2.1,2.2 and 2.3)			

#### SUMMARY

Liberia has a significant agricultural & fisheries potential. However, despite this potential, rural poverty remains worryingly high and approximately half of the population is either food insecure or highly vulnerable to food shortages. A long civil conflict, the recent Ebola

outbreak, and the lack of support for agricultural development are to blame for the current situation.

Rubber and palm oil have traditionally been the only form of commercial agriculture in Liberia and are currently struggling to cope with declining international prices. A lot of the food currently consumed in the country is imported, the rest is produced by smallholders with little or no access at all to inputs, credit and extension services. Donor funded projects need to be further scaled up to have a durable impact on the country's food safety and resilience to shocks.

The general objective of this action is to reduce poverty, to increase income and resilience against shocks in the rural areas and to improve food and nutrition security in Liberia.

The specific objectives are linked to the four components, as follows:

- Productivity of small-scale cocoa production has increased and commercialisation is ensured (Component 1. Sustainable cocoa value chain – direct management/grant);
- Productivity and sustainability of nutrition sensitive agriculture at the level of small scale producers has improved (Component 2. Rural development through sustainable agriculture – direct management/grant);
- Agricultural policies supporting small-scale farming are approved at political level and enacted at production level (Component 3. Sustainable fisheries value chain - indirect management/WB);
- A competitive and environmentally sustainable value chain for coastal and inland fishery is operational (Component 4. Capacity building for the Ministry of Agriculture – indirect management/Food and Agriculture Organisation (FAO)).

The proposed action is fully integrated into the EU Economic Partnership Agreement Development Programme (PAPED).

## **1 CONTEXT**

### **1.1 Sector/Country/Regional context/Thematic area**

54% of Liberians are living in poverty, especially in rural areas. More than 2.1 million (or 49%) of Liberians were unable to meet their basic food and non-food needs in 2014. 21 % of households have a poor or borderline food consumption score and that the western and southern parts (7 counties) are the worse affected areas by food insecurity.

Liberia's agriculture sector is dominated by traditional subsistence farming systems on uplands that are characterised by labour intensive- shifting (slash and burn) cultivation, low technologies, and use of rudimentary inputs, resulting in low productivity. The farming systems are primarily forest based and they cover the largest portion of cultivated land area, are concentrated in the central belt of the country, and account for almost half (50%) of the total land area and almost 90% of arable land.

Small acreages of tree crops are maintained for generating cash income while rice, intercropped with vegetables and other food crops, occupy the major portion of cultivated land (about 87%), which is on upland. A secondary root and tuber based farming system (involving some cereals) is concentrated in the northern region, and a third farming system occurs in the coastal belt with fishing as a major activity complemented with mixed cropping.

Commercial agricultural activities are dominated by large scale plantation estates of rubber and oil palm. Coffee and cocoa are produced mainly by smallholders and exclusively for

export. Productivity is generally very low while value addition is limited to rubber. There are about 30 000 cocoa smallholder farmers in the country producing less than 50kg/ha, far less compared to Ghana (450kg/ha) and Cote d'Ivoire (650kg/ha). If the sector is well developed and the export potential is tapped; it would increase foreign exchange, create employment opportunities for the youth and boost the economy. Beside the plantation estates, very little commercial investment has been made in the agriculture sector. The country's heavy reliance on a limited number of export products is a major challenge under the current context of international low commodity prices and the growth outlook for the coming years remains weak.

The livestock sub-sector was decimated as a result of years of civil conflicts, and has hardly recovered. The same goes for the fisheries sub-sector. The latter sub-sector being of crucial importance, as fish contributes to the animal protein needs of an estimated 80 percent of the population, it employs mostly small-scale artisanal fishers, and has good potential for growth, since only about 6.8% of sustainable yield is harvested annually.

Land and water resources are abundant and offer potential for significant expansion of agricultural production. Significant potential for irrigation exists (estimated at about 600,000 hectares), with less than 1% of it presently developed.

The Ebola Virus Disease outbreak had particularly strong implications in terms of food security in the country due to pre-existing vulnerabilities and limited room for coping mechanisms.

#### ***1.1.1 Public Policy Assessment and EU Policy Framework***

The EU Agenda for Change<sup>2</sup> (2011) underlines the importance of "insulating developing countries from shocks (such as scarcity of resources and supply, price volatility) and thus help provide the foundations for sustainable growth". In line with these principles and with the objectives outlined in the National Indicative Programme, the proposed action supports sustainable agriculture as an economic sector that can have a high impact on development outcomes, focusing on smallholder agriculture and rural livelihoods, formation of producer groups, the supply and marketing chain, and government efforts to facilitate responsible private investment across the value chain.

The proposed action is also in line with the principles of the 2013 Communication "Enhancing Maternal and Child Nutrition in external assistance: an EU policy framework", the 2010 policy on food security, the 2011 policy on food assistance and the 2012 Communication on the EU Approach to Resilience. The EU also supports the Global Alliance for Resilience (AGIR), and the Scale Up Nutrition Movement. Liberia is an active member of both these initiatives.

At country level, Liberia's policy on agriculture and food security is laid down in the Food and Agriculture Policy and Strategy (2009), the Liberia Agriculture Sector Investment Programme (LASIP), the Revised National Food Security and Nutrition Strategy, the National Export Strategy (2014), the Investment Promotion Strategy and more recently, the Liberia Agricultural Transformation Agenda (LATA, 2016). LATA is the intermediate action plan for the next two years with focus on agricultural development along selected priority value chains through a market based approach. Top priorities under LATA are rubber, cocoa, oil palm, and

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<sup>2</sup> [http://ec.europa.eu/europeaid/policies/european-development-policy/agenda-change\\_en](http://ec.europa.eu/europeaid/policies/european-development-policy/agenda-change_en)

fisheries (aquaculture/marine fish). The EU and Liberia share a common view on priorities in the EU – Liberia National Indicative Programme 2014-2020.

Agriculture (enhancing resilience to increasing rainfall variability through the diversification of crop cultivation and small ruminants rearing) is a priority area for adaptation based on Liberia's National Adaptation Program of Action as part of the Intended National Determined Contribution to the United Nations Framework Convention on Climate Change (UNFCCC). The long-term adaptation initiatives include fisheries.

The EU has two relevant bilateral agreements with Liberia: The EU-Liberia Voluntary Partnership Agreements for forestry and the EU-Liberia Sustainable Fisheries Partnership Agreement.

### ***1.1.2 Stakeholder analysis***

The key stakeholders for the implementation of the EU agricultural programmes are the farmers of Liberia, as the main actors on which developing the agriculture sector is dependent, but they are not a uniform group. The Liberian agriculture sector involves both large concession areas and smallholders, the latter being involved in the production of staple food as of cash/tree crops. Farmer groups and cooperatives exist, including for fisheries and cocoa, but they suffer of a chronic lack of skills and organisation.

The private sector at all stages of the value chain is essential for improvement of agriculture markets, value added production and exports. The domestic agro-processing sector however is limited due to a difficult business environment and insufficient policies which have hampered both domestic and foreign investment.

At the level of decision making and policy development, the ministry of agriculture and its agencies are the main channel for development of agricultural policies and strategies. The ministry has severe staff and budgetary constraints. They face serious challenges especially in developing, implementing and monitoring agricultural policies, as well as in delivering key services like plant health and extension. The Bureau of National Fisheries is the agency of the ministry of agriculture responsible for both rules and regulations governing the fisheries sector, and implementation and enforcement, as well as the overall development of the sector. It faces identical challenges as the ministry of agriculture, and relies to a large extent on support from donors, the UN Mission in Liberia and the EU (through the sector contribution under the Sustainable Fisheries Partnership Agreement).

The ministry of commerce and industry is involved with a view of developing agriculture as a business.

### ***1.1.3 Priority areas for support/problem analysis***

The principal current constraints to a vibrant agricultural sector and food security in Liberia are:

- Limited engagement of the private sector with the non-concessionary agricultural sector suffering from low productivity, limited market access, limited skills, and unfavourable policies.
- Absence of support system for modern inputs (improved seeds, fertilizer, and implements).
- Little or no access to credit for small farmers, processors, agro dealers, and other actors in the value chain.
- Limited rural infrastructure, especially access roads and storage facilities.
- Insufficient regulations to encourage private sector involvement.

- Low levels of knowledge of modern farming technologies and centralised and insufficient public extension service.
- Insecure, diffuse, and conflict-ridden land tenure system.
- Food insecurity is particularly prevalent in the South-East. Vulnerable groups are disproportionately affected.

A particular source of concern is the level of illegal fisheries in Liberia's water and the lack of regulation and/or enforcement of rules in the fisheries sector, threatening the economic perspectives for the sector. Climate change poses an additional threat to the livelihood and survival of smallholder farmers and their families in rural Liberia. Farming is entirely rain-fed and is adversely affected by erratic rainfall patterns, high temperatures and extreme weather events.

## 1.2 Other areas of assessment

N/A.

## 2 RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
Change of government sector policies, in particular in light of the elections in 2017.	M	Secure strong support from general population, private sector, and donor community through information campaigns.
Political instability and insecurity linked to the planned UN Mission in Liberia (UNMIL) drawdown.	M	EU and other donors' support for the stabilisation process.
Further decrease of world market prices for export crops, destabilizing Liberian economy, and limiting government budgets.	M	Encourage diversification of the agricultural economy and stimulate value addition within programmes to mitigate risks.
Implementation delays caused by limited capacity of government to handle procedures.	H	Capacity building and technical assistance.
Insecurity of land ownership preventing farmers to plan on a longer term basis in the area of operations.	M	Free, Prior and Informed Consent (FPIC) being done by Land Commission to reduce problems associated with land ownership problems.
Resistance and limited buy-in from farmers.	M	Need robust farmer education; training; strengthening of farmers' based organizations FBOs and Farmers' Cooperatives.
Limited capacity and coordination within and between Government agencies impede implementation	M	Ministry of Agriculture (MOA) established the Programme Management Unit in 2010 that coordinates the

of Government reforms.		implementation of all donor funded projects, including African Development Bank AfDB, World Bank, IFAD and GEF/ United Nations Development Programme UNDP projects.
Lack of access to markets due to bad road conditions undermines farmers' efforts.	H	EU and other donors' support to infrastructures.
Climate changes require adaptation of farming techniques and expose farmers to greater weather related risks.	H	Some measures are being piloted by MoA under a climate change adaptation programme. Further actions will be looked at as part of the Global Climate Change Alliance.
<b>Assumptions</b>		
<ul style="list-style-type: none"> <li>- Government of Liberia will undertake reforms necessary for the development of the agriculture sector (tariffs for agricultural inputs, agribusiness hubs, land act) as part of the Action Plan.</li> <li>- Improvement of Road and transport infrastructure in Liberia important for agriculture will not be affected by budgetary constraints or otherwise.</li> <li>- Improving nutrition security will partly be realised through income effects (lower prices of food or higher income allows people to buy better food).</li> <li>- Donors, NGOs, ministry of agriculture extension work together effectively.</li> </ul>		

**3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES**

**3.1 Lessons learnt**

The EU has an extensive experience in implementing agriculture and food security projects in post-war Liberia funded by the EDF and the food security thematic budget line, implemented mostly by international NGOs and UN agencies. The identification process has leveraged this experience through site visits and review of evaluation reports and Results Oriented Monitoring.

The private sector in Liberia comprises mostly poor smallholder farmers that are responsible for most of the domestic food production.

Rural poverty in Liberia affects 67% of a rural population of 2.2 million, most of them smallholders lacking financial capacity and knowledge to upscale their economic activities. They are also more vulnerable to food insecurity and more likely to be affected by climate change. They need to increase their land and labour productivity in order to make their way out of poverty and to ensure sufficient staple food supplies for themselves and for an increasing urban population. A number of successful initiatives supported by the EU have proven that, given the right incentives and support, smallholders are able to increase and diversify their production according to market opportunities and consumers demand and to build more climate and economic-resilient production systems.

Focus on larger interventions on the basis of a proven concept and with a close government involvement.

Lessons from past and current EU interventions in agriculture show that projects, despite their relative success, failed to have impact on a national scale due to their relative small size. One specific recommendation from a successful project on cassava was to scale up activities for any future intervention. Following that recommendation means that new activities need to be based on proven concepts used in previous activities, but scaled up and focused on a limited number of sectors/food commodities.

#### Integrated approach to agricultural development.

Recent experiences have shown that activities should address the entire value chain, and not be limited to production improvement or value addition only. Activities either need to be embedded within a larger framework of activities within a certain region, or seek to promote and encompass the entire value chains to have longer term impact.

#### Sustainability requires going beyond social transfers.

Cash transfers provided critical support in highly vulnerable communities and contained food insecurity in crisis and post-crisis situations in Liberia, but are not a viable mean to support long-term agricultural development in Liberia, due to the high risk of aid dependency. Village saving loans and cash for work schemes have been more successful in that respect. Encouraging private sector investment and entrepreneurship will also ensure sustainability.

### **3.2 Complementarity, synergy and donor coordination**

The main donor platform in Liberia is the Cooperating Partners Group; at sector level the monthly Agriculture Donors Working Group (ADWG), chaired by the ministry of agriculture, is the main platform for coordination between government and donors. Food security coordination takes place through the Food security technical committee, also maintained by the ministry of agriculture and supported by FAO.

Apart from the EU, there are a limited number of other donors active in agricultural development, which are United States International Development Aid (USAID), Swedish International Development Aid (SIDA), AfDB and World Bank/International Finance Corporation (WB/IFC). The ministry of agriculture, through its project management unit (PMU) has oversight of activities of donor funded projects in the ministry. There are no EU Member States agencies implementing directly agricultural programmes in the country.

As far as other EU funded actions are concerned there are clear synergies with the Food and nutrition security Impact, Resilience, Sustainability and Transformation (FIRST) partnership programme implemented by FAO with the purpose of providing a policy assistance mechanism for improved food security and nutrition and sustainable agriculture. Under FIRST, a long term Policy Officer will be embedded in the ministry of agriculture. The EU has also provided support to smallholders through a number of projects funded by the Food Security budget line and implemented by NGOs, targeting rice, cassava, livestock and vegetables. Two additional NGO grants (EUR 3 000 000 in total) to continue supporting food security are being awarded under PRO-ACT (Global Public Goods and Challenges). Other complementary EU-funded projects include the Global Climate Change Alliance + (EUR 6 000 000), CSO 2016 grants to support land rights, and Road connectivity (10<sup>th</sup> EDF NIP) and electricity (11<sup>th</sup> EDF NIP) projects.

The country also benefits from projects in support of the Voluntary Partnership Agreement for forestry (Environment budget line) and from specific sector support under the Sustainable Fisheries Partnership Agreement (SFPA).

The action is also fully integrated and complementary with the projects that will be supported under the 11<sup>th</sup> EDF Regional Indicative Programme for ECOWAS, in particular in priority

areas 2 ( Regional Economic Integration and Support for Trade), and 1& 3 (Resilience, Food and nutrition security and Natural Resources).

### **3.3 Cross-cutting issues**

Women comprise over half of the agriculture workforce and about two-thirds of the trade and commerce workforce in Liberia. Their role in agriculture is important, particularly in food crops, where they produce over half of the output; their production of cash crops is limited. Access to resources and markets is also significantly constrained—across the population—but women, because of their multiple economic and domestic activities are particularly affected. Gender mainstreaming will be a significant objective for activities under the action. The EU is in the process of contracting a specific Gender Analysis of the agriculture sector in Liberia in order to guide the design of specific activities in support of women and women’s groups.

As described in 1.1.3 above, Liberian agriculture is extremely vulnerable to climate change, and at the same time one of the main drivers of deforestation. Slash and burn farming and absence of any form of water management are still common practice among smallholder farmers in Liberia. Climate change adaptation will be a significant objective of this action. Improved climate change resilience will be supported through the introduction of climate smart agriculture practices such as the introduction of climate resilient crops, intercropping and agroforestry systems together with pest control, water management and prevention of soil degradation and erosion to reduce pressure on land use and agriculture-induced deforestation. The support provided to Liberia under the Global Climate Change Alliance+ (GCCA+) will be key to identify activities in line with the agricultural adaptation actions outlined in the Intended National Determined Contribution document (2015).

## **4 DESCRIPTION OF THE ACTION**

### **4.1 Objectives/results**

This programme is relevant for the United Nations 2030 Agenda for Sustainable Development. It contributes primarily to the progressive achievement of SDG Goal 2 "Zero Hunger – End hunger, achieve food security and improved nutrition and promote sustainable agriculture", but also promotes progress towards Goal 14 "Life Below Water – Conserve and sustainably use the oceans, seas and marine resources for sustainable development". This does not imply a commitment by the country benefiting from this programme.

Thus, the overall objective of the programme is to reduce poverty, to increase income and resilience against shocks in the rural areas and to improve food and nutrition security in Liberia.

In line with the SDGs, the Liberia Agricultural Transformation Agenda and the EU-Liberia NIP 2014-2020, the specific objectives of the action are to :

- SO. 1: Productivity of small-scale cocoa production has increased and commercialisation ensured;
- SO2: Productivity and sustainability of nutrition sensitive agriculture at the level of small scale producers has improved;
- SO3: A competitive and environmentally sustainable value chain for coastal and inland fishery is operational;
- SO4: Agricultural policies supporting small-scale farming are approved at political level and enacted at production level.

Further details on the expected results are provided in the following sections and in the Annex (LogFrame). The action is also integrated into the regional EPA Development Programme (PAPED) and contributes to the priorities identified by the Government of Liberia for the "Development of priority value chains".

## **4.2 Main activities**

The action has 4 components. Each component contributes to a specific objective.

### **Component 1 – Sustainable cocoa value chain**

This component promotes economic opportunities for smallholder farmers through the development of a sustainable cocoa value chain in Liberia.

The action will contribute to the attainment of the goal of the cocoa component of the Liberia Agriculture Transformation Agenda (LATA): achieve economic diversification and economic growth by enabling the cocoa sector to meet its potential. In addition, cultivation of cacao – within sustainable, biologically diverse agroforestry systems - can help in the preservation of rain forest remnants and the development of forest links and move small holder farmers into a more favourable economy.

The activities under the component include:

- Implementation of a cocoa intensification package for increased productivity adopted (e.g. productivity of 50kg/ha increased to 250kg/ha);
- Enhancement of the capacity of national institutions and other stakeholders to promote sustainable cocoa production;
- Develop quality control systems and robust chain of custody for the production of good quality cocoa;
- Improve the governance of cooperatives in order to facilitate access to finance for the cooperatives;
- Link producer groups to access sustainably produced cocoa markets;
- Attract value chain investors;
- Identify needs and build capacity of actors across the value chain;
- Create economic opportunities for women and youth along the cocoa production chain.

The activities will engage smallholder farmers through existing organisations and cooperatives, as well as private companies already operating in the sector and will encourage value chain investors to develop the sector as applicable. They will focus primarily in the traditional cocoa-producing counties of Lofa and Nimba but might possibly be expanded to neighbouring counties.

### **Component 2 – Rural development through diversification and sustainable agriculture**

This component promotes increased smallholder productivity and diversification to improve resilience and food security. The activities under the component include :

- Development and implementation of community-based agricultural development plans, comprising in particular support for value-adding through sustainable intensification and diversification and addressing the position of women in the communities;
- Support to value addition through improved post-harvest handling;
- Improve linkages to the market, also through farmers' groups and cooperatives, business development services for agro-dealers and other actors across the value chains;
- Improve access to finance and technology for farmers through development of 'one-stop-shop' service centers;

- Improve availability of nutritious food and income generation through integrated Aquaculture, vegetable and poultry/small ruminants productions;
- Identify and develop strategic domestic and regional value chains;
- Introduce sustainable and socially appropriate adaptive measures to increase resilience of agriculturally dependent communities to climate change.

The activities will focus on the most food insecure counties, including the South-Eastern counties.

### **Component 3 – Sustainable fisheries value chain**

In line with the Liberia Agriculture Transformation Agenda (LATA), this component supports the development of a competitive, efficient and sustainable fisheries value chain (inland and aquaculture) with private investment and linkages to markets. The program will support WB West African Regional Fishery Program (WARFP) phase 2 (through a contribution agreement of EUR 7 000 000) which has the following objectives: (i) Strengthening Governance of Fisheries Management, (ii) Improving Conditions for Sustainable Value Chain Development; and (iii) Strengthening Community Capacity.

The activities under the component include:

- Strengthening Governance of Fisheries Management - support to the ministry of agriculture, Bureau of National Fisheries to (i) develop management plans for fisheries and long-term management strategies that enhance ecological and economic sustainability; (ii) implement fishery policies, regulations and international agreements; (iii) improve surveillance capacity and strengthen Mano River cooperation for surveillance;
- Improving Conditions for Sustainable Value Chain Development - support to (i) improved post-harvest handling and market access for coastal fishing communities; (ii) development of integrated aquaculture farming; and (iii) the construction and operation plan of a central wholesale fish market in Monrovia;
- Strengthening Community Capacity – support (i) a new pilot community-led fishery management site possibly in Buchanan; (ii) economy of selected fisheries communities and implication for small scale fisheries management;(iii) community fisheries data collection in all coastal counties and iv) developing further linkages between fishing communities and markets and ensure integration within large scale development of fisheries sector.

The component will support marine fisheries in the coastal area as well as inland fisheries and aquaculture. Prioritisation based on available budget will be defined in negotiation with the implementing partner.

### **Component 4 – Capacity building for the ministry of agriculture**

This component supports the institutional capacity of the ministry of agriculture to design and deliver Food Security and Sustainable Agriculture (FSSA) policies in Liberia within the context of the Liberia Agricultural Transformation Agenda (LATA).

In order to maximise complementarity and consistency, the activities under this component will be designed with the support of the Policy Officer allocated to the ministry of agriculture under the EU/FAO FIRST partnership programme. It is expected that they will include:

- Advise MoA and other government stakeholders in raising public attention on food security issues, agricultural value chain development, the gender dimension of agriculture and SDG2 in Liberia;

- Support MoA and other stakeholders in programming, planning and coordinating the execution of the Liberia Agricultural Transformation Agenda and subsequent governmental program;
- Technical assistance to improve the policy and institutional framework of Food and nutrition security, Sustainable Agriculture and Agriculture as a business;
- Support MoA and the Liberia Institute of Statistics and Geo-Information Services (LISGIS) in establishing a Food Security and Nutrition Information System;
- Support for the Central Agricultural Research Institute (CARI) on applied research through a research grant and other technical cooperation;
- Establishment of early warning and emergency preparedness, contingency planning and coordination mechanisms;
- Support implementation of domestic policies and other initiatives including the Comprehensive Africa Agriculture Development Program CAADP, Cadre Harmonisé, Global Alliance for Resilience (AGIR), ECOWAS Agricultural Policy, Maputo Declaration;
- Supporting the ministry of agriculture in developing, implementing and monitoring the national Agriculture Investment Plan, including by strengthening decentralized services.

The activities of this component will be implemented countrywide.

### **4.3 Intervention logic**

As was described in section 1.1.3 the agricultural economy of Liberia faces challenges at all levels. Farmers cannot produce efficiently and sustainably, the market fails to connect farmers to consumers, and government struggles to deliver and implement policies. The agriculture sector is not able to feed the population or generate sufficient income for the people of Liberia. On this basis the overall objective of the action is to reduce poverty, increase resilience against shocks in the rural areas and improve food and nutrition security in Liberia.

From this overall objective different elements can be distinguished, which will be reflected in the specific objectives and components. Firstly, improving the functioning of the agricultural market and improving productivity. This needs to be addressed in an integrated way encompassing the entire value-chain (lessons learnt section 3.1). Secondly, any intervention will need to focus on improving smallholder farmers and small-scale fishers' productivity as the foundation of the agriculture sector (lessons learnt from previous activities). Thirdly, in order to safeguard the long term perspectives for agriculture and to address negative externalities, environmental sustainability is key to the specific components of the action a.o. through the promotion of sustainable agricultural practices and climate resilient production systems. Finally, the choice for particular value-chains and subsectors will need to balance economic development and Food and nutrition security as both the EU-Liberia National Indicative Programme and LATA are based on objectives of economic development and ensuring food and nutrition security in Liberia.

From that perspective, the components are linked to the overall as follows. Components 1 and 3 contribute to poverty reduction and increased food security through supporting the development of sustainable cocoa and fisheries value chains. Component 2 also promotes sustainable intensification and diversification of agricultural activities targeting communities in the most food insecure areas. Component 4 is horizontal and supports the ministry of agriculture in its role of designing and implementing Food Security and Sustainable Agriculture (FSSA) policies. The selected interventions aim at a balanced and integrated approach where both agricultural economic development and Food and Nutrition Security are addressed in conjunction.

## **5 IMPLEMENTATION**

### **5.1 Financing agreement**

In order to implement this action, it is foreseen to conclude a financing agreement with the partner country, referred to in Article 17 of Annex IV to the ACP-EU Partnership Agreement<sup>3</sup>.

### **5.2 Indicative implementation period**

The indicative operational implementation period of this action, during which the activities described in section 4.2 will be carried out and the corresponding contracts and agreements implemented, is 60 months from the date of entry into force of the financing agreement.

Extensions of the implementation period may be agreed by the Commission's authorising officer responsible by amending this decision and the relevant contracts and agreements; such amendments to this decision constitute non-substantial amendments in the sense of Article 9(4) of Regulation (EU) 2015/322.

### **5.3 Implementation of the budget support component**

N/A.

### **5.4 Implementation modalities**

#### **5.4.1 Grant: direct award to NGO or International Organisation (direct management)**

*Applicable to Component 1 – Sustainable cocoa value chain and Component 2 – Rural development through sustainable agriculture*

(a) Objectives of the grant, fields of intervention, priorities of the year and expected results

#### ***Component 1 - Sustainable cocoa value chain***

The actions under this component will seek to improve the livelihoods for smallholder farmers and other actors in the cocoa value chain as well as to enhance institutional capacity for a sustainable cocoa sector in Liberia. Activities to be implemented through the awarded grant will aim at:

- increasing productivity for cocoa farmers, improve quality control systems, and promote cocoa certification;
- improving policies for a sustainable cocoa sector, which improve the position of women and youth, and increase capacity of public institutions and other stakeholders in the sector;
- creating better market linkages to attract investment, to facilitate access to finance, or to have access to sustainably produced cocoa markets.

#### ***Component 2 – Rural development through sustainable agriculture***

The actions under this component will seek to increase resilience and food security in the most food insecure areas of Liberia. Activities to be implemented through the awarded grant will aim at:

- enhancing the capacities of vulnerable communities and people to improve their food crises resilience, and to sustainably produce and access food;

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<sup>3</sup>Partnership Agreement between the members of the African, Caribbean and Pacific Group of States of the one part, and the European Community and its Member States of the other part"

- developing and improve the necessary pre-conditions for vulnerable communities to increase productivity, including transfer of technology, extension services and availability of inputs through service centres, improved access to finance, and better access to markets.

(b) Justification of a direct grant

Under the responsibility of the Commission's authorising officer responsible, the recourse to an award of a grant without a call for proposals is justified because of the crisis situation of the Country.

An assessment of the security situation and the operational conditions in Liberia was produced by the Delegation in June 2016. On this basis the European Commission has granted the use of flexible procedures applicable to cases of crisis situation, as defined in Article 190(2) RAP, until 30/06/2017.

Furthermore, recent experience has demonstrated that there is only a very limited number of NGOs with the technical and financial capacity to implement EU grants in Liberia. A large part of these NGOs have recently joined in a Food Security Consortium to implement jointly a grant awarded under PROACT.

(c) Eligibility conditions

The potential beneficiaries of funding should be international organisations or NGO's with an established operational presence in Liberia. They should have proven experience in successfully managing EU grants of similar size in Liberia.

(d) Essential selection and award criteria

The essential selection criteria are the financial and operational capacity of the applicant.

The essential award criteria are relevance of the proposed action to the objectives of the call; design, effectiveness, feasibility, sustainability and cost-effectiveness of the action.

(e) Maximum rate of co-financing

The maximum possible rate of co-financing for this grant is 90%, given the high costs of operations in the remote areas, and the limited financial capacity of most organisations working on food security in Liberia.

In accordance with Article 192 of Regulation (EU, Euratom) No 966/2012 applicable in accordance with Article 37 of regulation (EU) 2015/323, if full funding is essential for the action to be carried out, the maximum possible rate of co-financing may be increased up to 100 %. The essentiality of full funding will be justified by the Commission's authorising officer responsible in the award decision, in respect of the principles of equal treatment and sound financial management.

(f) Indicative trimester to conclude the grant agreement

Second trimester of 2017.

**5.4.2 Indirect management with an international organisation.**

**5.4.2.1 Indirect management with the World Bank (WB).**

A part of this action, *Component 3 – Sustainable fisheries value chain* may be implemented in indirect management with the World Bank (WB) in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012 applicable in accordance with Article 17 of Regulation (EU) 2015/323. This implementation entails support to the development of a sustainable fisheries sector in Liberia as outlined in the relevant section of 4.2 above.

This implementation modality is justified because the WB plays a central role in the development of the fisheries sector in Liberia, and is recognised as such by the Government of Liberia. WB at this moment is the best positioned organisation for delivering an integrated approach which addresses legal framework and economic development as a necessary condition for the development of a sustainable fisheries sector in Liberia.

The entrusted entity would carry out the following budget-implementation tasks: procurement of technical assistance services, equipment and works, grants to civil society organisations and Public Private Partnerships with private operators as it might be required for the implementation of the activities.

#### ***5.4.2.2 Indirect management with the Food and Agricultural Organisation (FAO).***

A part of this action, ***Component 4 – Capacity building for the Ministry of Agriculture*** - of this action may be implemented in indirect management with the Food and Agricultural Organisation (FAO) in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012 applicable in accordance with Article 17 of Regulation (EU) 2015/323. This implementation entails the provision of institutional capacity to the ministry of agriculture to design and deliver Food Security and Sustainable Agriculture (FSSA) policies in Liberia.

This implementation is justified because FAO has the specific policy mandate, the capability, and the organisational structure in Liberia (field offices in the respective counties) for this intervention which requires close cooperation with the responsible entities within the Ministry of Agriculture.

The entrusted entity would carry out the following budget-implementation tasks: procurement of technical assistance services, equipment and works, grants to civil society organisations and Public Private Partnerships with private operators as it might be required for the implementation of the activities.

### **5.5 Scope of geographical eligibility for procurement and grants**

The geographical eligibility in terms of place of establishment for participating in procurement and grant award procedures and in terms of origin of supplies purchased as established in the basic act and set out in the relevant contractual documents shall apply.

The Commission's authorising officer responsible may extend the geographical eligibility in accordance with Article 22(1)(b) of Annex IV to the ACP-EU Partnership Agreement on the basis of urgency or of unavailability of products and services in the markets of the countries concerned, or in other duly substantiated cases where the eligibility rules would make the realisation of this action impossible or exceedingly difficult.

## 5.6 Indicative budget

	<b>EU contribution (amount in EUR)</b>	<b>Indicative third party contribution (amount in EUR)</b>
<b>5.4.1. - Direct grant with NGO or International Organisation (direct management)</b>	<b>20 500 000</b>	<b>2 277 777</b>
Component 1 – Sustainable cocoa value chain	8 500 000	944 444
Component 2 - Rural development through sustainable agriculture	12 000 000	1 333 333
<b>5.4.2. - Indirect management with an international organisation</b>	<b>9 000 000</b>	<b>N.A.</b>
5.4.2.1 - Component 3 – Sustainable fisheries value chain - Indirect management with WB	7 000 000	N.A.
5.4.2.2 - Component 4 – Capacity building for the Ministry of Agriculture - Indirect management with FAO	2 000 000	N.A.
5.9 – Evaluation, 5.10 – Audit	250 000	N.A.
5.11 – Communication and visibility	250 000	N.A.
<b>Totals</b>	<b>30 000 000</b>	<b>2 277 777</b>

## 5.7 Organisational set-up and responsibilities

The ministry of agriculture will provide strategic directions for the overall implementation of the programme in coordination with the EU Delegation.

The coordination will be embedded in the existing Project Management Unit of the ministry and in the coordination structures of the Liberia Agricultural Transformation Agenda (LATA).

The EU delegation and the ministry of agriculture will meet on a six monthly basis to discuss progress of activities with implementing agencies, and the NAO in light of the Liberia Agriculture Transformation Agenda.

Each individual component will have a Steering Committee to discuss progress on a quarterly basis between Government/NAO, EU Delegation and implementing partners.

## **5.8 Performance monitoring and reporting**

The ministry of agriculture will lead overall monitoring and evaluation of the programme within the framework of the Liberia Agricultural Transformation Agenda (LATA). As the LATA has only recently been adopted, the ministry of agriculture and donors within the Agriculture Donor Working Group will have to decide how and when to collect data. EU Support might be provided under Component 3 of the action.

The day-to-day technical and financial monitoring of the implementation of individual activities under this action will be a continuous process and part of the implementing partners' responsibilities. To this aim, the implementing partners shall establish a permanent internal, technical and financial monitoring and evaluation 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. The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

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).

At component level, baseline data will be collected at the inception stage of each action under the responsibility of the implementing agency, and will be financed out of the specific component budgets. Baseline values for component 1&2 will be negotiated as part of the direct grant award, and for component 3 & 4 during negotiation of the contribution agreement. As indicated below under 5.9; specific budget is foreseen for mid-term and final evaluation, which could be undertaken for the whole of the action or at component level.

## **5.9 Evaluation**

Having regard to the importance of the action, a mid-term evaluation will be carried out for this action or its components via independent consultants contracted by the Commission.

It will be carried out for learning purposes, in particular with respect to the contribution of EULAP to the Liberia Agriculture Transformation Agenda and the overall Agenda for Change.

The Commission shall inform the implementing partner at least 45 days in advance of the dates foreseen 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 shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

Indicatively, two contracts for evaluation services shall be concluded under a framework contract in 2019 and 2021.

### **5.10 Audit**

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 audits or expenditure verification assignments for one or several contracts or agreements.

Indicatively, four contracts for audit services shall be concluded under a framework contract in trimester 2/2020 – trimester 1/2021.

### **5.11 Communication and visibility**

Communication and visibility of the EU is a legal obligation for all external actions funded by the EU.

This action shall contain communication and visibility measures which shall be based on a specific Communication and Visibility Plan of the Action, to be elaborated at the start of implementation and supported with the budget indicated in section 5.6 above.

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities. Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

The Communication and Visibility Manual for European Union External Action shall be used to establish the Communication and Visibility Plan of the Action and the appropriate contractual obligations.

The EU Delegation will procure communication and visibility services through a dedicated service contract in direct management. The budget allocated for this purpose is EUR 250 000. Specific activities will be designed on the basis of a communication and visibility plan to be developed by the selected contractor.

## **6. PRE-CONDITIONS**

N/A.

Appendix - Indicative Logframe matrix

## APPENDIX I - INDICATIVE LOGFRAME MATRIX

The activities, the expected outputs and all the indicators, targets and baselines included in the logframe matrix are indicative and may be updated during the implementation of the action, no amendment being required to the financing decision. When it is not possible to determine the outputs of an action at formulation stage, intermediary outcomes should be presented and the outputs defined during inception of the overall programme and its components. The indicative logframe matrix will evolve during the lifetime of the action: new lines will be added for including the activities as well as new columns for intermediary targets (milestones) for the output and outcome indicators whenever it is relevant for monitoring and reporting purposes. Note also that indicators should be disaggregated by sex whenever relevant. During the identification, the NIP performance indicators were reviewed and matched with the new Government of Liberia's own targets. The indicative logframe below reflects the updated situation. Indicators, baseline and targets will be refined during the formulation phase. NIP indicators are flagged with an asterisk

	Results chain	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
Overall objective: Impact	OO: to reduce poverty, to increase income and resilience against shocks in the rural areas and to improve food and nutrition security in Liberia (SDG Goal 2 Zero Hunger – End hunger, achieve food security and improved nutrition and promote sustainable agriculture)	1. Poverty rate (country) 2. Rural poverty rate 3. Extreme poverty (country) 4. Extreme poverty (rural) 5. Food poverty (country) 6. Food poverty (rural) 7. Percentage of households reporting food shortage in the last 12 months 8. Dietary diversification rate 9. Average Calorie Intake 10 - Increased domestic sales and exports of agricultural products*	1. 54.1% (2014) 2. 70% (2014) 3. 18.5% (2014) 4. 27.4% (2014) 5. 45% (2014) 6. 52.8% (2014)  2014: 7. 49% - country 41.6% - urban 60.3% - rural 48.1% - male headed 51.3 – female headed 8. to be determined (tbd) 9. tbd 10. tbd	To be determined during inception phase	Household Income and Expenditure Survey	

<b>Specific objective(s): Outcome(s)</b>	SO. 1: Productivity of small-scale cocoa production is increased and commercialisation ensured	1.1: Increase of cocoa production at farm level per unit of land over time 1.2: Quantity of cocoa commercialised and prices obtained over time 1.3: Average productivity	To be determined during inception phase	To be determined during inception phase	1.1, 1.3, 2.1 macro economic statistics/Liberian Institute of Statistics and Geo- Information Services (LISGIS)	Political and economic stability; Natural disasters
	SO.2: Productivity and sustainability of nutrition sensitive agriculture at the level of small-scale producers improved.	2.1: Total yield 2.2: Degree of crop diversification 2.3: share of nutrition sensitive crops produced 2.4 sustainable production of agricultural products* 2.5 Agricultural land area under sustainable agriculture practices			[1.2, 2.3, 2.4, 2.5, 3.1, 3.2, 4.1, 4.2]Programme and project reports  [2.2, 4.3] Liberia Food Security Survey/Assessment	
	SO.3: A competitive and environmentally sustainable value chain for coastal and inland fisheries is operational	3.1: Quantity of fish and fish products commercialised 3.2 Prices obtained over time				
	SO.4: Agricultural policies supporting small-scale farming are approved at political level and enacted at production level.	4.1: Extent to which policies address needs of small producers 4.2 Increased access to agricultural extension services, like training, and access to improved inputs * 4.3 Improved perennial national mechanisms for monitoring malnutrition*				
<b>Outputs</b>	1.1: Small-scale farmers use cocoa intensification package correctly	1.1.1: Number of farmers using package 1.1.2 Number of Services providers (such as spray service providers and pruning gangs, etc) trained 1.1.3 Average productivity	1.1.1: 0 (2016)  1.1.2: 0  1.1.3: 50kg/ha (2016)	1.1.1: tbd (2021)  1.1.2: 300 (2021)  1.1.3: 250kg/ha (2021)	[1.1.1, 1.1.2, 1.2.1, 1.2.2, 1.2.3, 1.2.4, 1.3.2]: Programme and project reports  [1.3.3,1.3.4] Reports of sectorial cocoa	Political and economic stability; Natural disasters; Liberia Agricultural Transformation Agenda

	1.2: Private companies / cooperatives / farmers unions are successfully commercializing cocoa products bought at producer level.	1.2.1: Quantity of quality graded cocoa procured 1.2.2 financial turnover increased 1.2.3: Number of farmer associations formed, trained and linked to markets 1.2.4 Farmers selling sustainably certified cocoa on the international market	1.2.1: tbd 1.2.2: tbd 1.2.3: 0 1.2.4: 0	1.2.1: tbd (2021) 1.2.2: tbd (2021) 1.2.3: 10 (2021) 1.2.4: 3 000 (2021)		
	1.3: Quality control and certification system operational for cocoa production.	1.3.1: Quantity of quality certified cocoa increased over time 1.3.2: Cocoa extension and certification specialists (master trainers) 1.3.3: status of a national quality control framework and standard 1.3.4: Status of a public private partnership platform	1.3.1: tbd 1.3.2: 0 1.3.3: No quality control framework 1.3.4: 0	1.3.1: tbd (2021) 1.3.2: 50 (2021) 1.3.3: Established and operational (2021) 1.3.4: Created and functioning (2021)		
	2.1: Recommendations for climate-resilient agricultural production formulated and adopted by small-scale farmers	2.1.1: Number of farmers applying recommendations	2.1.1: 0	2.1.1: tbd	[2.1.1] LATA monitoring reports	Same as above Smallholder in most food

	2.2 Small-scale producers have access and use supportive services and inputs for climate-resilient agriculture	2.2.1 Share of households reporting production/sale of specific crops  2.2.2 Share of rural households raising livestock	2.2.1 2014 (%): Cassava (38.9/19.4) Rice (32/5.6) Pepper (32.1/18.5) Bitterballs (26.3/14.6) Corn (27/14.3) Plantain (26.5/16.5) 2.2.2: 2014 (%) Sheep 8.6, Goat 16.9, Chicken 54.6, Cow 0.5 Swine 4.1	2.2.1 Increase of sale %  2.2.2 Increased share of diversification including livestock production		
	3.1: Government provides support to fishers and ensures control to protect environment and interests of small-scale fishers.	3.1.1: Fish resources remain stable over time	3.1.1: tbd	3.1.1: tbd	[3.1.1] WB Stock Assessment	Same as above
	3.2 Bottlenecks hampering productive and sustainable fish value chain (e.g. sustainable catch, processing, demand driven marketing etc.) are addressed by the competent actors	3.2.1: Increase of value added to fish production over time 3.2.2 Harper surveillance station completed and equipped 3.2.3 Wholesale fish market in Monrovia built and operational 3.2.4 Pilot community-led fishery management site developed (possibly in Buchanan)	3.2.1: tbd 3.2.2: 0 (2014)  3.2.3: no wholesale fishmarket  3.2.4: N/A	3.2.1: tbd 3.2.2: completed and functioning (2021) 3.2.3: wholesale fishmarket operational 3.2.4 new site developed	[3.2.1, 3.2.2, 3.2.3, 3.2.4] Programme and project reports  [3.3.1, 3.3.2] Programme and project reports	Increased production by artisanal fisheries leads to increased fish consumption among population  Improved regulatory and enforcement framework allows artisanal fishers to better and sustainably reap benefits from fisheries
	3.3: Monitoring established providing fact based information and data for further development of the fisheries sector.	3.3.1: Quality data available and accessible to the public 3.3.2 Community fisheries data collection in all coastal counties	3.3.1: no reliable data  3.3.2: Pilot (2016)	3.3.1: reliable data available and accessible 3.3.2: Operational in 9 coastal counties (2021)		

	4.1: Government staff is better qualified and actively engaged in policy formulation	4.1.1: LATA implemented 4.1.2: successful formulation of coherent and aligned Food Security and Sustainable Agriculture (FSSA) policies in Liberia	4.1.1: No implementation  4.1.2: absence of well aligned policies	4.1.1: LATA implemented  4.1.2: FSSA policies aligned and coherent	[4.1.1]: Report of Agriculture Donor Working Group  [4.1.2, 4.2.1, 4.3.1, 4.3.1] Reports of Food Security Technical Committee	Sufficient capacity and knowledge at other government agencies to engage and cooperate with MoA
	4.2: Annual programmes to enact agricultural support strategies/guidelines are formulated, budgeted and broken down to county levels	4.2.1: Status of annual programmes	4.2.1: No annual programmes (2016)	4.2.1: Annual programmes in place and budgeted (2021)		
	4.3: A monitoring system is collecting data on agricultural production, marketing and on the implementation of the programme.	4.3.1: Food Security and Nutrition Information System established 4.3.2: Early warning and emergency preparedness mechanisms established	4.3.1 no system in place (2016)  4.3.2: no mechanism in place (2016)	4.3.1 system in place (2021)  4.3.2: mechanism in place (2021)		