

LIBERIA NATIONAL TRADE POLICY 2014-2019

PROMOTING INCLUSIVE GROWTH THROUGH TRADE
COMPETITIVENESS



Republic of Liberia

LIBERIA NATIONAL TRADE POLICY 2014-2019

**Promoting Inclusive Growth through
Trade Competitiveness**

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Foreword



I am delighted to present the Liberia National Trade Policy (2014-2019). This document provides a clear codification of the Government of Liberia's strategy over the next five years to transform Liberia's trade sector and represents a clear direction of trade policy.

The LNTP is an example of planned, predictable and evidence-based policy. The document is informed from extensive research commissioned by the Ministry of Commerce, particularly the *Diagnostic Trade Integration Study* written by the World Bank and *Regional and Global Trade Strategies for Liberia* written by the International Growth Center.

The document has also benefited from years of extensive consultations with the private-sector, Government Ministries and Agencies, academia and civil-society. This included a successful validation workshop hosted in February 2014 and a consultation workshop originally conducted in 2008.

The Liberian Trade Policy serves several important purposes. Firstly, the document pulls together recent policies and strategies to create a primary umbrella policy for the Government with regards to trade. This document does not obviate the relevant roles of these documents – such as the National Export Strategy, DTIS, WTO Accession strategy or the 2010 Investment Code – instead the LNTP selectively pulls these documents together into one overarching framework allowing implementation to be easily conducted and monitored. Secondly, the document fills a vital gap in outlining Liberia's strategy with regards to important trade policy issues which are currently not adequately covered in existing Government policy.

The LNTP will serve as a living document and will be amended as policy conditions change. We will make annual assessments of the progress of the Trade Policy and will make amendments with time to ensure that Liberia's trade policy continues to ensure the best interests of the Liberian people.

Under my leadership of the Ministry of Commerce and Industry, I have tried to install a new approach to trade and development. Liberian history tells the sad story of economic growth which did not benefit the vast majority of our citizens. This policy looks to reverse that trend. Through implementation of this National Trade Policy we will seek to foster the right environment for the development of the economy and, importantly, the growth and promotion of the domestic private sector. We will achieve this through targeted and innovative policies addressing key constraints to growth. In this way we can foster a new and dynamic private-sector that benefits all of Liberia's citizens.

I would like to end by thanking all of the partners and public and private stakeholders who have helped to bring this document to completion. I would like to give particular thanks to the International Trade Centre for their invaluable technical and logistical support to the redrafting process. I would like to acknowledge the Enhanced Integrated Framework who worked on the initial

draft of the document with support from ECOWAS, WAMI, and UN Women. I must also recognize the work of our partners at the World Bank and IGC and all of the many contributors to the document from the private-sector, civil society, Government and academia. Without your support this document could not have been a finished product.

Honorable Axel M. Addy

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Abbreviations

AfT	Agenda for Transformation	MoF	Ministry of Finance
AGOA	African Growth and Opportunity Act	MoFA	Ministry of Foreign Affairs
ASYCUDA	Automated System for Customs Data	MoH	Ministry of Health
BRIC	Brazil, Russia, India, China	MoJ	Ministry of Justice
CBL	Central Bank of Liberia	MoLME	Ministry of Lands, Mines and Energy
CET	Common External Tariff	MoPT	Ministry of Post and Telecommunications
CFTA	Continental Free Trade Area	MoPW	Ministry of Public Works
DTIS	Diagnostic Trade Integration Study	MoS	Ministry of State
EBA	Everything But Arms	MoT	Ministry of Transport
ECOWAS	Economic Community of West African States	MRU	Mano River Union
EIF	Enhanced Integrated Framework	MSME	Micro, Small or Medium-sized Enterprise
EMT	Economic Management Team	NEPAD	New Partnership for Africa's Development
EPA	Economic Partnership Agreement	NES	National Export Strategy
EPD	Export Permit Declaration	NIC	National Investment Commission
ETLS	ECOWAS Trade Liberalization Scheme	NIP	National Industrial Policy
EU	European Union	NIU	National Implementation Unit
FDI	Foreign Direct Investment	NPA	National Port Authority
GDP	Gross Domestic Product	NTB	Non-Tariff Barrier
GSP	Generalized System of Preferences	NTM	Non-Tariff Measure
GST	Goods and Services Tax	OECD	Organization for Economic Cooperation and Development
HIPC	Heavily Indebted Poor Countries	PATSIL	Program of Assistance to Trade Support Institutions in Liberia
HR	Human Resources	PPCC	Public Procurement and Concession Commission
IAT	Import Adjustment Tax	PPP	Public-Private Partnership
ICT	Information and Communication Technologies	PTA	Preferential Trade Agreement
IFC	International Finance Corporation	R&D	Research and Development
IMF	International Monetary Fund	SEZ	Special Economic Zone
IPD	Import Permit Declaration	SIDA	Swedish International Development Cooperation Agency
IPR	Intellectual Property Rights	SME	Small or Medium Sized Enterprise
ISLP	International Senior Lawyers Project	SPIU	Single Project Implementation Unit
IT	Information Technology	SPM	Special Protection Measures
ITC	International Trade Center	SPS	Sanitary and Phyto-Sanitary
LAA	Liberia Airport Authority	SPT	Supplementary Protection Tax
LACC	Liberia Anti-Corruption Commission	SSA	Sub-Saharan Africa
LBDI	Liberia Bank for Development and Investment	TBT	Technical Barriers to Trade
LBR	Liberian Business Registry	TFF	Trade Facilitation Forum
LCC	Liberia Chamber of Commerce	TPSC	Trade Policy Steering Committee
LDA	Liberian Development Alliance	TPWG	Trade Policy Working Group
LDC	Least Developed Country	TRIPS	Trade Related Aspects of Intellectual Property Rights
LEC	Liberia Electricity Corporation	TWG	Technical Working Group
LEITI	Liberia Extractive Industries Transparency Initiative	UN	United Nations
LGC	Liberia Governance Commission	UNCTAD	United Nations Conference on Trade and Development
LIFE	Liberia Innovation Fund for Entrepreneurs	UNDP	United Nations Development Programme
LNTP	Liberia National Trade Policy	USAID	United States Agency for International Development
LRC	Law Reform Commission	VAT	Value Added Tax
M&E	Monitoring and Evaluation	WAPP	Western Africa Power Pool
MFN	Most-Favored Nation	WTO	World Trade Organization
MICAT	Ministry of Information, Culture and Tourism		
MoA	Ministry of Agriculture		
MoCI	Ministry of Commerce and Industry		

Summary

This Liberia National Trade Policy (LNTTP) is the country's first policy document to holistically address policy issues which are related to trade. It therefore fills an important gap in Liberia's policy framework for economic transformation, which has so far relied on a horizontal treatment of trade issues coupled with some selected trade-specific measures. The LNTTP eliminates the risk that implicit or ad hoc trade policy measures lead to policy incoherence and unintended negative effects.

LNTTP place in Liberia's policy framework: The LNTTP is one element, alongside other national economic strategies and policies, to achieve the objectives of the Agenda for Transformation, which in turn contributes to the achievement of Liberia Rising 2030. Its role is to ensure that the various trade-related policies – including, but not limited to, the Investment Code, MSME Policy, National Industrial Policy, Food and Agriculture Policy, National Transport Policy, Mineral Policy, etc. – are not contradicting each other with regard to the achievement of Liberia's trade objectives. At the same time, the LNTTP rests on particular trade related strategies which have already been developed, such as the National Export Strategy, the World Trade Organization (WTO) accession strategy and the Diagnostic Trade Integration Study. In addition, the LNTTP also addresses certain trade policy issues which have not yet been addressed by specific policies or strategies, such as regional integration in the Mano River Union (MRU) or ECOWAS.

Objectives: The LNTTP's overall objective is to promote international trade and a competitive domestic private sector by supporting the agricultural, industrial and services sectors to trade at the local and international levels, thereby contributing to employment generation, improvement of the livelihood of the Liberian people, and reduction in poverty. The LNTTP thus promotes a balanced relationship between trade integration and sustainable development that promotes a more transparent and predictable business environment and protects both domestic businesses and the disadvantaged, including women, youth and the poor, especially those living in rural areas, from the adverse effects of market opening.

Constraints to be addressed: In order to achieve its objective and reap the benefits of increased trade integration, Liberia will have to address the multiple domestic constraints for firms to invest, produce, and export. Since 2009, significant progress has been made on macroeconomic stabilization, the improvement of the overall business environment, the modernization of customs procedures, and increases in the capacity for facilitating trade. However, structural bottlenecks continue to hold back Liberia's competitiveness, and trade is still severely constrained: very few firms participate in international markets in Liberia, suggesting low productivity levels and possibly larger trade costs when compared to peer countries. Exports are highly concentrated on very few primary products and few destination markets, making Liberia vulnerable to economic shocks. Trade capacity for effective participation in global markets is limited, and the quality of goods and services produced domestically is generally low, not least due to the low level of technology and lack of value chains. Reliable and timely trade statistics are largely absent, and trade skills and negotiation capacity are insufficient. The institutional arrangements and the policy and regulatory environment are improving but remain weak. The cost of doing business is still high, despite the successful reforms already undertaken, and the informal trade sector has remained large.

LNTN policy areas to address constraints: These constraints will be addressed by a comprehensive set of measures which have been grouped into seven policy areas to facilitate the implementation of the LNTN:

- 1. Promotion of international export competitiveness through a variety of actions ranging from infrastructure to export incentives:** At present, Liberia's trade related economic infrastructure, such as the road and rail networks, power and electricity, telecommunication network, and other facilities are largely inadequate and increase the cost of production and distribution of goods and services, domestically, regionally, and internationally. In contrast, the availability of appropriately priced high-quality infrastructure improves turn-around times, reduces prices, and improves the efficiency of delivery. Therefore, the LNTN will address problems related to the quality infrastructure, export incentives and promotion, economic infrastructure and services – transport, electricity, telecommunications, and IT – trade finance, and sector-specific issues.
- 2. Promotion of domestic trade and strengthening of the productive capacity in general, as a precondition for more businesses to become export ready:** In recognition of the important contribution that domestic businesses could make to national development objectives, an efficiently functioning domestic market with an active participation by women, men and youth is essential for the welfare of the population as it provides employment and income for Liberians. In addition, an efficiently functioning domestic market ensures the production of competitive products through the forces of demand and supply and fosters productivity through competition, thereby establishing the basis for increased exports through the creation of a critical mass of productive export-ready businesses. Therefore, the LNTN attaches great importance to the support of Liberian producers and traders targeting the domestic market. Such support requires both improvements in the business environment and specific support at the firm level. Key measures in this regard are the improvement of the domestic trade infrastructure, assistance to indigenous producers and traders, the protection and strengthening of intellectual property rights, and the facilitation of access to finance and land.
- 3. Increasing the efficiency of the import and export administration:** Trade facilitation can have a significant impact on economic development, contribute to export growth, and improve the competitiveness of Liberian goods and services in the global market. In addition, improving customs services will enhance revenue collection and regulatory control (as well as collection of better and more reliable trade statistics) and combat fraud and trafficking of prohibited and restricted goods. Meanwhile improved border and transit infrastructure enables the smooth flow of transit goods through the country, thereby contributing to Liberia's role as a gateway to ECOWAS and further increasing revenue collection. Trade facilitation is therefore an essential component of the LNTN.
- 4. Promotion of regional trade and integration, primarily in the context of the MRU and ECOWAS:** The promotion of regional integration – beginning with MRU and, in its broader sense, ECOWAS – has been viewed to offer a larger market for Liberian products, thereby supporting Liberia's industrialization goals. The integration of ECOWAS into a full customs union provides a larger market and increases potential for industrialization and investment. In Liberia, regional cross border trade (both small and large scale) is an important source of

income for both rural and urban traders. Regional cross border trade has fewer restrictions vis-à-vis standards and therefore allows ease of entry by traders, especially women. However, tariff and non-tariff barriers still exist and make regional trade a challenge for cross border traders. To support regional integration the LNTP addresses the implementation of the ECOWAS Trade Liberalization Scheme and Common External Tariff, the progressive reduction of regional non-tariff measures and trade-related issues, and the promotion of wider African trade integration.

5. **Promotion of global market access for Liberian goods and services, through WTO Membership and efficient use of preferential trade agreements and preference schemes:** Although regional trade and economic integration are important components of the LNTP in order to diversify Liberia's exports and contribute to industrialization, a broader set of markets currently constitute Liberia's main export markets and will continue to do so in the medium-term. Ensuring and widening exports to these markets is therefore an essential part of the LNTP. This will be achieved through a three-pronged strategy: globally/multilaterally through Liberia's accession to and active participation in the WTO; in relation to Liberia's current main export market, the EU, through maximizing the benefits from market access and technical assistance under the proposed Economic Partnership Agreement; in relation to other markets, by a proactive use of preferential trade agreements and preference schemes.
6. **Increasing the effectiveness of Liberian institutions responsible for formulating and implementing trade policies:** Achieving the LNTP objectives will require effective, and effectively coordinated, national institutions both at the policy and implementation levels. It is generally acknowledged that capacity constraints within MoCI and other Government agencies as well as within private sector organizations impede effectively and efficiently addressing the multiple and technically complex tasks that a trade policy requires. Therefore, institutional strengthening of the relevant institutions must constitute an integral part of the LNTP. This will be achieved through two sets of activities: at the policy level, capacities within MoCI and other ministries will be strengthened, while at the implementation level a number of public and private institutions will be strengthened.
7. **Enhancing the Legal Framework and Good Governance for Trade:** A successful trade policy rests on the fulfillment of a number of rules of the game which ensure that trade takes place on a fair and level playing field. Three key rules which are addressed specifically by the LNTP are: guaranteeing transparency and predictability of trade rules in Liberia; ensuring fair competition and consumer protection; and building capacity for an effective and efficient system for the resolution of trade disputes.

In order to establish a framework for the implementation, monitoring, and evaluation of the LNTP, under each of the policy areas the LNTP sets out the rationale underlying the measures within each designated policy area; the specific objectives pursued; indicators, baselines, and targets for measuring progress; the main activities; as well as, where appropriate, linkages with other policies –. Horizontally, the LNTP attaches great importance to the promotion of social inclusion, gender equality, the avoidance of a negative impact on climate and the environment, and good governance and transparency of the policy and its measures.

Implementation principles: In order to ensure that the LNTP is coherent and consistent with other policies, it distinguishes between core and non-core (or subsidiary) areas. The former ones are

comprised of measures and activities which are not the subject of other policies: export development, WTO accession, or trade facilitation issues are examples. These areas are principally determined by the LNTP, with MoCI being the lead implementation agency. Subsidiary areas are those which have an important effect on Liberia's trade performance but are addressed by other policies, for example improvements of the economic infrastructure (e.g. under the National Transport Master Plan and Policy) or the strengthening of the productive sector (under the Industrial and MSME Policies). For these subsidiary areas, the LNTP defines objectives and main actions, but the main purpose is to ensure that these objectives are reflected in the related policies and their implementation. In line with this, responsibility for implementation will rest with the entity or entities under which mandate the policy falls, and monitoring of progress and consistency with the LNTP will be under the purview of the Liberia Development Alliance, in cooperation with MoCI. In this way, the LNTP avoids creating duplication of work while ensuring coherence of the policy framework. The underlying principle is to mainstream trade policy objectives across Liberia's policies.

1 Background

As an old trading post in West Africa, Liberia is affected by a number of challenges, including poverty, limited domestic production capacity, and a persistent trade deficit. In response, the Government, democratically elected in 2006, has been implementing ambitious programs of reform, supported by the international community. Economic conditions have improved since the end of the war, derived from continued expansion in the services sector, particularly housing construction (and reconstruction) and investment in mining, agriculture, and forestry sectors.

Liberia seeks to become a middle income country by 2030 with a per capita income of US\$1,000 per annum. To attain this level, the real gross domestic product (GDP) growth rate must continue to be over 8% annually over the next ten years. This goal could be achieved if the political and economic environment remains stable, and productive activities which are currently undertaken at a low level can expand rapidly. This will also require Liberia's integration into the global economy and an effective business environment for domestic commerce and trade. In response, the present Liberia National Trade Policy (LNTP) has been developed from a strategic vision for achieving market liberalization, trade globalization, promotion of prudent actions to facilitate the growth of the domestic private sector, and improving market access to all economic actors (including female, male, youth, old, disabled and disadvantaged) so as to enhance domestic and international trade. The fundamental concept underlying the LNTP is that the private sector is the engine of growth with the Government providing an enabling environment for trade and actively stimulating private sector initiatives. The Policy is based on a thorough analysis of the political, social and economic context of Liberia's recent trade policies and trade performance undertaken in the Diagnostic Trade Integration Study (DTIS) of 2008 and its 2013 Update and several other sources, as briefly summarized below.¹

1.1 Political, Social and Economic Context of the Liberia National Trade Policy

Since the civil war ended in 2003, starting from a state of post-conflict instability, weak state institutions, and a damaged economy, Liberia has achieved significant success and reforms. Perhaps the most critical achievement has been the maintenance of peace and security. Following 14 years of war, Liberians have been able to achieve a level of reconciliation that has allowed society to function peacefully. Two peaceful democratic elections have been held in 2005 and 2011. This success reflects hard work not only on the part of the citizens but also the Government's actions to strengthen social cohesion; build capacities to manage tensions without outbreaks of violence; promote reconciliation; and gradually lessen political polarization. This peace and security has allowed Liberians to return to their farms, start businesses, return to their country from abroad, and to witness leading global firms invest in their country.

Prudent macroeconomic policies and improved business environment – for example, Liberia's rank in the Doing Business index improved from 167 (out of 181 economies) in 2008 to 144 (out of 189 economies) in 2013² – have contributed significantly to progress in Liberia's economy since 2008. Improvements in the investment climate as well as the renewed global demand for Liberia's minerals

¹ The Diagnostic Trade Integration Studies are: DTIS Liberia 2008: Tapping Nature's Bounty for the Benefit of All; and Liberia DTIS Update 2013: Leveraging Trade Integration and Competitiveness for Inclusive Growth. The brief analysis in this chapter has been complemented by other sources as indicated.

² Source: World Bank Doing Business reports 2009 and 2014.

contributed to the surge in foreign direct investment (FDI) inflows into the country since 2009, which has helped maintain consistently high GDP growth rates (averaged 8% since 2006³). Increased fiscal revenues, which have risen from US\$80 million in 2008 to US\$500 million in 2012, have enabled the Government to invest in infrastructure and human capacity development.

Since 2008, some progress has also been made towards ensuring macroeconomic stability. Thus, inflation, which had spiked at 17.5% in 2008, has been reduced to single digit rates reaching a low 6.8% in 2012 before rising to 8.5% in 2013⁴. Public debt has also reduced substantially from over 655% of GDP in 2009 to less than 20% of GDP in 2012, thanks to debt buy-back and external debt relief after reaching HIPC completion point in 2010.⁵

However, to the extent that the economy is driven largely by “enclave” economic activities such as those in the mining sector, accelerated growth may not necessarily result in inclusive growth. The limited participation of the poor in the rapidly growing economy risks intensifying current levels of economic and social exclusion. Thus, in order for Liberia’s economic growth to significantly contribute to poverty reduction, it is important to leverage the advantages of trade by promoting economic diversification, integrating effectively into regional and global markets, and developing the country’s competitive advantage.

Notwithstanding the improved economic prospects, the Liberian economy remains vulnerable to external shocks given its undiversified structure and dependence on imported food products and fuel. There are prospects for a mining boom in the medium term based on the increased number of concessionaires in iron ore and gold mining, as well as high prospects for oil discovery in the near future. However, the key challenge for the Government is how to translate these opportunities into job creation and higher incomes for the average household in Liberia. The recent estimates from the Core Welfare Indicators Survey show that even though the incidence of poverty has declined from 64% in 2007 to 56.4% in 2010, the level of poverty is still high. The implications of Liberia’s high incidence of poverty are exacerbated by the fact that Liberia’s population is relatively young and faces challenges with respect to youth unemployment.

1.2 Liberia’s Trade Performance and the Need for the Liberia National Trade Policy

In line with the overall improved economic performance, Liberia’s trade has also expanded (Figure 1). Merchandise exports have more than doubled from US\$200 million in 2007 to US\$459 million in 2012, growing at an average annual rate of 18.1% despite the substantial contraction in 2009 in the wake of the global financial crisis.

While until very recently the bulk of Liberia’s export revenue primarily came from rubber exports, exports of iron ore started on a small scale in 2011 and have quickly replaced rubber as the top export commodity. This is not only the result of fast growing exports of iron ore since 2011 but also of the rapid decline of rubber exports caused by the replanting of aging trees in Liberia’s largest rubber concession. An embryonic pattern of export diversification can be observed mainly from the

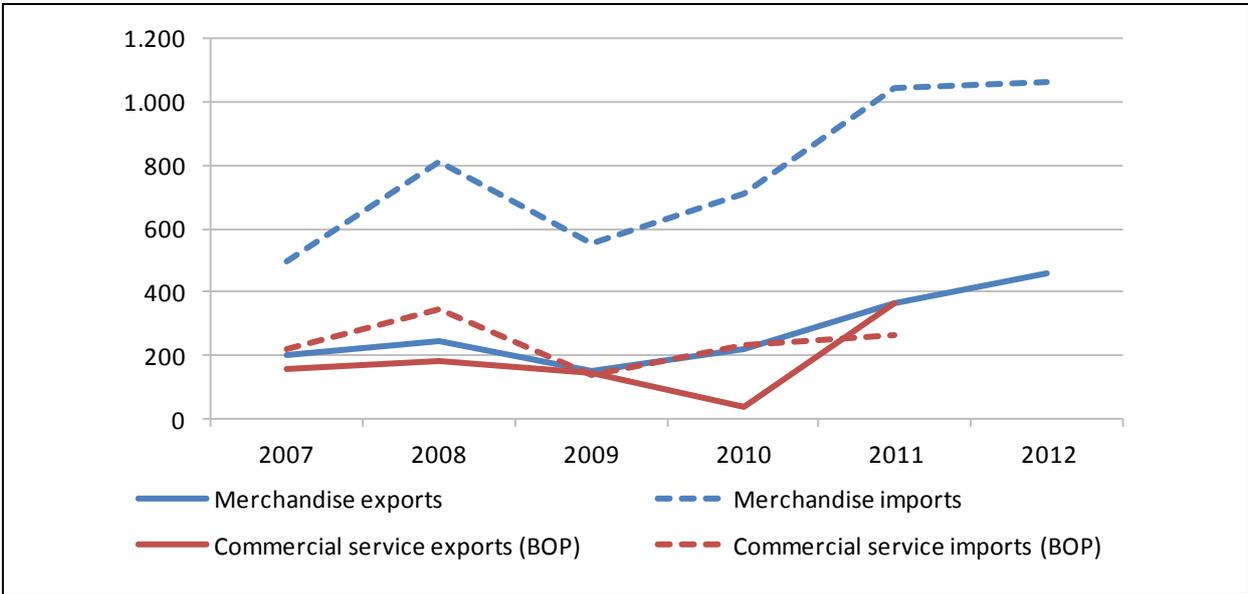
³ Source: World Development Indicators.

⁴ Source: World Development Indicators.

⁵ The Heavily Indebted Poor Countries (HIPC) Initiative was launched in 1996 by the IMF and World Bank, with the aim of ensuring that no poor country faces a debt burden it cannot manage. In order to receive full and irrevocable reduction in debt available under the HIPC Initiative, Liberia like any HIPC country had to meet a number of criteria to reach its “completion point”.

contributions stemming from cocoa beans, wood, and palm oil. However, exports of these products have not picked up recently.

Figure 1: Liberia’s trade in goods and services, 2007-2012 (US\$ million)



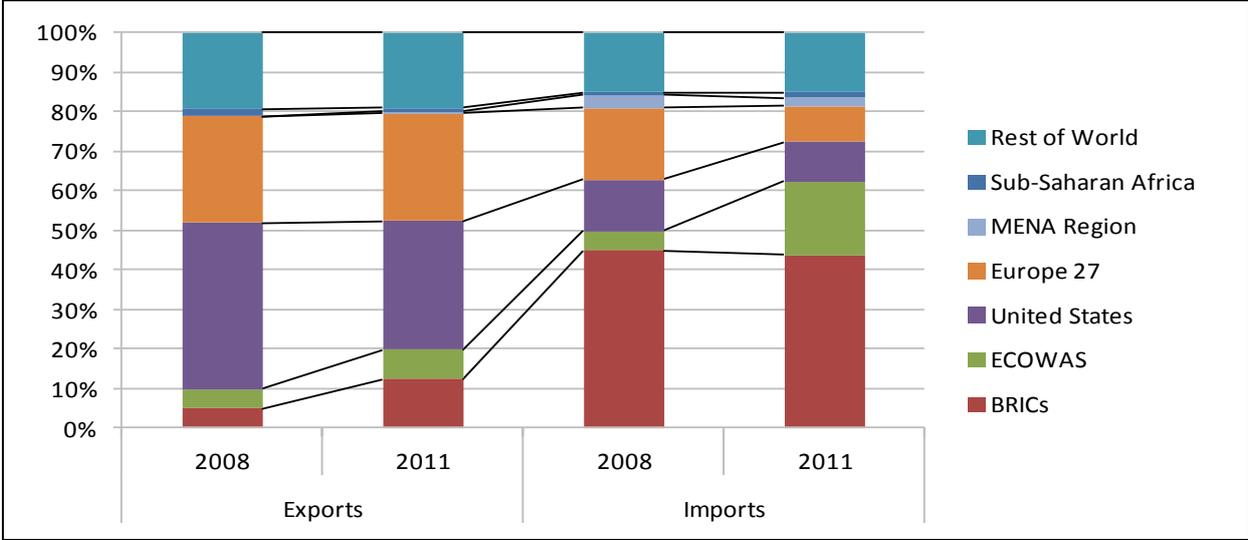
Source: World Development Indicators.

Over the period 2007 to 2012, imports also more than doubled from US\$499 million to US\$1.07 billion (Figure 1). While this is a slightly lower growth rate than that of exports, 16.4% per year, it still means that Liberia’s trade deficit has increased substantially, from US\$299 million (40% of GDP) in 2007 to US\$606 million (35% of GDP) in 2012. The Liberian economy thus continues to be highly dependent on imports – both of consumables such as rice and other processed foods and of capital goods, which are imported particularly by foreign investors in the extractive industries. While imports are essential as part of any country’s insertion in the global economy, Liberia’s high volume of imports has established a continuous negative trade balance, creating imbalances. There is therefore a need to develop a strong domestic private sector and to modernize the regulatory regime for trade in order to transit from being a nation of importers to a nation of traders.

An analysis of the geographical distribution of Liberian trade shows some notable shifts over recent years (Figure 2). In particular, exports to the BRICs (notably China) and ECOWAS have increased between 2008 and 2011, at the expense of exports to the United States. With regard to imports, ECOWAS countries have increased their share as suppliers at the expense of the European Union (EU) and the United States. At the same time, the geographical composition of Liberia’s trade is volatile: Exports to Europe accounted for over two thirds of Liberia’s total exports in the first half of 2013.⁶ The EU’s share in Liberia’s imports might pick up again as a result of the Economic Partnership Agreement (EPA).

⁶ MoCI 2013: Semi-Annual Overseas Trade Report, 13 September 2013. Historical export data, other than mirror data (i.e. reported imports by Liberia’s trading partners) are not available.

Figure 2: Liberia’s trade composition by geographical region, 2008 and 2011



Source: DTIS Update

Liberia’s trade in services has been much more volatile than its trade in goods (Figure 1). Like goods trade, both imports and exports of services were heavily affected by the global economic crisis of 2008-09; in particular, exports needed until 2011 to recover. Liberia’s commercial services exports are mainly constituted by travel services – many of them related to the UN presence in the country – and the maritime registry, which is the second largest in the world. In 2008-09, the country had over 3,000 vessels registered under its flag, totaling nearly 100 million gross tons and earning some US\$18 million in maritime revenue in 2008/2009.

Liberia’s challenges in relation to regional and international trade performance as well as in relation to domestic trade include:

- Persistent trade deficit:** Despite increasing exports, the trade deficit has increased in absolute terms and has only slightly been reduced in relation to GDP. This will need to be addressed at least in the medium term through increased exports of goods and/or services in order to keep the country’s external debt level at sustainable levels and retain domestic financial leverage for financing economic transformation.
- High vulnerability due to export concentration:** Currently, the bulk of Liberia’s export revenues come from iron ore and rubber exports and revenues from its maritime registry program. This high concentration of export earnings makes Liberia vulnerable to economic shocks. While the recent mining boom has raised prospects for increased export and fiscal revenues and the possibility of investing in the country’s economic transformation, global prices of commodities such as minerals are volatile, thus posing a potential risk to the sustainability of the current strong economic growth rates. Despite the implementation progress on the action matrix in the original DTIS, Liberia’s exports remain undiversified and limited to a few multinational companies in the rubber and iron ore sectors. In addition, export concentration is not only high in terms of commodities but also in terms of destination markets, adding further to the vulnerability.
- Low number of exporters:** The low number of Liberian firms participating in international trade is a symptom of the relatively high trade costs and/or unfavorable business environment that discourage private sector’s engagement in international trade.

- **Lack of linkages with domestic economy:** Liberian exports are concentrated in the hands of a few large firms that have little economic linkages with the domestic economy.
- **Lack of participation of domestic firms in the economy:** In addition to the weak links between domestic businesses and export oriented concessionaries, the national productive base to supply the domestic market with essential products, ranging from basic staple foods such as rice to manufactures of various kinds, is weak. In addition there is a lack of systems to bring products to the domestic market.

In order to address these challenges, the Government has embarked on a number of initiatives:

First, through reforms of the business environment – such as the 2010 Investment Act or the draft Special Economic Zones (SEZ) law – the Government worked towards attracting more foreign investors in order to broaden the base for the productive sector. A number of reform efforts have also been undertaken to strengthen the indigenous business sector, inter alia under the Micro, Small and Medium Sized Enterprise (MSME) and Industrial Policies, as well as the draft competition law.

Second, in response to some challenges affecting Liberian businesses, the Government has adopted a range of measures to support Liberian businesses. An example is the reservation of selected sectors for Liberians in the Investment Act. The Government also intends to provide more opportunities for the domestic private sector through its procurement process.

Third, the Government has embarked on a number of initiatives to expand trade with the rest of the world, including the ECOWAS sub region, and allow Liberia to competitively participate in global trade: Liberia formally applied for accession to the World Trade Organization (WTO) in 2007, with the accession process currently on-going. Regionally, Liberia has, in principle, agreed to align national tariffs with the ECOWAS Common External Tariff (CET) and Trade Liberalization Scheme (ETLS), and is committed to actively contribute towards further regional economic integration, not only in the ECOWAS context but also within the sub-regional Mano River Union (MRU) and at the continental level.

Fourth, the institutional framework for trade facilitation has been strengthened with the recent introduction of ASYCUDA (Automated Systems for Customs Data) and the implementation of public-private partnerships (PPP) for the management of the ports. These improvements are expected to increase trade and customs revenue and improve trade statistics. The setting up of the trade logistics committee also helped to improve the regulatory environment for trade facilitation. A new Customs Code and Foreign Trade Law have also been drafted.

While these initiatives are steps into the right direction, a coherent trade policy framework has so far been lacking. Such a trade policy framework would serve as an umbrella for the range of existing Government activities which are trade related but not “core” trade policy activities,⁷ thus ensuring consistency and a common approach. It would also complement the current core trade policy measures with any future measures, based on a thorough analysis of economic and social evidence and in line with Liberia’s overall development strategy. The LNTP aims to fill this gap, thereby helping achieve the overarching goals established in Vision 2030.

⁷ The distinction between core and non-core issues of the LNTP is explained in further detail in section 2.4.1.

2 Liberia National Trade Policy Rationale and Objectives

2.1 Rationale

In the era of globalization, trade has become an all-pervasive part of economic life. Trade issues affect, and are affected by, almost all other economic and social policies. Therefore, the question arises whether a specific trade policy is a required or appropriate policy tool. Indeed, trade policy could be treated as a horizontal issue of any economic development strategy.

To date, Liberia has not had a national trade policy. With the exception of some limited activities related to “International Trade” in the Private Sector Development Component of the Agenda for Transformation (AfT). The AfT does not provide a clear framework for trade policy but mostly addresses trade issues horizontally under pillar II, “Infrastructure and Economic Transformation.” Furthermore, Liberia has a number of trade related strategies in place or under development.

Although the treatment of trade policy and trade related measures as a largely horizontal task accurately describes the role of trade policy, such treatment also has various shortcomings. First, certain specific trade strategies are already in place or at least defined – such as the National Export Strategy (NES) or the WTO accession strategy – while other trade policies are being implemented without an explicit strategy – such as regional integration within ECOWAS and other regional blocs. For these, an overarching framework is needed to ensure coherence among the various trade related measures being undertaken. Liberia’s current economic development framework does not explicitly facilitate the definition of specific core trade policy measures.

Second, without the existence of a national trade policy, there is no mechanism to ensure that other policies with a bearing on trade issues – ranging from energy policy to food safety, among others – are not detrimental to the trade policy objectives and measures of the country. It is therefore possible that certain policy measures have unintended negative effects on Liberia’s trade competitiveness, which would be overlooked in the absence of a comprehensive trade policy framework. In view of the fact that various ministries and agencies in Liberia engage in trade related activities – such as the Ministry of Commerce and Industry (MoCI), Ministry of Finance (MoF), Ministry of State (MoS), National Investment Commission (NIC), etc. – the trade policy can help to form a strategy to ensure coherence and clearly accentuate each unit’s mandates with reference to the trade policy, by incorporating these non-core trade areas into the overarching framework, and including them under a common monitoring framework.

Recognizing this complex relationship between core and non-core trade issues, the DTIS Update, which is an important trade document developed in the context of the Aid for Trade framework,⁸ calls for the mainstreaming of trade in the AfT agenda in order to promote sustainable growth and significant reductions in poverty levels. Furthermore, the AfT identified the finalization, endorsement and implementation of a national trade policy as a priority for the period 2012-2017. As a result, there is a requirement to adopt a National Trade Policy resulting from the Government’s economic development strategy – a trade policy which provides an overarching policy rationale for the core trade issues, while taking into consideration the roles of the supporting, non-core trade areas and institutions.

⁸ For details, see section 4.5 below.

2.2 Vision

Liberia's long-term development strategy, Liberia Rising 2030, aims at achieving middle income status by 2030. However, the vision is broader than just the achievement of a given GDP:

“the country must also meet other targets of economic, political, social and human development as well. By 2030, the country aims to have a peaceful and inclusive political system, a diversified economy, stable institutions, and healthy, capable citizens who can enjoy these changes. Streamlined and efficient, the government will earn its legitimacy by providing efficient services to all Liberians, making intelligent investments in public goods and working consciously to equalize economic opportunities, while relying increasingly on market forces and proper regulation. Working with traditional systems, the government will administer and enforce justice and rule of law.”⁹

This vision is further elaborated in Liberia's Medium Term Economic Growth and Development Strategy (2012-2017), the AfT, which makes an explicit call to achieve both economic growth and participation of all Liberians in that growth: “in addition to *wealth creation*, the second key objective is to increase *inclusiveness* for a more equal and just society.”¹⁰

The LNTP's key objective is to contribute to the achievement of the vision as expressed in Liberia Rising and the AfT by providing overall guidance and a framework for the regulation and promotion of domestic and international trade. Specifically, the vision for the Liberia National Trade Policy is:

To re-integrate Liberia into the international economy and trading systems while being sensitive to the interests of the domestic private sector, with the intention to use trade as an engine of inclusive growth and reducing poverty in Liberia, especially among women, children and the vulnerable parts of the population.

Due to its geographic location at the West coast of Africa, Liberia has the advantage of using the maritime facilities offered by the Atlantic Ocean to reach out to the Americas as well as having the advantage of proximity to Europe and other parts of the world. The country is also well endowed with natural resources. Liberia therefore has a strategic advantage both for trading her own domestically produced goods and being a hub for West Africa's trade with the world. Liberia also has the potential to be a major services trader, including in tourism and trade and transport related services.

The LNTP vision will be achieved both by setting priorities and sequencing policy measures, for example, while regional integration through ECOWAS is a short-term priority, this will be complemented by the longer-term objective of WTO accession. Given the higher degree of complexity, longer-term priorities are reinforced by separate strategies under the LNTP. For example, while there is no separately developed ECOWAS integration strategy, a WTO accession strategy has been developed.

⁹ Republic of Liberia: Agenda For Transformation: Steps For Liberia Rising 2013, p. 9.

¹⁰ Republic of Liberia: Agenda For Transformation: Steps For Liberia Rising 2013, p. 35.

2.3 Objectives

In line with the LNTP vision, the LNTP's mission statement, which defines the LNTP's overall objective, is:

To promote international trade and a competitive domestic private sector by supporting the agricultural, industrial and services sectors to trade at the local and international levels, thereby contributing to employment generation, improvement of the livelihood of the Liberian people, and reduction in poverty.

The objective of the trade policy is thus to promote a balanced relationship between trade integration and sustainable development that promotes a more transparent and predictable business environment and protects the disadvantaged, including women, youth and the poor, especially those living in rural areas, from the adverse effects of market opening. The trade policy will develop economic activities that make use of Liberia's natural endowments, combined with good prospects for economically viable activities, while at the same time ensuring environmental protection.

In order to achieve this objective and reap the benefits of increased trade integration, Liberia will have to address the multiple domestic constraints for firms to invest, produce, and export. Since 2009, significant progress has been made on macroeconomic stabilization, the improvement of the overall business environment, the modernization of customs procedures, and increases in the capacity for facilitating trade. However, structural bottlenecks continue to hold back Liberia's competitiveness, and trade is still severely constrained: very few firms participate in international markets in Liberia, suggesting low productivity levels and possibly larger trade costs in the country when compared to peer countries. Exports are highly concentrated on very few primary products and few destination markets, making Liberia vulnerable to economic shocks. Trade capacity for effective participation in global markets is low, and the quality of goods and services produced domestically is generally low, not least due to the low level of technology and lack of value chains. Reliable and timely trade statistics are absent, and trade skills and negotiation capacity are poor. The institutional arrangements and the policy and regulatory environment are improving but remain weak. The cost of doing business is still high, despite the successful reforms already undertaken, and the informal trade sector has remained large.

To facilitate the implementation of the LNTP, these constraints and the corresponding results have been aggregated into seven specific policy objectives, as shown in the objective tree in Figure 3. The complete LNTP results framework is presented in annex A. The starting point for the results framework was the AfT results framework which ensures, to the extent possible, that LNTP policy measures are in line with the AfT. The LNTP results framework has been expanded and deepened based on the coverage of trade policy measures which are required to address the various identified trade related issues requiring the Government's attention.

Figure 3: LNTP objective tree



In sum, while Liberia’s endowments represent the necessary conditions and potential for successful insertion in the global economy in the near future, they are not sufficient. What Liberia needs in order to use trade and commerce for sustained overall inclusive economic development is to effectively harness its endowments, remove the identified constraints, and make a transformational paradigm shift from the present position of low trade and commerce, export concentration in primary products, and importation of processed and final products.

2.4 Guiding Principles

The implementation of all actions and measures foreseen under the LNTP will be guided by some fundamental and cross-cutting principles, which will ensure that the LNTP is oriented towards:

- Promotion of policy coherence and consistency through the distinction of core and non-core trade policy issues;
- Promotion of social inclusion;
- Promotion of gender equality;
- Avoidance of negative impact on climate and the environment; and
- Good governance and transparency of policy and measures.

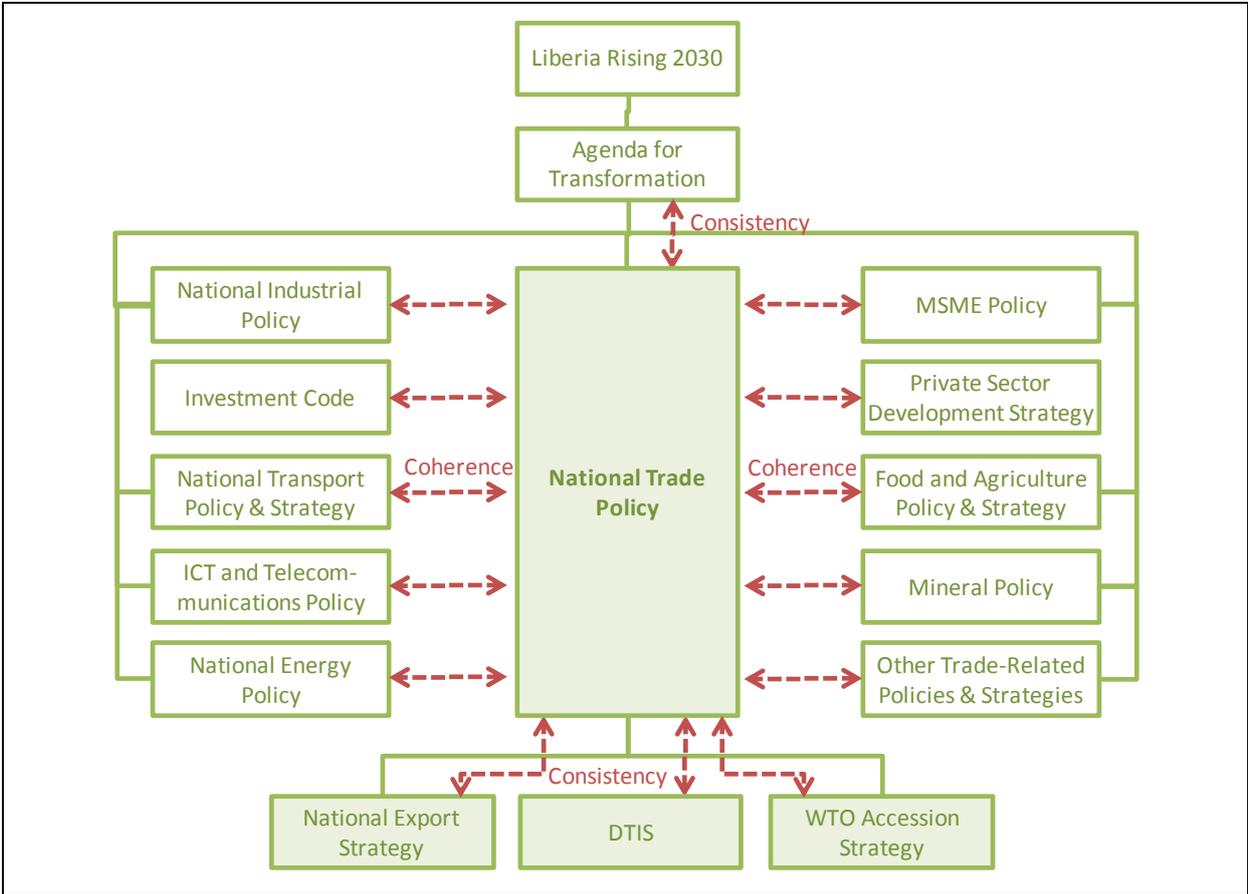
2.4.1 Promotion of Policy Coherence and Consistency – Core and Non-Core Trade Policy Issues

Liberia has a number of policies and strategies in place which also impact its trade performance. Some of these, like the Food and Agriculture Policy and Strategy, and the Transport Master Plan, are

non-core trade policy issues but affect Liberia’s international competitiveness and hence trade performance. Others, like the WTO accession strategy, National Export Strategy, are core components of trade policy.

In order to ensure that the various trade-related policies together contribute to the overarching dual objective of wealth creation and social inclusion – in other words, to ensure policy consistency and coherence¹¹ – it is necessary to locate the LNTP in the wider framework of economic strategies and policies (Figure 4). Thus, the LNTP is one element, alongside other national policies (to the left and right of the LNTP in the figure), to achieve the objectives of the AFT, which in turn contributes to the achievement of Liberia Rising 2030. At the same time, the LNTP rests on particular trade related strategies (depicted under the LNTP in the figure) which have already been developed, such as the National Export Strategy. In addition, the LNTP also addresses certain trade policy issues which have not yet been addressed by specific policies or strategies, such as regional integration in the MRU or ECOWAS.

Figure 4: LNTP relations to other Liberian strategies and policies: ensuring consistency and coherence



In order to ensure that the LNTP is coherent and consistent with other policies, it distinguishes between core and non-core or subsidiary areas. The former ones are comprised of measures and activities which are not the subject of other policies: export development, WTO accession, or trade

¹¹ Consistency refers to the vertical logic between different layers of policy and strategy, i.e. how the LNTP contributes to overarching economic and social development strategies, and how it builds on lower-level trade-specific strategies. Coherence refers to the LNTP’s horizontal relations with other, linked but not (directly) trade related policies, such as industrial or SME development policies.

facilitation issues are examples. These areas are principally determined by the LNTP, with MoCI being the lead implementation agency. Subsidiary areas are those which have an important effect on Liberia's trade performance but are addressed by other policies, for example improvements of the economic infrastructure (e.g. under the National Transport Master Plan and Policy) or the strengthening of the productive sector (under the Industrial and MSME Policies). For these subsidiary areas, the LNTP defines objectives and main actions, but the main purpose is to ensure that these objectives are reflected in the related policies and their implementation. In line with this, responsibility for implementation will rest with the entity or entities under which mandate the policy falls, and monitoring of progress and consistency with the LNTP will be under the purview of the Liberia Development Alliance (LDA), in cooperation with MoCI.¹² In this way, the LNTP avoids creating duplication of work while ensuring coherence of the policy framework. The underlying principle is to mainstream trade policy objectives across Liberia's policies.

2.4.2 Promotion of Social Inclusion

As described above, the positive economic developments achieved by the Government's reform policies over the past years have improved the lives of the poor and vulnerable groups of the Liberian population. However, certain challenges remain to be addressed. This has prompted the Government to put social inclusiveness for a more equal and just society at the heart of the economic transformation agenda.¹³ Although social inclusion is not, in terms of mainstream economic concepts, an integral part of trade policies, the LNTP both maintains social inclusion in the vision and mission statements and explicitly considers the effects of specific trade policy measures on the poor and disadvantaged parts of the population.

The fundamental principle underlying the LNTP is that the private sector as the engine of growth will be integrated into the international trading system of the world. Fair competition is the instrument for the integration of markets domestically, regionally, and globally. The LNTP therefore provides a framework for enhancing the benefits and gains from domestic and international trade related to the initiatives, policies, and strategies for harmonization of trade practices to protect both producers and consumers.

The LNTP also provides support and improves the environment for the physically challenged, particularly those affected by the civil war, and likewise promotes the advancement of protection of children, to actualize these individuals' potential to fully participate in the development of Liberia.

LNTP measures to promote social inclusion are both reflected horizontally and in specific targeted activities – such as promoting domestic trade, building productive capacity, facilitating access to finance, assisting women cross border traders, and supporting employment intensive sectors. For example, policies such as WTO accession are expected to result in increased FDI. Such increased FDI will be leveraged through linkages programs to improve upon the competitiveness of the domestic private sector, thereby supporting private sector growth and development. While FDI is largely operating in the mining sector, where direct employment benefits are generally low, the Government will encourage these firms to procure their services domestically, or to engage in both forward and backward linkages, which will create a multiplier effect on the economy. Similar policies will be applied in the agriculture and tourism sectors.

¹² Implementation arrangements are described in detail in section 4.

¹³ The National Social Protection Policy and Strategy of August 2013 is further evidence of the Government's high priority on social inclusion.

2.4.3 Promotion of Gender Equality

Women and men have an equal right to access viable economic opportunities that enable them to build wealth and improve their ability to benefit from basic amenities, social services, and alternate opportunities. It is commonly understood that the economic empowerment of women has an exponential effect on the lives of children, dependents, and family members, rendering it central to economic development.

Unfortunately, as in many other developing countries, Liberian women are economically more disadvantaged than men. Liberian women constitute the majority of the lowest income level in most organizations. They also constitute the highest percentage of the poor and operate predominantly in the informal sector of the economy. To promote gender equality, the Government has established gender focused programs in all key ministries and agencies and has created the Ministry of Gender and Development with the responsibility for comprehensively addressing gender issues.

The LNTP recognizes and addresses the challenges faced by women as they engage in trade in Liberia, in the region as well as internationally. These challenges range from a lack of financing options to non-tariff barriers to trade, the lack of access to alternative economic opportunities due to operation in the informal sector, and the lack of capacity to grow businesses. The challenges are addressed by the LNTP through the following means: in trade sectors with a predominance of women, all efforts will be made to ensure they are supported to increase their productivity, and the business environment in which they operate will be facilitated by the LNTP. Where possible, indicators, targets, and monitoring are disaggregated by gender in order to fine-tune measures with a view to promote gender equality. In all of these activities, MoCI will closely cooperate with the Ministry of Gender and Development.

2.4.4 Avoidance of Negative Impact on Climate and the Environment

The environment has the ability to purify air and water, produce healthy soils, cycle nutrients, and regulate the climate, thereby creating room for a sound human health, healthy labor force, and poverty reduction. The livelihood of rural women and children is also closely tied to the land and the environment. Conserving the environment thus has a direct impact on the empowerment of women, children, and economically vulnerable Liberians.

Liberia has serious environmental problems resulting from natural factors, centralization, population growth, and the expansion of economic and social activities, especially in the mining sector. Other challenges are presented by land degradation, deforestation, drought and desertification, erosion, environmental pollution, and ineffective solid waste management.

A major goal of trade policy is to stimulate domestic and international trade as well as launch the country onto a path of rapid and sustained socio-economic development. However, stimulating domestic and international trade will be dependent on growth in many sectors such as agriculture, energy, tourism, and manufacturing, among others, each of which will have significant impact on the environment. Thus, stimulating trade and thereby economic development of Liberia and maintaining the natural environment must go hand in hand. The challenge for the country is to make the trade policy compatible with environmental protection.

Government has already been strengthening its commitment in formulating and implementing environmental policies for land and swamp degradation, deforestation, biodiversity, erosion from

road construction, mining of minerals and sand, and pollution. The Environmental Protection Agency has been established and its capacity is being strengthened for Government to appropriately respond to these challenges. The LNTP will be implemented in close consultation with Liberia's Environmental Protection Agency in order to ensure that measures are not against national environmental policies.

2.4.5 Good Governance and Transparency of Policy and Measures

Achieving the nation's vision on economic transformation and trade requires not only a transparent and predictable trading regime, but good governance and the rule of law at a fundamental level. This includes a number of key elements including:

- A system of governance in which the citizens, especially women, and civil society groups are free to participate effectively, and without obstacles for participation;
- Transparent and accountable government institutions, promoting cooperation and coordination among stakeholders in the interest of common national development goals, and discouraging corruptive practices;
- A political culture that discourages the politics of self-interest and sectionalism and downplays patronage and clientelism for policies and programs as they affect trade;
- A bureaucracy that is efficient and effective with the integrity, self-respect, and confidence to carry out the good intentions of government fairly and expeditiously; and
- A judiciary that is impartial, independent from Government and pressure groups, and easily accessible to the population and legal persons.

Improving governance, strengthening the justice system and restoring confidence in the rule of law have been priorities of the Government. Its commitments to have governance in line with best practices are shown by numerous initiatives undertaken, including the establishment of the Liberia Governance Commission (LGC), the Law Reform Commission (LRC), the Liberia Anti-Corruption Commission (LACC), the Public Procurement and Concession Commission (PPCC) and the Liberia Extractive Industries Transparency Initiative (LEITI). To make government institutions more transparent, capable and oriented toward service delivery, the Government created a comprehensive Civil Service Reform Strategy, which reduced the number of civil service employees, and rationalized the functions and mandates of nine ministries and agencies. The delivery of justice improved as the Government developed and implemented a national and county-level case management system, deployed public defenders throughout the country, and replenished the ranks of trained magistrates for the first time in 20 years. Policies that increasingly put power in the hands of local communities are taking hold with the passing of the Community Rights Law, endorsement of a National Decentralization Policy, and the creation of county-level branches for government service-delivery. The results of these initiatives have been encouraging, reflected by improvement in Liberia's rating in the Worldwide Governance Indicators.¹⁴

The LNTP fully recognizes the crucial position and the dominant influence of politics and political issues in the management of the nation's trade affairs over the years. It not only applies principles of good governance horizontally but also has one component which explicitly addressing governance, legal framework, and transparency issues in order to ensure good governance and transparency of the LNTP and its activities.

¹⁴ See <http://info.worldbank.org/governance/wgi/index.aspx#countryReports>

3 Policy Areas

Liberia, like many other developing economies, must redefine her vision of the future and development so as to capture the advantages of the irreversible process of globalization. An appropriate and well planned vision of trade and commerce becomes the natural link for Liberia to take advantage of this moving trend. Liberia must therefore effectively strive to achieve sustainable growth and development in the global trading environment.

The strengths and weaknesses as well as the opportunities that can be attributed to a country with a dynamic trade policy and regime were indicated by the recent global financial crisis. The success of Liberia in the globalizing business environment therefore largely depends on her ability to identify and exploit the opportunities based on informed analysis of the structure and capacity of the economy. In addition, Liberia will need to ensure an efficiently functioning domestic market that manages the production of competitive products and design policies and programs to take advantage of further economic opportunities, reducing the threats from potential global crises.

Both domestic and external trade is important for the delivery of goods and services, but operations in both markets must be regulated to create a fair environment for competition. Being a country with a small domestic market, international trade is essential for Liberia's producers to obtain goods and services not produced domestically and to generate income for the people and revenue for Government. At the same time, large parts of the population and business community currently lack the capacity to be actively involved in international trade. Therefore, fostering domestic trade and creating effective links between domestic and international trade are equally important to ensure that the benefits from trade contribute to inclusive growth and active participation of the vulnerable parts of the population in Liberia.

In order for Liberia to succeed in the emerging global market, the LNTP will promote the adoption of new techniques and help the country shift away from traditional practices which are becoming obsolete. Following this, Liberia will embrace fast, stable, and transparent trade and business policies, consistent with contemporary global norms and standards. This will enable the country to access not only the regional markets but the larger, more competitive, external markets.

This section will discuss the policy areas which are the core of the LNTP as well as those which have an important effect on Liberia's trade performance. Indeed, trade policy in the 21st century is a **horizontal** task. The policy areas are thus in line with the seven specific objectives identified above:

1. Promotion of international export competitiveness through a variety of actions ranging from infrastructure to export incentives;
2. Promotion of domestic trade and strengthening of the productive capacity in general, as a precondition for more businesses to become export ready;
3. Increasing the efficiency of the import and export administration;
4. Promotion of regional trade and integration, primarily in the context of the MRU and ECOWAS;
5. Promotion of global market access for Liberian goods and services, through WTO Membership and efficient use of preferential trade agreements and preference schemes;
6. Increasing the effectiveness of Liberian institutions responsible for formulating and implementing trade policies; and

7. Enhancements of the legal framework and governance for trade.

The policy areas are aligned with the specific objectives, which in turn have been derived primarily from the AfT, but expanded and deepened based on the coverage of trade policy measures which are required to address the various identified trade related issues requiring the Government's attention.

The Government is equally committed to all of these policy areas. The order of presentation is arranged by going from specific interventions that Liberia can implement unilaterally (the first three policy areas) to initiatives which depend on negotiations or joint action with regional or international partners (policy areas 4 and 5) and institutional and legal issues (the last two policy areas). Indeed, in the presence of multiple binding constraints, a clear prioritization of actions is difficult. At the same time, MoCI as the owner of the LNTP puts a particular emphasis on the core LNTP issues for which it is directly responsible. Also, for certain specific policy areas dependencies or interdependencies exist – such as in relation to Liberia's tariff policies under regional integration within ECOWAS and under WTO accession – which may lead to specific sequencing requirements. These are discussed in the sections below as they arise.

For each of the policy areas, the LNTP sets out the rationale underlying the measures within each designated policy area; the specific objectives pursued; Indicators, baselines, and targets for measuring progress; the main activities; as well as, where appropriate, linkages with other policies – in order to establish a framework for the implementation, monitoring, and evaluation of the LNTP.

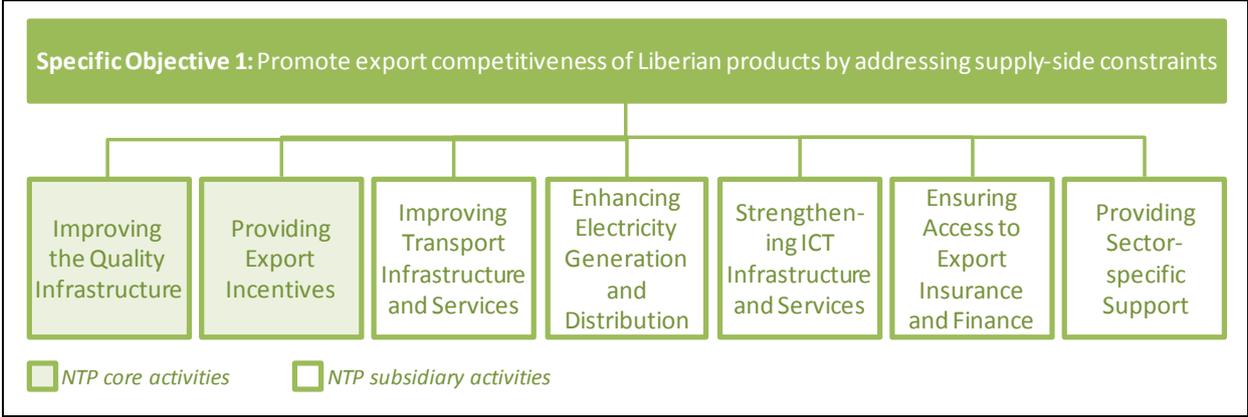
3.1 Promoting International Export Competitiveness of Liberian Products by Addressing Supply-side Constraints

The limited export competitiveness of Liberian goods and services – apart from some raw materials – is the result of a combination of various inhibiting factors, including limited availability and quality of both hard and soft infrastructure and the lack of support available for (potential) exporters.

At present, Liberia's trade related economic infrastructure, such as the road and rail networks, power and electricity, telecommunication network, and other facilities are largely inadequate and increase the cost of production and distribution of goods and services, domestically, regionally, and internationally. The availability of appropriately priced high-quality infrastructure improves turn-around times, reduces prices, and improves the efficiency of delivery.

Therefore, LNTP measures under this policy area (Figure 5) will address problems related to the quality infrastructure, export incentives and promotion, economic infrastructure and services – transport, electricity, telecommunications, and IT – trade finance, and sector-specific issues.

Figure 5: LNTP Measures Related to Specific Objective 1: Increasing Export Competitiveness



3.1.1 Improving the Quality Infrastructure

Rationale: The capacity to meet both mandatory and voluntary quality requirements and standards is a key requirement for effective participation in international trade. Abiding by international standards in the global market place requires that Liberian products meet certain specified health and safety, environmental and technical standards. Compliance with such international standards involves costs for both Government and businesses– it typically requires notable investments in new infrastructure, equipment, management systems and human capital as well as recurrent costs such as for inspection and testing. Therefore, Liberia’s active participation in meetings on international standards is an important factor to ensure that these standards are not detrimental to Liberia’s export interests. In this context, Liberia has been a Correspondent Member in the International Standards Organization since 2009, but is not a full member.

As in many other developing countries, Liberia is in an early stage of compliance with standards and meeting quality requirements. MoCI has established the National Standards Laboratory, which oversees Liberia’s national quality infrastructure, but it suffers from budget limitations, has no functioning business plan and needs technical assistance before it can become self-sufficient.

The development of rules and regulations on quality and standards will enhance the domestic markets and strengthen supply side capacity for exports and competitiveness in the productive sectors. A five year plan for Sanitary and Phyto-Sanitary (SPS) issues has been developed and is currently in the early stages of implementation.

Objective: To reap the benefits from trade, the Liberian quality infrastructure needs to be upgraded and a standards body established; exporters and potential exporters need support in meeting international standards, while at the same time the Government needs to ensure that standards and technical regulations are not applied by importing countries in an overly strict or complex way and hence become barriers for Liberian exports. The objectives are thus:

- To establish an effective and efficient National Standards Body. This will ensure that all export products are in compliance with internationally accepted best practice;
- To increase the export potential of Liberian firms by providing technical assistance to the productive sector on quality related issues, and thereby help it to comply with health, safety, environmental and technical standards;

- To establish a regulatory framework for SPS and technical barriers to trade (TBT) in line with international best practice;
- To ensure that Liberian export market standards do not become barriers to exports for Liberian producers.

Achieving these objectives should be seen in conjunction with Liberia’s accession to the WTO.

Indicators, baselines, and targets:

Indicator	Source	Baseline	Target
Establishment and effective operation of an autonomous National Standards Body	Annual reports of MoCI’s Division of Standards and National Standards Body	The Liberian quality infrastructure mainly consists of a Division within MoCI and a Standards Laboratory with limited testing capacities.	National Standards Body operational and Laboratory internationally accredited.
Existence of a legal framework for SPS	MoA and MoH	Current legal framework is out of date.	The legal framework for SPS has been updated in line with international best practice
Existence of a legal framework for TBT	MoCI	Current legal framework is out of date.	The legal framework for TBT has been updated in line with international best practice

Main activities: In order to achieve the objectives related to quality issues, main activities under the LNTP will comprise the following:

- Government will establish and develop a National Standards Body that will co-ordinate standards setting and enforcement functions in one agency, efficiently regulate the domestic (imports) market, and provide technical services to the productive sectors for enhanced export potential;
- Government will strengthen, with the support of donors, the National Standards Laboratory in order for it to become fully operational, and provide internationally accredited measurement and testing services to Liberian producers and exporters;
- Government will establish a system to monitor compliance with standards, provide adequate inspection facilities, and ensure speedy and cost effective assessment of compliance with standards by traders;
- Government will amend laws and regulations for SPS and TBT in line with international best practice and ensure an efficient SPS and TBT regime;
- Government will establish clear and comprehensive rules on labeling of products, including foodstuffs;
- Government will raise awareness among Liberian companies about the major standards that are required by certain export markets and guide exporters to comply with international standards;

- Government will actively participate in international standard setting bodies and related fora to inform future standard setting in Liberia, represent Liberia’s interests, gain experience for setting future standards for the country, and to ensure that these standards do not become barriers to Liberia’s exports.

Responsibility for implementation and linkages with other policies: In implementing the measures under this core area of the LNTP, MoCI will ensure coordination and alignment with:

- MoA, MoH, Forestry Development Authority and Environment Protection Agency and their respective policies;
- The relevant activities under the National Industrial Policy (in particular NIP Policy 2), which provides for the establishment of a National Standards Laboratory and National Standards Body as well as for support to businesses to introduce Good Manufacturing Practices.

MoCI will coordinate the activity also in line with the necessary actions to be taken in line with Liberia’s accession to the WTO.

3.1.2 Providing Export Incentives

Rationale: Consistent with the Government’s objective to increase Liberia’s export competitiveness, it is important to increase the number of exporters, expand the volume of exports, and diversify exports. In addition to the other instruments foreseen under the LNTP, this also requires direct support to exporters and potential exporters, through a variety of incentives. In this context, Liberia’s ongoing negotiations regarding accession to the WTO need to be taken into account, as WTO rules set certain restrictions on subsidy schemes. However, while incentives contingent on export performance should be avoided, general support for investment activity is, for example, likely to have a positive effect of exports, as it will primarily attract larger firms which are capable of exporting. In 2010, the Government reformed the system for granting investment incentives so that it is more transparent and predictable for businesses, with incentives now being granted on the basis of objective criteria being met. Also, a new Special Economic Zones (SEZ) law has been drafted to alleviate the business constraints of firms operating within SEZ.

In particular, as described above, the lack of infrastructure (and cost of accessing infrastructure) as well as land ownership issues create problems for businesses, affecting particularly those which compete, or aim to compete, internationally.

Objective: To increase the volume and diversify exports by broadening the number of Liberian exporters, including in non-traditional export sectors, including services. To lower the cost of production of export commodities and make them more competitive on the international markets by applying WTO consistent support schemes. To ensure improved administration of incentive regimes which will lower the cash flow burdens.

Indicators, baselines, and targets:

Indicator	Source	Baseline	Target
Share in registered businesses which are exporting	MoCI/DTIS/LBR	1%	2%
Legal framework in place for SEZ	NIC	Draft SEZ law in place	SEZ law and regulations adopted

Main activities: Given the Government’s resource constraints, export incentives need to be applied selectively and should be focused on those activities which result in the greatest leverage regarding economic and social returns. On this basis, main activities related to export incentives will be:

- Government will review fiscal and other incentives in place in order to learn more about their impact on exports and improve them for this purpose while ensuring compliance with WTO subsidy rules;
- Government will provide a system of inward processing to enable exporting producers to obtain upfront duty exemption on imported inputs and explore other incentives to exporters such as duty drawbacks, VAT etc.;
- Government will channel the promotion of both domestic and foreign direct investment into those productive sectors identified for sustained export opportunities;
- As stated in the AfT and the National Industrial Policy, Government will work to increase the availability of areas for industrial production and processing such as export processing zones, industrial estates, and special economic zones and will investigate the possibility of increasing its use of different financing options and structures in infrastructure development projects. Infrastructures will be established and private sector will have sufficient access to them with lower cost. This will also generate know how to establish SEZ and to increase productive use of land and labor.

Responsibility for implementation and linkages with other policies: MoCI will have the overall responsibility for this LNTP core area. Measures will be coordinated and aligned with the efforts by the NIC, MoCI and other stakeholders to put in place an SEZ, as well as with relevant activities under the National Industrial Policy (in particular Policy 8 and 9). Measures under this component will also be aligned to the industrial zoning initiatives foreseen in the AfT Pillar II results matrix, as well as to the 2010 Investment Act.

3.1.3 Improving and Enhancing the Utility of Transport Infrastructure and Services

Rationale: The DTIS Update has identified Liberia’s hard and soft transport infrastructure as a major constraint to trade competitiveness: most of Liberia’s road network linking production centers in the interior of the country to Monrovia, as well as along the “growth triangle corridor”, are not paved, thus limiting the potential both for domestic and intra-regional trade, especially during the rainy season.¹⁵ Poor roads limit the ability of farmers to transport their goods to markets and thereby constrain some of Liberia’s most promising sectors: agriculture (food, livestock and tree crops) and forestry. Many especially large agribusinesses and mining companies have therefore been forced to create their own access roads, while smaller farms and farmers often do not succeed at all in bringing their produce to market. Notwithstanding the fact that private access roads are still public goods and are used by smaller and vulnerable out-growers, the lack of access to public transport infrastructure therefore not only impedes growth by escalating the cost of doing agribusiness in Liberia but also particularly affects the most vulnerable groups, thereby preventing social inclusion. Similarly, existing rail links are currently exclusively used by the mining companies.

Objective: To facilitate the delivery of goods from producers, wholesalers, and retailers to markets at a competitive and reduced cost of transport by upgrading and expanding the road network and fleet. To increase the utility of transport infrastructure and services.

¹⁵ The exceptions are Monrovia–Gbanga and Monrovia–Bo Waterside roads.

Indicators, baselines, and targets:

Indicator	Source	Baseline	Target
Expansion of the network of primary, secondary and market feeder roads in Liberia	AfT	2,206 miles (2012)	4,506 miles (2017)

Main activities: The LNTP’s main activities related to transport infrastructure and services will be to ensure that the National Transport Master Plan as well as the National Transport Policy and Strategy contribute to increasing Liberia’s trade competitiveness. In this context, MoCI will collaborate with MoT, MoPW and other Government bodies, as well as other relevant stakeholders. Specifically, the Government will:

- Improve, expand, and maintain the road network to enable the ease of movement of goods and people throughout the country. Considering that regional connectivity is of paramount importance in promoting intra-regional trade, roads along the “growth triangle corridor” will be prioritized under the Government’s capital budget;
- Encourage, promote, and support private sector led development of the transport system to address the supply constraints associated with transportation. Opportunities for public-private partnerships in services provision will be studied;
- Intensify collaboration with ECOWAS and the private sector to maintain and upgrade roads; and
- Promote third-party use of railways.

Responsibility for implementation and linkages with other policies: The enhancement of the transport infrastructure is an LNTP non-core area. The lead implementation agency will be MoT, in line with the National Transport Master Plan as well as the National Transport Policy and Strategy. Activities will furthermore be aligned with the AfT Pillar II results matrix for the sector “Infrastructure Development: Roads and Bridges,” which also has defined additional indicators for measuring progress. Monitoring will be undertaken by the LDA and MoT.

3.1.4 Enhancing Electricity Generation and Distribution

Rationale: It is generally acknowledged that the lack of access and high cost of electricity are among the most severe constraints to exports, investments, and economic activity in Liberia. Although improvements have been achieved in recent years, not least as a result of the National Energy Policy in place, capacity levels are still low, and costs remain among the highest in the world, with the cost of a kWh at US\$ 0.55 (in 2012). Access to the grid is virtually non-existent outside of Monrovia. For businesses, this increases operations costs as they have to rely on expensive own generation; furthermore, it puts small businesses unable to afford their own generators at a competitive disadvantage, making it difficult for them to scale up operations. The problem is less acute for concessionaries who are, and in the foreseeable future will continue to generate their own electricity.

Objective: In order to reduce the cost of production for exporters, potential exporters, and producers for the domestic market, the LNTP’s work in relation to electricity generation and distribution aims at enhancing the availability of electricity to the productive sector in terms of expanded penetration (connection to the grid), while reducing the cost of power for industrial use to competitive levels.

Indicators, baselines, and targets:

Indicator	Source	Baseline	Target
Increase in percentage of businesses having access to electricity	National Energy Policy	10% urban/ 2% rural (2009)	30% urban/ 15% rural (2015)

Main activities: The LNTP’s main activities in relation to electricity generation and distribution will be to ensure that the National Energy Policy contributes to increasing Liberia’s trade competitiveness. In this context, MoCI will collaborate with MoLME and other Government bodies, as well as other relevant stakeholders, to:

- Rehabilitate and expand the power generation infrastructure;
- Expand power distribution grid/transmission lines to selected areas with export potential;
- Connect Liberia to the regional Western Africa Power Pool (WAPP) for a cheaper regional energy source;
- Consider measures to allow 3rd party use of electricity generated by concessionaries.

Responsibility for implementation and linkages with other policies: Measures related to electricity generation and distribution are a subsidiary area of the LNTP. The lead implementation agencies will be MoLME and LEC, and measures will be aligned with the National Energy Policy and the AfT Pillar II results matrix for the sector “Infrastructure Development: Power and Energy.” Monitoring will be undertaken by the LDA.

3.1.5 Strengthening Telecommunication and Information Technology Infrastructure and Services

Rationale: The telecommunication network and other facilities in Liberia are largely inadequate and increase the cost of production and distribution of goods and services in the domestic market and for export. Access to reliable and high quality information and communication technology (ICT) infrastructure and services has become a necessity for traders in the era of globalization in order to exchange information about products and markets quickly, effectively, and efficiently. Likewise, such an ICT infrastructure is the precondition to facilitate trade by allowing computerized online import and export administration. Finally, it provides the opportunity for businesses to sell their products (both goods and services) through electronic commerce (e-commerce) which, as the ICT Policy states, offers tremendous growth opportunities for businesses in Liberia by enabling local businesses to access potential markets throughout the world.

Recognizing these needs and opportunities, the Government has embarked on a comprehensive reform process of the ICT sector. A new legal framework has been established with the Telecommunications Act of 2007 and various specific regulations. Liberia’s telecom laws and regulations are today, to a very large extent, in line with the WTO regulations, including the telecom annex and reference paper. An ICT Policy has also been adopted.

Despite this progress, a number of challenges for ICT development remain. These include large investments needs for the telecommunications infrastructure, limitations in public funds available for ICT projects and programs, and the need for further strengthening of the various telecommunication regulations and the full enforcement of the Telecommunications Act.

Objective: The objectives of the LNTP in relation to ICT infrastructure and services are:

- To develop an expanded high quality and affordable ICT infrastructure which enables traders to participate in the global marketplace;
- To expand the use of ICT in all relevant ministries and agencies of Government for the development and facilitation of trade in Liberia;
- To encourage the use of ICT in the private sector and thus increase efficiency to facilitate trade development;
- To continuously improve laws and regulations to meet global best practices and to make sure competition is upheld in a fast-changing technological sector.

Indicators, baselines, and targets:

Indicator	Source	Baseline	Target
Increase in number of internet subscribers in Liberia	Liberia Telecom Authority, MOPT	Total recorded internet subscribers: 159,444 Internet users per 100 inhabitants: 4.6	ACE Cable installed and functional across Liberia Projected data to be decided by MoPT (contingent on installation of ACE Cable)

Main activities: The LNTP’s main activities in relation to ICT infrastructure and services will be to ensure that the Policy for the Telecommunications and Information Communications Technology sectors contributes to increasing Liberia’s trade competitiveness. In this context, MoCI will collaborate with MoPT and other Government bodies, as well as other relevant stakeholders. Specifically, the Government will:

- Encourage, promote, and support telecommunications network throughout the country;
- Develop and implement an ICT strategy and encourage government ministries and agencies to use the system for the development of trade and support the building of skill in ICT;
- Provide support to the private sector to adopt ICT for efficiency and trade development;
- Facilitate increased awareness of potential of ICT in rural and urban areas of the country;
- Promote the accession to the WTO, as this will lock in and increase the predictability and enforcement of the current telecommunication law and regulations;
- Provide incentives for the workforce to acquire ICT skills, equipment and connectivity;
- Strengthen the competencies and capabilities of researchers and research institutes and tertiary institutions to be globally competitive in targeted ICT areas; and
- Promote research and development (R&D) activities to stimulate and sustain innovation in ICT solutions.

Responsibility for implementation and linkages with other policies: Measures in the area of ICT infrastructure and services are an LNTP subsidiary area. The lead implementation agencies will be MoPT and LTA, and measures will be aligned with the Policy for the Telecommunications and Information Communications Technology sectors as well as the AfT Pillar II results matrix for the sector “Infrastructure Development: ICT.” Monitoring will be undertaken by the LDA.

3.1.6 Ensuring Access to Export Insurance and Finance

Rationale: According to the World Bank Enterprise survey (2009), access to finance is one of the top four constraints impacting on businesses in Liberia. In both the formal and informal sectors, economic actors single out lack of trade credit as a key barrier to profitable trade. As stated in the 2013 DTIS update, the banking system is highly concentrated, with two banks out of a total of nine accounting for nearly 75% of demand deposits and private sector credit. Low profits make the banking environment less attractive to potential entrants and hampers financial development.

Progress has been made in recent years, including active measures taken by the Central Bank of Liberia (CBL) aimed at strengthening the banking system and other financial institutions. In addition, the CBL launched the Credit Stimulus Initiative for Liberian-owned SMEs in January 2010 aimed at enhancing credit to the economy by placing long term US dollar deposits at commercial banks. Likewise, trade finance has been made available to Liberian exporters, including support from both the International Finance Corporation, which has provided the Liberia Bank for Development and Investment (LBDI) with a US\$2 million trade finance facility, as well as support trade finance lines in selected commercial banks. Nevertheless, surveys among the business community show that the availability of trade credit is still limited, and export credit finance is not available at all. Hence, the availability and utilization of credit will help reduce costs and promote growth, especially in strategic productive sectors such as the agriculture sector.

Objective: To increase the availability and accessibility of trade finance and export credit finance for Liberian businesses.

Indicators, baselines, and targets:

Indicator	Source	Baseline	Target
Increased availability of export credit	Central Bank of Liberia	Limited availability of export credit.	Export credit schemes created and implemented

Main activities: Given the lack of precise data, a review and assessment of trade finance and insurance needs to be undertaken prior to defining specific activities, as well as an evaluation of the current initiatives providing trade finance. However, as already stated in the Aft, it is intended that the Government will:

- Support, through the Central Bank of Liberia, financial institutions in order to introduce and/or extend products to finance export activities (access to export credits and support for export repayment schemes);
- Provide training to export lending enterprises as well as potential export lending enterprises.

Responsibility for implementation and linkages with other policies: Access to finance is a subsidiary area of the LNTP. The lead implementation agencies are CBL and MoF, in cooperation with the financial institutions, while MoCI will play a supporting role. Trade finance is addressed in a number of policies and Government programs, including the NES and the MSME Policy (in particular Policy Area 3). Measures under this component will also be aligned to the various access to finance initiatives foreseen in the Aft Pillar II results matrix. Monitoring will be undertaken by the LDA.

3.1.7 Providing Sector-Specific Support

The usefulness of policy intervention intended to influence the structure of an economy (and hence policy that is “sectoral” or “vertical” as opposed to “horizontal” or “neutral” in nature) – has been the subject of long and forceful debate. However, increasingly both global governmental practice and policy frameworks supported by, for example, the World Bank and the OECD, are recognizing the grounds for some form of sectoral intervention. This is particularly true in Liberia, where the war has created deep distortions in sectoral activity. Therefore, a certain amount of sectoral measures will be required to develop or restore Liberia’s international export competitiveness.

Most productive facilities in Liberia were devastated during the civil conflict, so there is potential for growth in almost every sector. Agriculture contributed 76% of GDP in 1999. To date, the agriculture sector contributes 38.8% of GDP (IMF, 2011) and employs 44% of the population. Principal crops grown in Liberia include rice, cocoa, coffee, oil palm, sugar cane, and cassava. Also grown are pineapple, banana, papaya, and mango. Rice, the staple food of Liberia, comes mostly from imported sources but could be produced in the country to cover the domestic demand. This, however, requires an efficient trade policy in order to take the development of these sectors into consideration.

Generally, raw materials are exported without further processing. For example, rubber is cultivated and minimally processed for export. There is thus huge potential for growth in the area of secondary processing. Such natural resource products/commodities have the potential to create significant numbers of jobs, provide substantial budget revenues through exports, and initiate rapid growth.

Specific sectors that have been identified as having particular potential include:

- **Agriculture:** Agriculture remains a major driver of economic growth in Liberia. The sector is critical for growth in national output that will support expansion in the industrial sector, enhance foreign exchange earnings, provide food for the growing population, provide gainful employment, create wealth, and reduce poverty on a sustainable basis. While some diversification of agricultural exports has taken place since the civil war, this has recently stalled. However, the National Export Strategy has identified cocoa, cassava, palm oil, and rubber as agricultural sub-sectors with good export potential.
- **Fisheries:** In Liberia, fisheries are a potential source of trade for domestic consumption, export, and means of livelihood. The fish processing industry (smoking and drying) is largely dominated by women and is a key source of income to both rural and urban households. Overall, the sector provides employment for about 50,000 Liberians and has vast export potential. Export of fish is, however, subject to numerous and complex standards and quality issues which many fishermen in Liberia are unable to meet. The National Export Strategy has therefore identified fish and crustaceans as one of the priority sectors to receive assistance.
- **Mining:** Mining has always been an important part of the Liberian economy and will continue to be an essential industry in the future as there are several traces of mineral deposit scattered around Liberia. The mineral sector in Liberia can be subdivided into two main sub-sectors: Firstly, large scale extraction of precious minerals such as iron ore, diamonds, copper, and gold; secondly and at a much lower level, small scale extraction of precious minerals including diamonds, copper, and gold as well as non-precious mineral such as bauxite. Mining has been a major contributing factor to speeding up the recovery of the economy by attracting FDI. However, extractive industries are also associated with some disadvantages, notably those pertaining to environmental damage and limited links with the

Liberian economy. The Government therefore addresses some of these problems under its mineral policy.

- **Agro-processing and manufacturing:** Liberia has so far not been able to export value added products. The vast majority of exports are raw materials. However, to increase revenues and reduce vulnerability from international commodity prices, Liberia needs to move up the value chain. A first stage in this process is to start producing and exporting products based on domestic agricultural resources, particularly those identified in the NES. Local manufacturing generates long-term benefits by attracting capital and contributing to building a skilled labor force.
- **Tourism:** The tourism industry is one of the largest in the world, and Liberia has the potential to develop its local industry. This industry has the potential to create abundant opportunities of employment to youth, as Liberia has so much to offer with its pristine coastline, specific sites like Lake Piso, Sapu National Park, unique animals and plants, general geography, and people. There are also social, cultural and environmental challenges that need to be addressed carefully. The Government recognizes the need to partner with the private sector to tap into the country's tourism potential. It is working on the establishment of an institutional framework to support the tourism sector. Also, WTO accession will be utilized for the development of the sector; to this effect, it is included in Liberia's the services offer.

Responsibility for implementation and linkages with other policies: Specific support activities for the above mentioned sectors have been designed in the National Export Strategy, the Private Sector Development Strategy, the Mineral Policy, the National Industrial Policy, and the MSME Policy. The LNTP therefore only has a subsidiary role to ensure that the implementation of activities takes into account export objectives. In this regard, MoCI will closely liaise with MoA, MICAT and MoLME, while overall responsibility for monitoring will rest with the LDA.

3.2 Promoting Domestic Trade and Expanding the Pool of Export-Ready Businesses

In recognition of the important contribution that domestic trade could make to national development objectives, an efficiently functioning domestic market with an active participation by women, men and youth is essential for the welfare of the population as it provides employment and income for Liberians. In addition, an efficiently functioning domestic market ensures the production of competitive products through the forces of demand and supply and fosters productivity through competition, thereby establishing the basis for increased exports through the creation of a critical mass of productive, export-ready businesses.

Therefore, in addition to specific support to exporting sectors, as addressed in the preceding section, the Government will also support Liberian producers and traders targeting the domestic market. Such support requires both improvements in the business environment and specific support at the firm level. Key measures in this regard are the improvement of the domestic trade infrastructure, assistance to indigenous producers and traders, the protection and strengthening of IPR, and the facilitation of access to finance and land (Figure 6). While some of these issues are being addressed in the National Industrial Policy and the MSME Policy, the LNTP provides complementary measures as well as highlights the importance of productive capacity building support for trade.

Figure 6: LNTP Measures Related to Specific Objective 2: Promoting Domestic Trade and Expanding the Pool of Export-ready Businesses



3.2.1 Improving the Infrastructure for Domestic Trade

Rationale: The availability of facilities for domestic trade such as markets, warehouses, etc. impacts on turn-around time, prices, and the efficiency of delivery. Such facilities are currently often lacking, and where they exist they suffer from bad quality. By providing facilities along the main corridors, linkages will be built between domestic producers and regional traders, thereby facilitating the entry of domestic producers into regional trade. Furthermore, the economic infrastructure serving the export sector is not utilized for bringing products to the domestic markets.

Objective: To facilitate domestic trade by providing appropriate facilities, and by providing access for domestic businesses to the existing infrastructure. This is expected to strengthen the competitiveness of small producers in particular and thereby help them grow, but also potential larger scale operations aimed at the domestic market, such as rice or cassava farms.

Indicators, baselines, and targets:

Indicator	Source	Baseline	Target
Existence of strategy and action plan for the rehabilitation and expansion of facilities for domestic trade	MoCI	No strategy and action plan for the rehabilitation and expansion of facilities for domestic trade exists.	Strategy and action plan for the rehabilitation and expansion of facilities for domestic trade developed and under implementation, with high priority actions completed

Main activities:

- Government will ensure that there exist the necessary legal and regulatory provisions to support the development of a domestic trade and services sector following a study of this sector;
- Government will encourage building of markets, investment in warehouses, service centers for businesses, etc. The possibilities of providing this infrastructure under public-private partnerships will be studied;
- Government will encourage a system of distribution that enhances an efficiently functioning domestic market;

- Government will strengthen the appropriate department in charge of weights and standards;
- Government will encourage Liberian businesses with an inclination to ensure that the 2010 Investment Code and other domestic regulations are harmonized and compliant with international best practice, without losing the original intent to support and grow Liberian enterprises.

Responsibility for implementation and linkages with other policies: Although the improvement of the domestic infrastructure for trade is an LTNP core area, for which MoCI will be the lead implementation agency, activities will be closely coordinated with a number of related policies and Government programs, notably the Investment Code of 2010, MSME Policy (e.g., Policy 2, Access to Markets) and the National Industrial Policy.

3.2.2 Supporting Producers and Traders Serving the Domestic Market

Rationale: In order to make the leap into exporting, producers must be organized within formal, scalable enterprises that are in a position to employ technology, train workers, and develop firm-specific knowledge. Scalable enterprises using labor-intensive processes and local inputs generate the jobs that developing countries with large numbers of young people entering the labor force require.

With regard to traders, a large proportion of domestic trade in Liberia is still undertaken on an informal basis, mainly by female traders. These traders in the informal sector do not usually benefit from legal protection, access to formal finance, or institutional support, as they are not registered and regulated. Informal traders therefore often lack any options for personal or business development, making them vulnerable and without chances to escape poverty.

The Government has already undertaken a number of reforms to simplify the establishment of formal businesses. For example, the Government has created the Liberian Business Registry (LBR), a joint venture between the Ministries of Commerce, Finance and Foreign Affairs, to provide a one-stop-shop for business registration. Also, reforms enacted by the LBR to reduce the number of procedures to start a business and to lower registry costs have made Liberia the third easiest country to start a business in Sub-Saharan Africa¹⁶.

Objective: To promote and support the creation of formal and scalable local manufacturers and stimulate demand for locally produced goods and services. To empower domestic traders and transform trading activities from informal sector into the formal economy.

Indicators, baselines, and targets:

Indicator	Source	Baseline	Target
Increased number of formal domestic businesses	LBR	9,087 (av 2011-13)	17,000
Ease of access to business registration facilities	MoCI	Registration of businesses limited to few locations	Mobile registration of businesses in place and number of facilities increased
Increase in public procurement of locally produced goods and services	MOCI	25% of Public procurement is targeted at MSMEs.	35% of public procurement reserved for domestic private sector

¹⁶ World Bank Doing Business' Ease of Starting a Business Indicator (2014)

Main activities: More efforts are needed to strengthen domestic producers and traders, encourage them to increase services quality, and formalize businesses. Therefore, the Government will:

- Continue to reduce the cost of doing business domestically: For example, the LBR will be supported to upgrade its IT infrastructure to create better data collection, data back-up and year round internet connectivity. The LBR model will also be expanded to other areas of the country to gradually move more businesses out of the informal, and into the formal, sector.
- Implement awareness raising programs and incentives to encourage actors in the informal sector to formalize their businesses and encourage more participation in the economy;
- Encourage the formation of cooperatives and associations;
- Provide support to MSMEs through a Bureau of Small Business Services;
- Assist the development of a greater domestic production base and encourage value addition, e.g. by promoting linkages of domestic producers, including small-scale farmers, with foreign investors and concessionaries;
- Provide preferential treatment to domestic producers under public procurement rules. Consider reserving a certain share of government procurement for locally owned businesses. This will require support to raise the capacity of local suppliers;
- Facilitate dialogue between local producers, traders, and consumers to increase awareness of the sources of domestic goods and services; support the promotion of Made-In-Liberia products;
- Provide training to traders to inform them about their rights and duties, including quality issues, competition, and unfair trade;
- Improve the collection of data on domestic trade.

Responsibility for implementation and linkages with other policies: MoCI will have the overall responsibility for this LNTP core area. Measures will be coordinated and aligned with related agencies, such as the PPCC and the LBR, as well as with relevant activities under the National Industrial Policy. Measures under this component will also be aligned to initiatives foreseen in the AfT Pillar II results matrix.

3.2.3 Protecting and Strengthening Intellectual Property Rights

Rationale: The Government of Liberia has the responsibility to protect new invention, design, ideas, and creativity occurring in the economic and social growth of the country. Protecting these innovations or the rights of intellectual property encourages the development of new technologies and thereby promotes agricultural and industrial production and trade. It will also facilitate technology transfer from one generation to another. Mindful of its obligation to protect intellectual property, the Liberian Government has established the Intellectual Property Rights (IPR) and Copyrights Offices to perform these functions at MoCI. Also, the Bureau of Customs has established an IPR Unit for border enforcement of IPR laws.

Objective: The protection of IPR has the dual objectives of encouraging innovation and the development of new technologies in Liberia and protecting inventors and thus ensuring continued development of these new technologies and ideas within Liberia.

Indicators, baselines, and targets:

Indicator	Source	Baseline	Target
Existence of effective and efficient national intellectual property regime	Laws of Liberia/ MoCI reports	National intellectual property regime in place but with some weaknesses and duplication of some tasks.	New national intellectual property regime implemented

Main activities: The following activities will be undertaken:

- Government will develop and implement a new national intellectual property law which meets the requirements of foreign interests, under TRIPS, while also protecting Liberia’s own intellectual property;
- MoCI will consider merging the Intellectual Property Office and Copyright Offices to enhance efficiency of operations;
- Government will develop awareness programs to educate consumers on intellectual property rights in Liberia;
- Government will set standards and procedures in handling IPR and consult with academic institutions, NGOs, industry representatives, and research bodies;
- Identify and coordinate inter-agency approach in IPR matters.

Responsibility for implementation and linkages with other policies: MoCI will have the overall responsibility for this LNTP core area. Close cooperation with the Bureau of Customs will be ensured. In addition, a coordination committee for IPR exists. Related policies and laws are the IPR policy as well as the new Customs Code.

3.2.4 Facilitating Access to Finance

Rationale: Access to finance is one of the top four constraints impacting on businesses in Liberia. This applies to both credit and equity finance. Difficulties in access to finance not only constitute an obstacle to trade but to conducting business in general. In particular, obstacles to financing prevent businesses from making investments necessary to enhance their competitiveness on the domestic market (in competing with imports) and eventually on export markets. The Government has designed programs to address these constraints, including the Liberia Innovation Fund for Entrepreneurs (LIFE), which will focus on developing innovation in the Liberian private sector by providing investment in ambitious business people who are able to demonstrate a business mind frame, an ability to create jobs for our nation’s youth, and a willingness to innovate and develop in key sectors of the economy.

Objective: To reduce costs and promote growth opportunities for traders and producers through the provision of competitively priced financing facilities to both urban and rural based businesses.

Indicators, baselines, and targets:

Indicator	Source	Baseline	Target
Increased availability of loans for MSMEs	Central Bank of Liberia	MSMEs’ access to loans is limited by collateral requirements and lending institutions’ limited understanding of MSMEs and risk aversion	Financial sector assessment completed and dedicated MSME focused sections created with specially trained loan officers in selected banks
Reduction in SME loan rates	Central Bank of Liberia	15%-17%	10%

Main activities: In order to facilitate domestic businesses’ access to loan finance and investment capital, the Government will:

- Undertake a comprehensive study of the financial services sector which will inform Liberia’s initial services offer in the WTO accession process;
- Undertake policy reforms to make informal “unbankable” companies bankable (including more flexible collateralization rules) to help graduate informal sector companies to a larger, more competitive formal status;
- Strengthen and capitalize financial institutions to provide funds at competitive interest rates;
- Prioritize the granting of concessionary investment finance and other facilities to domestic enterprises including MSMEs and exporters in rural areas and in selected sectors on equal scale and opportunity across Liberia. LIFE will play an important role in this regard.

The NES has developed a detailed plan of actions for improving access to finance which will guide the implementation of activities.

Responsibility for implementation and linkages with other policies: The lead implementing agency of this LNTP non-core area will be the CBL, in close cooperation with MoF, MoCI and the Liberian Bankers Association. Most activities under this policy area will be guided by the Strategic Plan of Action – Access to Finance in the NES as well as measures proposed in the Private Sector Development Strategy. Access to finance issues are also addressed in a number of other policies and Government programs, notably the Microfinance Policy, the MSME Policy (e.g., Policy 2, Access to Markets) and the National Industrial Policy (e.g., Policy 10). Monitoring will be undertaken by the LDA.

3.2.5 Facilitating Access to Land

Rationale: Besides being a solid foundation for investments, job creation, and broad-based socio-economic development, an efficient land market is also a prerequisite for a successful export industry: almost all investment in production requires land to facilitate some level of production or packaging. Furthermore, land is usually utilized as collateral and thus constitutes part of the assets which help source financing for expansion.

As is acknowledged in the DTIS Update, “the land sector challenges in post-conflict Liberia are more daunting and deep rooted than other countries in sub-Saharan Africa (SSA) because of [Liberia’s]

historical legacy as well as the effects of over a decade long civil war.”¹⁷ In response, there are ongoing reforms in the policy and legal framework aimed at improving land rights and tenure security for the majority of the population. The Land Commission was established in 2009 and is mandated to propose policy and law reforms and to coordinate all government activities in the land sector. Also, a Land Rights Policy has been put in place.

Objective: To ensure that land is utilized to support and encourage growth and development and can be freely used as collateral for finance. To ensure access to land tenure based on established title and transparent methods of conveyance.

Indicators, baselines, and targets:

Indicator	Source	Baseline	Target
Progress in implementation of Land Rights Policy	AfT/ Land Commission	Land Rights Policy approved	Land cadastre operational and recording land parcels

Main activities:

- Implement Land Rights Policy and corresponding legal framework to ensure the identification and acquisition of land for productive investments;
- Legally recognize and formalize rights to customary land through issuance of deeds, as well as women’s rights to land ownership;
- Ensure better coordination of land policy through the creation of a unified land administration agency with a more robust mandate for dealing with land sector issues;
- Review current practice regarding real property rights issues affecting investment decisions, including the granting of concessions for the production of rubber, forest plantations for timber production, private use permits for large-scale land acquisition for commercial agriculture and other uses, tribal certificates, informal occupations, and absentee-owned and unused and/or underutilized large landholdings.

Responsibility for implementation and linkages with other policies: The lead implementing agency of this LNTP non-core area will be the Land Commission. Most activities under this policy area will be guided by the Land Reform Policy as well as other policies and Government programs, including the MSME Policy (e.g., Policy 2, Access to Markets) and the National Industrial Policy (e.g., Policy 10).

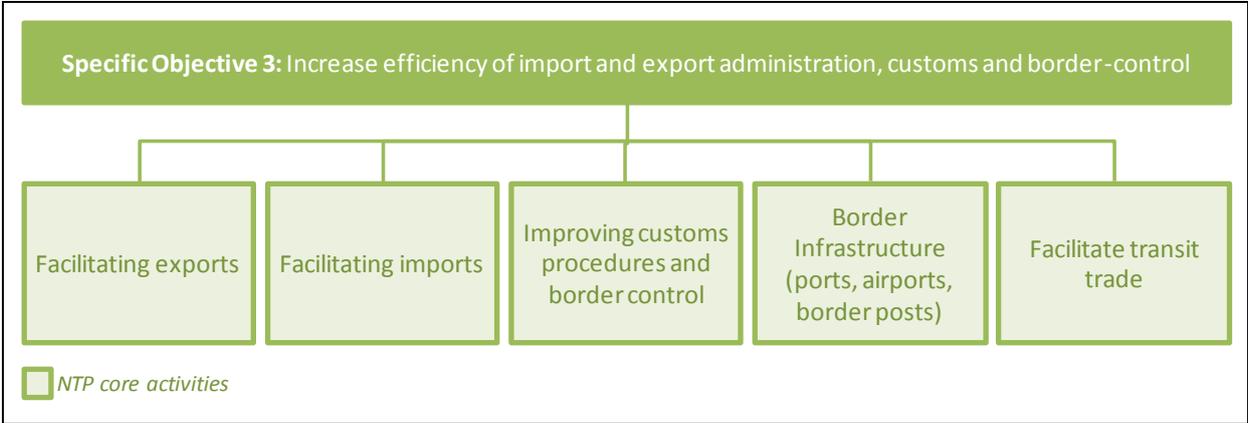
3.3 Increasing the Efficiency of Import and Export Administration, Customs and Border-Control Measures

Trade facilitation can have a significant impact on the economic development, contribute to export growth, and improve the competitiveness of Liberian goods and services in the global market. In addition, improving customs services will enhance revenue collection and regulatory control (as well as collection of better and more reliable trade statistics) and combat fraud and trafficking of prohibited and restricted goods. Meanwhile improved border and transit infrastructure enables the smooth flow of transit goods through the country, thereby contributing to Liberia’s role as a gateway to ECOWAS and further increasing revenue collection.

¹⁷ DTIS Update 2013, p. 95.

Trade facilitation is therefore an essential component of the LNTP, and the measures aimed at increasing the efficiency of customs and border control – which facilitate exports and imports – are all considered as core activities of the LNTP (Figure 7).

Figure 7: LNTP Measures Related to Specific Objective 3: Facilitating Trade



The importance of trade facilitation has also been highlighted at the WTO Ministerial in Bali in December 2013 which resulted in the adoption of the WTO Trade Facilitation Agreement. Given the potentially wide ranging technical support requirements which the implementation of the Agreement’s provisions entail, the Government will strive, already during the WTO accession stage, to benefit from support made available under the Agreement in order to implement the various measures described below. Furthermore, the Agreement includes special and differential treatment provisions for developing and LDC countries. It should also be noted that the Government has been working on trade facilitation issues for a number of years. For example, fees for customs clearance and port and terminal handling have been reduced, the inspection regime has been streamlined, customs procedures have been automated using ASYCUDA, and online submission of customs forms has been introduced. The Liberia Trade Facilitation Forum is a public and private stakeholders’ forum organized to address issues that are underpinning trade facilitation to ensure trade efficiency within Liberia.

Despite the progress made, Liberia still only ranks 142 out of 189 economies in the latest (2014) version of the Doing Business “Trading Across Borders” indicator. Further measures are therefore foreseen by the LNTP.

3.3.1 Facilitating Exports

Rationale: Although some progress has been made, for example by reducing the number of goods requiring export permits from all goods in 2010 to just four in 2013, Liberian companies wishing to export still face a number of regulatory and administrative barriers to exports. In particular, export documentation requirements are comprehensive and time consuming: the number of documents required is high even compared to Sub-Saharan average and certainly when compared to the OECD average. Also, despite improvements in procedures for processing permits through the creation of a new IPD/EPD processing centre, the IPD/EPD process should be brought more in conformity with WTO licensing requirements, and a process of automation through ASYCUDA would enhance better monitoring of the sensitive commodities which the Government is interested in. While export

permits and controls, including inspection and certification, help to maintain national reputation by ensuring minimum standards of exports, they can also reduce export potential.

Objective: To prevent that the export administration constitutes an undue burden on exporters both in terms of compliance costs and cash costs, thereby contributing to the international competitiveness of Liberian exporters.

Indicators, baselines, and targets:

Indicator	Source	Baseline	Target
Time required for clearing exports	Bureau of Customs ASYCUDA	7 days (2013)	6 days

Main activities: In order to facilitate exports, the LNTP foresees the implementation of the following measures:

- Further streamline and make efficient all requirements for engaging in exporting. Documentation requirements will be reviewed in order to reduce the number of documents required for export;
- The single window be implemented to enable the submission of documents electronically and issue permits and certificates (including certificates of origin; certificates of free sale; certificates regarding compliance with standards etc.), where required, more expeditiously;
- The one-stop shop concept will be evaluated in order to further expand it;
- Raise awareness about export procedures and requirements among Liberia’s business community;
- Continue to avoid export prohibitions and export duties, except in duly justified exceptional circumstances and when based on clear and transparent criteria;
- Government will continue to encourage border agencies to streamline and harmonize border inspection of goods and take effective actions against trade-related corrupt practices.

Responsibility for implementation and linkages with other policies: MoCI as the lead implementing agency will coordinate behind-the-border activities aimed at facilitating exports, another LNTP core area. Close cooperation will be ensured with supporting institutions and stakeholders, including the port and airport authorities, inspection companies, APM Terminal, the Brokers Association, and exporters.

3.3.2 Facilitating Imports

Rationale: For many businesses in Liberia, imported capital goods and inputs are essential to maintain production and competitiveness. In view of this, apart from exceptional cases, Liberia will maintain an open trade regime without creating non-tariff barriers to imports.

Some progress has been made already in facilitating imports. For example, the Ministry has reduced the number of goods requiring import permits from 32 in 2010 to 17 essential and sensitive products in 2013, and procedures for processing import permits have been expedited, just like export permits, through the new IPD/EPD processing centre. On the other hand, a number of obstacles still need to be addressed. For example, import documentation requirements are higher than the Sub-Saharan

average. A draft Foreign Trade Law that will streamline the issuance of permits and licenses has been prepared but is yet to be enacted. Importantly, this new law must be consistent with WTO licensing agreements.

Objective: To ensure that Liberian businesses have secure and timely access to imported capital goods and inputs, thereby promoting their competitiveness and enabling them to participate in international (regional or global) value chains. To establish SPS and TBT enquiry points.

Indicators, baselines, and targets:

Indicator	Source	Baseline	Target
Time required for clearing imports	Bureau of Customs ASYCUDA	15 days (2013)	12 days
WTO compliant licensing regime enacted	Laws of Liberia	Draft Foreign Trade Law exists	WTO compliant licensing regime enacted

Main activities: LNTP activities to facilitate imports will mirror those facilitating exports as described in the previous section. Specifically:

- Import documentation requirements will be reviewed with a view to reducing the number of documents required;
- The single window approach will be implemented to enable the submission of documents electronically and issue permits, where required, more expeditiously;
- The one-stop shop concept will be evaluated in order to further expand it;
- Raise awareness about import procedures and requirements among Liberia’s business community;
- Import prohibitions will continue to be avoided, except in duly justified exceptional circumstances and when based on clear and transparent criteria;
- Government will review import permits and import permit requirements. As a general guideline, import permits will be used only in exceptional cases and on the basis, like import prohibitions, of clear and transparent criteria, including environmental protection, national security, public health and safety, or moral or welfare reasons;
- Government will ensure that information on the regulation of import permits and other import requirements is widely disseminated to traders to eliminate extortion and harassment at border entry points;
- Government will establish SPS and TBT enquiry points;
- Government will continue to encourage border agencies to streamline and harmonize border inspection of goods and take effective actions against trade-related corrupt practices.

Responsibility for implementation and linkages with other policies: Like export facilitation, MoCI as the lead implementing agency will coordinate behind-the-border activities aimed at facilitating imports, another LNTP core area. Close cooperation will be ensured with supporting institutions and stakeholders, including the port and airport authorities, inspection companies, APM Terminal, and the Brokers Association.

3.3.3 Improving Customs Procedures and Border Control

Rationale: In the trading setting, the time required for clearing goods at air, sea, and land ports is of vital importance to trade. Delays in the process of clearing goods translate into higher costs of commodities. Cognizant of this reality, the international community encourages strategy to reduce the necessary clearance time for goods travelling across borders. In addition, when customs procedures are implemented on a manual and personal basis, and thus subject to numerous steps and discretionary decisions by customs personnel, there is an opportunity for corruption by public officials. A new Customs Code has been established and reviewed by the International Monetary Fund (IMF) and is awaiting to be enacted while the revised Kyoto Convention is awaiting ratification by the legislature.

Objective: To promote speedy, effective, and efficient custom clearance and reduction of cost to importers and exporters. To likewise simplify and make transparent the procedures for clearing goods imported into the Country.

Indicators, baselines, and targets:

Indicator	Source	Baseline	Target
Enhanced legal framework for customs	Laws of Liberia, Bureau of Customs	Draft Customs Code in place	Customs Code enacted
Enhanced and expanded use of customs automation	Bureau of Customs	ASYCUDA implemented in a limited number of border posts	ASYCUDA rolled out to all 17 points of entry

Main activities: In order to achieve the objectives in this policy area, the Government will:

- Enact the Customs Code in order to bring Liberia’s procedures in line with the Customs Valuation Agreement of the WTO;
- Take steps to move progressively towards a customs system based solely on the processing of imports in the country, phasing out the use of pre-shipment inspection services that can be costly and inefficient;
- Further reform customs procedures in order to determine origin, and valuation, perform risk-based screening, and conduct inspections;
- Continue efforts to automate all customs services through the ASYCUDA system and ensure continuous operations through, inter alia, an upgraded IT infrastructure for Customs, in line with international best practice;
- Take steps to harmonize customs procedures across MRU and ECOWAS countries;
- Review the mandates of border agencies with a view to eliminate overlapping mandates.

Responsibility for implementation and linkages with other policies: The improvement of customs procedures is an LNTP core area. The lead implementing agency will be the Bureau of Customs which will closely cooperate with MoCI.

3.3.4 Border Infrastructure (ports, airports, border posts)

Rationale: Airport and seaport activities and costs can be major constraints on exports and imports. Lack of appropriate facilities can prevent the export of perishable products.

In order to encourage the free movement of goods in Liberia, the Government instituted a series of measures for ensuring free and easy passage of goods at the Roberts International Airport as well as any airports constructed in the future. Cargo handling and the provision of adequate storage facility will receive high priority to ensure optimal delivery of perishable goods to Liberian trade partners.

At the sea ports, delays in clearing perishable goods are, despite recent improvements, a constraint to competition for domestic and international marketers. These delays will increase the price of imported goods and raise the cost of inputs, leading to higher costs for consumers. The Freeport of Monrovia has been improved by APM terminals in line with the PPP contract; these improvements should be continued over the remainder of the contract. The rural ports of Buchanan, Greenville and Harper need further reconstruction in order to serve increase in demand expected from domestic goods transportation and from exporting concessions. Finally, in order to facilitate intra-regional trade, border post facilities need to be upgraded and one stop border posts established.

Objective: To facilitate passage of goods at airports, seaports, and border posts, while providing high quality cargo handling at competitive prices.

Indicators, baselines, and targets:

Indicator	Source	Baseline	Target
Reduced cargo dwell time at major ports	NPA, APM terminals	7 days; for break bulk: 79 days or more	5 days ; for break bulk, cargo dwell time: 30 days

Main activities: A number of activities will be required to achieve the objective in relation to improved border infrastructure. Thus, the Government will:

- Provide adequate cargo storage and handling facilities at local and international airports and ports. For this, options for public-private partnerships will be considered;
- Improve the processing of perishable goods and high value commodities at Liberia’s border points;
- Organize and modernize container terminals for speedy, efficient, and effective handling of goods as well as regular tracing of perishable items;
- Streamline the process of clearing imported/exports commodities;
- Provide the legal framework and support the establishment of efficient, free, and computerized multi-purpose zones and a warehousing system to facilitate quick and effective movement of imported inputs and finished goods for export;
- Cooperate with neighbor countries to establish one stop-border posts.

Responsibility for implementation and linkages with other policies: Improvements in the border infrastructure are a core area of the LNTP. Nevertheless, the implementation will be shared between MoCI, MoPW and the authorities in charge of regulating or operating border infrastructure, including NPA, LAA, and the Bureau of Customs. Collaboration with MRU countries will be essential for the potential establishment one-stop border posts. Linkages exist with the Transport Strategy and Master Plan and other Government policies. Improvements in border infrastructure are also addressed by the DTIS Action Matrix.

3.3.5 Facilitating Transit Trade

Rationale: As Liberia is ideally located in the sub-region; transit trade becomes very important to its economy. Excessive restrictions on trade serve as taxes on economic development and as such, the Government is ensuring the removal of these elements. Smooth transit trade is a prerequisite for Liberia to become a gateway between ECOWAS and the rest of the world.

Objective: To make transfer of goods through Liberia from/to any of the sub-regional countries cost-effective, safe, efficient, and without leakages in the local economy.

Indicators, baselines, and targets:

Indicator	Source	Baseline	Target
Improved road connectivity with neighboring countries	MoT	Lack of good quality roads linking Monrovia to the principal productions centers in MRU and ECOWAS partners	Expanded good-quality roads connecting Liberia with MRU and ECOWAS partners

Main activities: In order to facilitate transit trade, the Government will take the following measures:

- Work with MRU to develop and implement a regional trade facilitation strategy complementing current ECOWAS corridors;
- Develop transit regime that requires all domestic trucks engaged in hauling intra-regional cargo to follow quality and performance guidelines for overloading and sealing and securing their loads;
- Streamline and reduce the number of checkpoints on the primary corridors to the land border crossing facilities;
- Introduce the transit module T1 in ASYCUDA to capture transshipments. With a better monitoring and tracking system introduced, not only is the traffic volume by road expected to increase, but also service levels for providers as well.

Responsibility for implementation and linkages with other policies: Although the facilitation of transit trade is a core area of the LNTP, the lead implementation role will be shared between MoCI, MoT and the Bureau of Customs. To the extent that the facilitation of transit trade in Liberia is an integrated part of ECOWAS trade facilitation, collaboration with ECOWAS and neighboring countries will be essential for an effective implementation of the LNTP activities in relation to transit trade. Therefore, cooperation with the Regional Road Transport and Transit Facilitation Program for West Africa and other regional initiatives is envisaged. Transit trade is also addressed by the DTIS Action Matrix.

3.4 Promoting Regional Trade and Integration

As part of Liberia’s full integration into the global trading system, the Government will pursue, through negotiations, an agenda which supports its developmental goals and secures its national interests, thereby creating opportunities to assist in alleviating poverty.

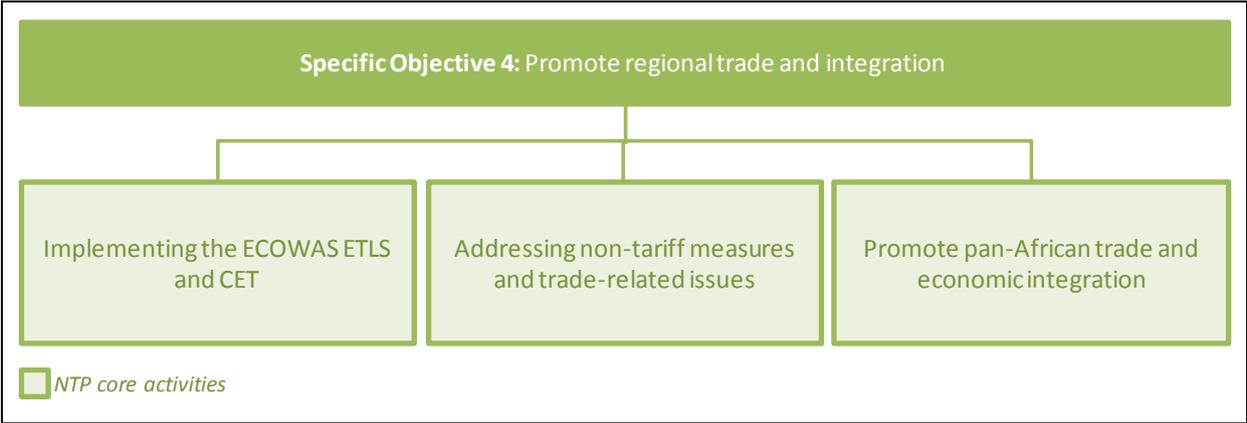
The promotion of regional integration – beginning with MRU and, in its broader sense, ECOWAS – has been viewed to offer a larger market for Liberian products, thereby supporting Liberia’s

industrialization goals. The integration of ECOWAS into a full customs union provides a larger market and increases potential for industrialization and investment. In Liberia, regional cross border trade (both small and large scale) is an important source of income for both rural and urban traders. Regional cross border trade has fewer restrictions vis-à-vis standards and therefore allows ease of entry by traders, especially women.

Despite the ease of entry, tariff and non-tariff barriers exist and make regional trade a challenge for cross border traders. Lack of personal security, in addition to complicated and non-transparent border procedures, creates impediments to smooth regional trade. Liberia will support regional integration within the framework of promoting free, fair and competitive trade between member states leading to market access opportunities for Liberian producers and a wider range of competitively priced products for consumers.

To do so, the regional integration policy area of the LNTP will comprise three priority components (Figure 8): the implementation of the ECOWAS ETLs and CET, the progressive reduction of regional non-tariff measures (NTMs) and trade-related issues, and the promotion of wider African trade integration.

Figure 8: LNTP Measures Related to Specific Objective 4: Promoting Regional Trade and Integration



3.4.1 Implementing the ECOWAS ETLs and CET

Rationale: So far, an important part of Liberia’s trade policy has consisted of 12 month executive order tariff waivers issued by the Ministry of State. These waivers, which have allowed the Government to implement temporary changes in tariffs without the need for taking legislation through the legislature, have been granted on over 430 out of 5,000 tariff lines between 2006-2012 and on Liberia’s most essential imports. While it is generally accepted that these waivers have, thus far, been based on sound economic grounds, they reduce transparency and predictability of the trade regime. Furthermore, Liberia has in principle agreed to align its tariffs with the ECOWAS Common External Tariff (CET), which will require the discontinuation of the practice of executive order tariff waivers.

In order to maximize the gains of trade from regional integration in ECOWAS, the Government of Liberia would need to evaluate the implications of changes in trade policy regime within a broader context; in view of all the possible ramifications of the different trade agreements on fiscal revenues and socioeconomic developments challenges, and the AfT. The ECOWAS Trade Liberalization Scheme (ETLS) plays an important role in this regard: Studies predict benefits and costs from full

implementation of the ECOWAS customs union. For Liberia to ensure this policy results in a net increase in welfare, it is important that the ETLs can be harnessed to encourage greater regional trade.

Studies indicate that alignment of Liberia’s tariffs with the ECOWAS CET will result in an increase in the average tariff.¹⁸ While this could raise the levels of contributions to fiscal revenues, the trade-off could be a loss in welfare. The domestic cost of essential items such as rice, cement and petroleum will increase, unless a waiver is negotiated, negatively affecting consumption and investment in the short run, and thereby reducing GDP growth rates. The Government has developed a 3-year migration plan for the introduction of the CET. The ECOWAS CET Special Protection Measures (SPM) also provide for safeguards in response to the implementation of the CET in the form of Import Adjustment Tax (IAT) and the Supplementary Protection Tax (SPT), however only for those tariff lines for which Liberia’s national tariffs are higher than the corresponding CET tariff.

With regard to the ETLs, possible mitigating measures include the phasing of tariff reforms over several years as Liberia develops its trade competitiveness. Alternatively, Liberia could keep some goods on the list of sensitive commodities until the exigencies of the situation change, and offset the challenges related to revenues and welfare by raising the goods and services tax (GST) rate or introducing consumption tax such as a Value Added Tax (VAT).

Objective: To implement the ECOWAS ETLs and CET in a manner that maximizes Liberia’s welfare and avoids negative effects on the poor and vulnerable parts of the population.

Indicators, baselines, and targets:

Indicator	Source	Baseline	Target
Ratification of ECOWAS ETLs	Laws of Liberia	Liberia is only country in ECOWAS to not have ratified ETLs	ECOWAS ETLs ratified by legislature
Implementation of ECOWAS ETLs and CET in Liberia	MoCI	Liberia applies national tariffs	ECOWAS ETLs and CET implemented in Liberia, with required exemptions

Main activities:

- Liberia should deepen MRU integration in order to facilitate greater leverage of the MRU within ECOWAS;
- The Government will undertake to negotiate the CET with ECOWAS partners while explaining the essential needs for Liberia, and, where no consensus can be found regionally, ensure that waivers apply for Liberia’s essential interests. Once negotiations have been successfully concluded, the CET will be implemented by Customs;

¹⁸ The DTIS Update estimates that the simple average tariff rate will increase from the current level of 9.8% to 12.9%, assuming that all current executive tariff waivers will be removed over a period of time. Another study, undertaken by IGC, estimates that moving to the CET would increase applied tariffs from the current import weighted average of 5.3% (in 2011) to 8%-13% – 8% if tariff waivers are maintained, and 13% if they are eliminated. See de Melo, Jaime and Armela Mancellari 2013: Regional and Global Trade Strategies for Liberia, IGC Working Paper, December 2013, London.

- The Government will continue to promote full implementation of the ETLS protocols by ECOWAS partners.

Responsibility for implementation and linkages with other policies: Although the implementation of the ECOWAS ETLS and CET constitute a core area of the LNTP, the lead implementation agency will be the Bureau of Customs. However, MoCI will closely collaborate with Customs and MoF in this policy area. Liberia’s policies towards the ECOWAS ETLS and CET also have to be considered in line with the WTO accession process (notably the level of bound tariffs), as well as the MRU Protocol.

3.4.2 Addressing Non-Tariff Measures and Trade-Related Issues

Rationale: While the introduction of the ECOWAS CET will constitute a major step towards regional economic integration, regional trade is still affected by numerous non-tariff barriers ranging from infrastructure constraints to differences in legal systems, and the achievement of an ECOWAS Common Market is still a longer-term perspective. In order for Liberian exports to succeed on the regional markets, such barriers need to be addressed by the LNTP.

Objective: The objectives of addressing regional NTB are to enable Liberian products to compete freely in the regional markets and promote exports, as well as to take advantage of trade opportunities offered in strategic regional markets, encourage regional transfer of technology, attract FDI and foster regional business cooperation.

Indicators, baselines, and targets:

Indicator	Source	Baseline	Target
Number of removed NTBs	TFF	19 NTBs for regional trade have been identified	Removal of 50% of identified NTBs

Main activities:

- The Government will continue to conduct studies to identify NTBs and subsequently remove them;
- The Government will proactively participate in regional initiatives aimed at removing NTB, e.g. those designed to reduce transport times and costs;
- In regional fora, Government will push for the removal of barriers/obstacles to full regional integration;
- Government will support the establishment of further ECOWAS integration towards a common market.

Responsibility for implementation and linkages with other policies: Addressing NTBs is a core LNTP area that requires a comprehensive set of actions. MoCI as the lead implementing agency will closely collaborate, domestically, with the Trade Facilitation Forum as well as with relevant ministries and agencies, including the Bureau of Customs and MoT. Regional cooperation with MRU and ECOWAS partners will also be important.

3.4.3 Promoting Pan-African Trade and Economic Integration

Rationale: An integrated Africa will provide additional trade opportunities for Liberia and will contribute to development through a greater focus on African interests and needs. While the Abuja Treaty of 1991 envisages the creation of a Pan-African Economic and Monetary Union by 2028, African ministers of trade have recommended to fast track African trade integration, by creating a continental free trade area (CFTA), by 2017.

Objective: To contribute to the process of African integration by fostering continental trade. To source support for investment and technical incentives that will contribute to Liberia’s economic growth and trade agenda.

Indicators, baselines, and targets:

Indicator	Source	Baseline	Target
Share of trade with African partners in Liberia’s overall trade	National trade statistics	9% (2012)	12%

Main activities:

- The Government will fully participate in and support the New Partnership for Africa’s Development (NEPAD) initiative in line with Liberia’s development agenda;
- The Government will strive to ensure that Liberian sensitivities are reflected in the negotiations on the CFTA.

Responsibility for implementation and linkages with other policies: MoCI is the lead implementing agency for this LNTP core activity. Close coordination with MoFA for the negotiation aspects will be ensured.

3.5 Promoting Global Market Access for Liberian Goods and Services

Although regional trade and economic integration are important components of the LNTP in order to diversify Liberia’s exports and contribute to industrialization, a broader set of markets currently constitute Liberia’s main markets and will continue to do so in the medium-term. Ensuring and widening exports to these markets is therefore an essential part of the LNTP. This will be achieved through a three-pronged strategy (Figure 9): globally/multilaterally through Liberia’s accession to and active participation in the WTO; in relation to Liberia’s current main export market, the EU, through maximizing the benefits from market access and technical assistance under the proposed EPA; in relation to other markets, by a proactive use of preferential trade agreements and preference schemes.

Figure 9: LNTP Measures Related to Specific Objective 5: Promoting Global Market Access for Liberian Goods and Services



3.5.1 Access to Global Markets: WTO Accession

Rationale: Liberia is in the process of acceding to the WTO. The Government fully recognizes the rules of international trading as having a direct impact on Liberia’s development in the context of globalization. Recognizing this fact, Government will continue to participate in multilateral trade negotiations to ensure Liberia’s national interests are well secured. However, multilateral trading rules may impose cumbersome obligations on Liberia without requisite benefits, especially where the country has not built its capacity to compete effectively in international trade. Therefore, there is a need to ensure a balance between internal and external trade benefits and cost commitments made under the various negotiations. In addition, Liberia must ensure that its capacity building needs are given adequate priority in the context of the negotiations. WTO accession commitments can be built on Liberia’s regional commitments (e.g ECOWAS) while still ensuring protection of national interests.

There are a number of potential advantages for any country acceding to the WTO. Membership to the WTO ensures access to other Members’ markets through the guaranteed application of most-favored-nation (MFN) tariff rates, national treatment of Liberian goods in other Members’ markets, access to dispute settlement, and the opportunity to attract investment to broaden our production capacity and enhance our ability to trade freely and competitively in the global market.

Objective: To accede to the WTO in order to reap the benefits which it provides. In the process of WTO accession, Government will promote a balanced relationship between trade liberalization and sustainable development that protects the poor, especially those in rural areas, from the adverse effects of market openings.

Indicators, baselines, and targets:

Indicator	Source	Baseline	Target
Progress in Liberia’s WTO accession progress	MoCI Annual Reports	Liberia has completed the initial phase of WTO accession	Liberia has successfully completed WTO accession

Main activities: The Government has already prepared a comprehensive WTO accession strategy, which sets out in detail the requisite activities. Once a member, Government will advocate, through

the WTO, progressive elimination of agricultural, fisheries, and industrial export subsidies and non-tariff barriers in trading partners. The Government will retain its right to support Liberian producers and ensure that trade agreements are in line with its developmental agenda.

Responsibility for implementation and linkages with other policies: MoCI is the lead implementing agency for WTO accession with close coordination with key sector ministries. Certain aspects of WTO accession, notably the negotiation on bound tariffs, require close coordination with the ECOWAS CET. WTO accession will also impact on a number of domestic laws and regulations, as specified in the WTO accession strategy.

3.5.2 Capitalizing on the Economic Partnership Agreement

Rationale: Negotiations between ECOWAS and the European Union on the Economic Partnership Agreement (EPA) have been concluded in early 2014, subject to validation by ECOWAS Members. While the EPA will result in a number of advantages for Liberian businesses, such as better market access to the EU market, it also presents a number of challenges. These include the potential loss of tax revenues on imports from the EU; erosion of protection for Liberian producers selling on the domestic market; and increased competition from EU producers for Liberian exports in the ECOWAS markets. In response to these challenges, Liberia will benefit from support under the EPA development program. The country will need to make good use of the support provided to develop the capacity required to export to the EU under the EPA as well as withstand increased competition from EU producers on the domestic and regional markets.

Objective: To complete the EPA process by ratifying the Agreement, provided the outcome of EPA negotiations finds consensus among ECOWAS. To ensure that Liberian companies make use of the enhanced market access to the EU market for both goods and services, as well as support for developing Liberia’s competitiveness, while limiting negative impact on Government revenues and Liberian businesses.

Indicators, baselines, and targets:

Indicator	Source	Baseline	Target
Ratification of EPA	Laws of Liberia	EPA negotiations have been concluded in early 2014, subject to validation by ECOWAS Members	EPA ratified by legislature, provided the outcome of EPA negotiations finds consensus among ECOWAS
Level of support secured under the EPA development program	MoCI	Funding requirements under EPA development program have been identified	50% of funding requirements have been secured, and projects have started.

Main activities: In order to make best use of the EPA, the Government will:

- Complete the EPA process, in coordination with other ECOWAS Members;
- Further negotiate with the EU the implementation of the EPA development program and urge a prompt commitment of funds and start of implementation of planned activities;
- Encourage trade that offers transfer in technology from the EU countries to build Liberia’s domestic supply capacity in goods and services; and
- Reform the tax regime to compensate for revenue losses expected to arise from the EPA.

Responsibility for implementation and linkages with other policies: Implementation of the EPA, which is a LNTP core area, needs to be carefully coordinated with the ECOWAS integration process; linkages with the ECOWAS CET, as discussed above, need to be taken into account. Coordination with WTO accession is also required in order to make sure that Liberia’s WTO and EPA commitments are aligned with each other.

3.5.3 Access to Selected Other Markets: Preferential Trade Agreements

Rationale: Bilateral trade agreements complement multilateral trade efforts through the development of increased access into selected markets. However, full advantage can only be realized by addressing supply side constraints and attracting investment.

Also, Liberia – like other developing countries – benefits from preferential market access provided by other countries under schemes such as the African Growth and Opportunity Act (AGOA) and the Generalized System of Preferences (GSP). For example, China allows duty-free import of 95% of goods from Liberia. Also, Liberia has signed bilateral MoUs with many other countries granting preferential access to Liberian exports. All of these preferential schemes and agreements, like regional trade agreements including ECOWAS, are linked to cumbersome rules of origin and other NTBs which make it difficult for Liberian businesses to exploit the opportunities offered. The 2013 Bali package provides for a number of improvements in this respect, but LDCs like Liberia have the responsibility to ensure that these improved rules are actually enforced.

To date, Liberian businesses have hardly been able to export under preferential trade agreements: only five companies have exported under them – one under AGOA and four under the MRU.

Objective: To enable businesses to take full advantage of any preferential schemes from which Liberia benefits and to expand the list of countries that offer such preferences to Liberia.

Indicators, baselines, and targets:

Indicator	Source	Baseline	Target
Increase in the number of Liberian businesses exporting under PTAs and preference schemes	MoCI	5 companies	10 companies

Main activities: The Government will:

- Seek to develop its trade and investment relations with China under China’s Preferential Trade Agreement with LDCs as well as with the United States in the context of AGOA;
- Liaise with developed countries to ensure that the Bali package WTO rules are applied to Liberia, including the stipulations that rules of origin are simple, clear and transparent and that preferential treatment are extended to services;
- Identify, develop, and promote products for which Liberia has potential to trade under the preferential schemes;
- Assist Liberian exporters to cope with the requirements of preference schemes in terms of rules of origin including the issuance of certificates of origin, and other non-tariff measures;
- Raise awareness among Liberia’s producers about ECOWAS and the preference schemes from which Liberia benefits, notably the associated rules of origin requirements;

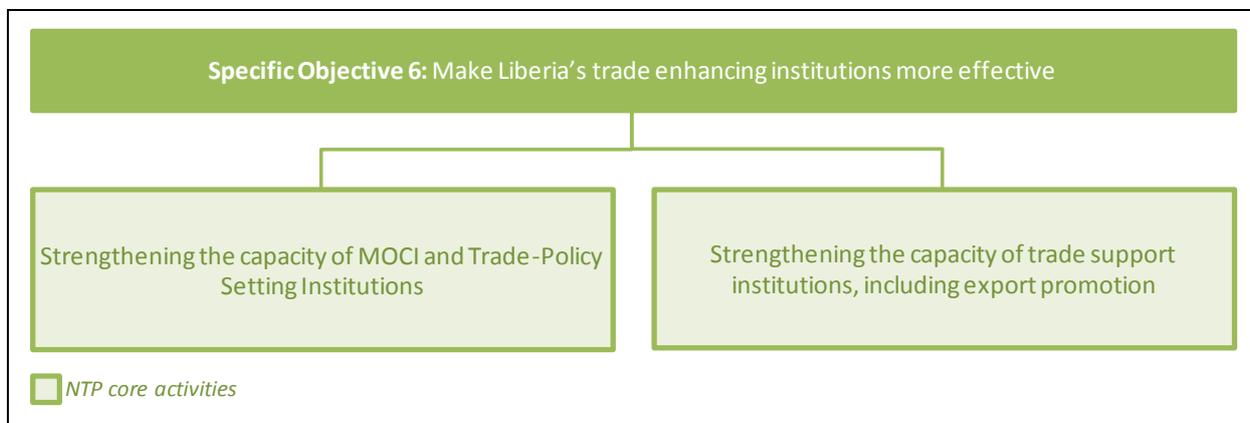
- Whenever negotiating bilateral trade agreements, ensure that a net positive balance is achieved between internal and external costs and benefits in commitments made;
- Seek improved access to key export markets while retaining flexibility in its tariff arrangement for the development of competitive domestic industries.

Responsibility for implementation and linkages with other policies: MoCI is the lead implementing agency for this LNTP core activity. Close coordination with MoFA for the negotiation aspects will be ensured.

3.6 Making Trade Enhancing Institutions More Effective in Promoting Liberia’s Trade Interests Internationally and Facilitating Access to Foreign Markets

Achieving the LNTP objectives will require effective, and effectively coordinated, national institutions both at the policy and implementation levels. It is generally acknowledged that capacity constraints within MoCI and other Government agencies as well as within private sector organizations preclude effectively and efficiently addressing the multiple and technically complex tasks that a trade policy requires. Therefore, institutional strengthening of the relevant institutions must constitute an integral part of the LNTP. This will be achieved through two sets of activities (Figure 10): at the policy level, capacities within MoCI and other ministries will be strengthened, while at the implementation level a number of public and private institutions will be strengthened.

Figure 10: LNTP Measures Related to Specific Objective 6: Strengthening Liberian Trade Policy and Trade Support Institutions



3.6.1 Strengthening the Capacity of MoCI and Policy-Setting Institutions

Rationale: MoCI is mandated to “promote, develop, regulate, control, and expand the commercial, industrial enterprises and activities of the Republic [...] through establishment and enforcement of standards for commodities and for trade.”¹⁹ This broad mandate establishes the Ministry as the primary trade-support institution in Liberia. Since a capacity assessment undertaken as part of the 2008 DTIS found that MoCI suffered from “serious capacity problems,” the Ministry has undertaken a substantial reform agenda in each of its main functional areas. In terms of its own organizational capacity, MoCI has prepared an induction manual, including signing a staff code of conduct which was compulsory for all ministry staff. A training plan was drafted based on a training needs

¹⁹ An Act to Amend the Executive Law With Respect to the Ministry of Commerce and Industry and Transportation, January 19, 1972, S 651

assessment which is now housed in the HR department. All directors now have updated job descriptions, and there is a newly completed HR directory. However, low capacity of staff remains an issue, with less than 65% of staff with a high school diploma, and very few with technical training or capacity. A recent UNDP capacity assessment stated that “recruitment of technocrats is highly needed”, that the “finance department is inadequately staffed,” and that the Ministry will have a challenge meeting its mandate due to budgetary constraints.²⁰ In addition, high staff turnover among Government staff is a problem for the creation of a pool of knowledge/institutional memory for technical trade policy issues.

Updating, revising, and implementing the LNTP requires a suitable and authoritative institutional structure within MoCI and other ministries and agencies in charge of implementation of certain aspects of the LNTP, as well as a sufficient pool of suitably qualified and experienced staff.

Objective: To strengthen the capacity of MoCI and other ministries and agencies involved in trade policy definition and thus facilitate the LNTP’s efficient implementation and the achievement of the AfT’s overarching objectives.

Indicators, baselines, and targets:

Indicator	Source	Baseline	Target
Share of staff with university degree	MoCI Annual reports	34% (2013)	50%
Number of trainings provided to MoCI staff per year	MoCI Annual reports	35 trainings (2013)	60 trainings (2019)
Existence of an M&E function within MoCI	MoCI Annual reports	No explicit M&E function exists at MoCI	MoCI M&E Unit established (2014)

Main activities:

- MoCI will establish a functional Multilateral Trade Division addressing bilateral, regional and preferential, and multilateral trade agreements, with new funding for full-time staff, i.e. two economists and two lawyers (which will partner with the external technical advisors);
- Pursuant to capacity needs assessments, training on trade policy issues will be provided to MoCI and other relevant Government ministries, agencies and staff;
- Government will continue to build its capacity for negotiation and participate in multilateral trading negotiations to ensure that the trading rules capture the best opportunity for the Country’s development.

Responsibility for implementation and linkages with other policies: By definition, the strengthening of MoCI and other trade policy setting institutions is a core area of the LNTP. The lead implementing agency will be MoCI, in cooperation with all ministries and agencies which are involved in trade policy setting. Cooperation will range from the identification of capacity building needs to the actual implementation of capacity building programs. International organizations and donors will also play an important role in their capacity of assistance providers. Linkages exist furthermore with, among others, the DTIS Action Matrix and the EPA development program.

²⁰ UNDP, October 2012, Capacity Assessment of National Implementing Partners of UNDP Funded Projects.

3.6.2 Strengthening the Capacity of Trade Support Institutions, Including Export Promotion

Rationale: In addition to institutional constraints at the policy level, the absence of a national trade or export promotion system especially limits SME potential to export now or in the future. Globally, successful exporting countries all have institutions to facilitate the exporting potential of SMEs, while Liberia has not. The NES has identified the absence of a trade promotion organization as a barrier for promoting exports and developing competitiveness.

Objective: To establish an institution and provide effective support to Liberian exporters and potential exporters in terms of market intelligence, market access and entry, and facilitation of exports. To strengthen the trade-related capacity of other Liberian institutions providing support services to exporters.

Indicators, baselines, and targets:

Indicator	Source	Baseline	Target
Establishment and effective operation of an export promotion function which provides a comprehensive set of support services to Liberian exporters	MoCI	No export promotion body exists.	Export promotion body is operational
Number of MoCI staff seconded to Liberian diplomatic missions	MoCI	No seconded staff	2 second staff
Number of trade support institution staff trained	MoCI	Trade support fragmented across various institutions, with no systematic training done	20 per year

Main activities: In relation to the strengthening of capacity for trade promotion, the Government will:

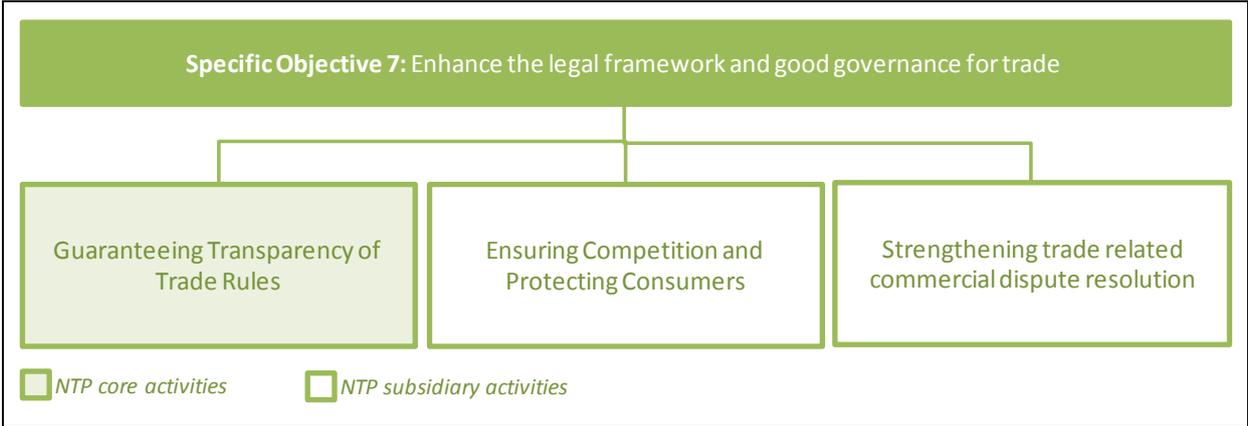
- Establish an export promotion function and adopt export promotion policies. Further study is needed whether the export promotion function will be situated within MoCI (or an existing institution) or established as an independent institution;
- Facilitate training to staff of those institutions which provide export support services, including standards institutions, trade finance institutions, private sector associations, research institutions, lawyers, and consultants. This will require a mapping of current trade support functions in various ministries, agencies and organizations;
- Embed MoCI staff in selected foreign missions and train diplomatic staff in Liberian trade and legal frameworks as well as and measures and channels Liberian firms can utilize when engaging in export processes.

Responsibility for implementation and linkages with other policies: This LNTP core area will be coordinated and led by MoCI. Similar to the capacity building of trade policy setting institutions, cooperation will be ensured with all trade support institutions, both in the public and private sector. International organizations and donors will also play an important role in their capacity of assistance providers. Linkages exist furthermore with, among others, the DTIS Action Matrix and the EPA development program.

3.7 Enhancing the Legal Framework and Good Governance for Trade

A successful trade policy rests on the fulfillment of a number of rules of the game which ensure that trade takes place on a fair and level playing field. Three key rules which are addressed specifically by the LNTP, in addition to the general guiding principle of governance as described in section 2.4.5, are: guaranteeing transparency and predictability of trade rules in Liberia; ensuring fair competition and consumer protection; and building capacity for an effective and efficient system for the resolution of trade disputes (Figure 11).

Figure 11: LNTP Measures Related to Specific Objective 7: Enhancing the Legal Framework and Good Governance for Trade



3.7.1 Guaranteeing Transparency of Trade Rules

Rationale: Predictability and transparency of laws and regulations affecting trade are an integral part of an enabling business environment and a precondition for both domestic and trans-border trade. A stable environment for trade and investment warrants both the transparent development of trade rules, as well as their enforcement. Furthermore, transparent, clear, and predictable rules are important safeguards against corruption. Such an integrated approach to a stable, transparent enforcement regime especially applies to government procurement practices.

Objective: To ensure that businesses in Liberia benefit from clear and predictable rules applied to trade in Liberia.

Indicators, baselines, and targets:

Indicator	Source	Baseline	Target
Consultation of stakeholders in the development of trade-related policies rules	MoCI and MoF websites	Sometimes stakeholders complain about insufficient consultations	All new trade-related rules adopted have been consulted with stakeholders
Publication of, and ease of access to, trade-relevant rules	MoCI and MoF websites	Sometimes stakeholders complain about lack of information about trade related rules	All new trade-related rules published promptly in written form and on the internet

Main activities:

- Government will consult with stakeholders during the development of laws and regulations, including administrative decrees;
- Government will prioritize publishing laws, regulations, and other rules affecting trade and will do so in a timely fashion. Online publication will be considered. Information dissemination will also take into cognizance the low level of literacy and the limited means of information exchange of rural communities;
- Tariff protocol agreements with trading partners will be clearly outlined and made accessible to traders to ensure transparency and discourage exploitation by customs and border officials;
- Over time, the Government will seek to enhance the transparency and predictability of the current mechanisms for determining tariffs, including executive order tariff waivers;
- Government will ensure that any authorizations issued before launch and implementation of the trade policy shall continue to be valid for the purpose for which they were issued;
- In relation to government procurement, the Government will simplify and publicize the rules and regulations governing public procurement. The Government will advertise public procurement, ensure that public procurement is conducted in a transparent, efficient, and quick manner, and will ensure that government procurements are audited and regularly monitored.

Responsibility for implementation and linkages with other policies: MoCI will be the lead implementing agency for this LNTP core area. Close cooperation will be ensured with the legislature as well as the PPCC in relation to procurement issues.

3.7.2 Ensuring Competition and Protecting Consumers

Rationale: Rules on competition are key components in creating and evaluating the environment to promote trade; they likewise preclude environment of negligence that could enable unfair trade practices and abuse. Effective enforcement of competition regulations and rules will ensure transparency in public and private sectors in Liberia. This will promote the use of local products and services and the support of local industries.

The Government recognizes its duty to protect consumers from unfair practices and the marketing of unwholesome goods/services which may adversely affect health and safety. A new competition law has been drafted but is yet to be ratified. Until this ratification takes place and a properly funded competition body is established, there is significant space for the operation of price collusion and cartels in Liberia's small and uncompetitive import market. The Ministry of Commerce is frequently under pressure from the Government and the media to control the price of goods on the market.

A particular aspect of ensuring fair competition are trade remedies, which would ensure that Liberian producers are not negatively affected by the import of subsidized or dumped goods or by sudden increases in imports of a particular commodity. Liberia currently has no trade defense regime; however, such a regime is currently being developed at the ECOWAS level.

Objective: The objectives of competition and consumer protection under the LNTP are:

- To ensure that no individual, business, group of traders or producers will conspire to conduct unfair trade practices to the detriment of Liberian consumers;

- To ensure that fair competition will prevail among all businesses – foreign and domestic, large and small – providing goods or services on the Liberian market;
- To ensure the well-being, rights and education of consumers. This includes, among other priorities, the protection of health and safety, the protection against misleading or false information about goods and services, and the importation of substandard commodities – while ensuring that standards issues are not used as protectionist devices.

Indicators, baselines, and targets:

Indicator	Source	Baseline	Target
Adoption and enforcement of competition and consumer protection law and policy	Laws of Liberia	Draft competition law in place (2013)	Competition law adopted (2015) and competition authority established (2017)

Main activities:

- Government will enact rules on competition as key component in promoting trade as it promotes efficiency, enhances the development of the productive sector, and protects consumers;
- Following enactment of the competition law and regulations, Government will establish a competition authority and effectively enforce rules to discourage unfair trade practices and ensure fair competition;
- Government will ensure transparency in government procurement procedures;
- Government will develop clear, transparent, coordinated, and comprehensive consumer protection rules and regulations to facilitate the exercising of consumer rights;
- Government will formulate standards, regulations, and other instruments that will give speedy remedies to, and penalties for, breaches in consumers' rights;
- Government will ensure the availability of and access to information that will cultivate an educated and informed public. This will enhance the capacity of all segments of the population to exercise their rights;
- Government will develop and enforce a comprehensive and transparent set of rules and regulations aimed at preventing the importation of sub-standard commodities in Liberia;
- Government will actively participate in the development of an ECOWAS trade remedy framework and, based thereon, decide on the necessity of implementing a national trade remedy framework.

Responsibility for implementation and linkages with other policies: Although MoCI is the lead implementation agency, competition and consumer protection are not a core area of the LNTP. Interventions in this policy will be coordinated with MoJ, the legislature and private sector organizations, and be aligned with the provisions of a number of other policies already in place, including the Investment Act and the MSME Policy. Monitoring will be undertaken by the LDA.

3.7.3 Strengthening Resolution of Trade Related Commercial Disputes

Rationale: Commercial dispute resolution relates both to domestic trade and international trade disputes. While this was long lacking in Liberia, the new Commercial Code enacted in 2010 and a Commercial Court established in 2011. Therefore much has already been accomplished. However further capacity building in the adjudication of trade and trade related disputes is required.

Objective: To improve the efficiency of the Liberian legal system in terms of adjudicating trade related commercial disputes, both of a domestic and of a trans-boundary nature.

Indicators, baselines, and targets:

Indicator	Source	Baseline	Target
Increase in legal capacity to handle trade disputes	MoCI	Commercial Court established but lacking specific skills required for adjudication of trade disputes	Judges and legal professionals trade in trade disputes, including IPR, NTMs, classification issues, etc.

Main activities: The Government will build the capacity of the judges and legal professionals, with the technical support from international specialized organizations and donors, to support its trade policy activities (IPR, licensing issues, competition, etc.).

Responsibility for implementation and linkages with other policies: The lead implementing agency for this non-core LNTP activity will be MoJ. LNTP activities will be aligned with those foreseen in the AfT pillar 1, “expanded and enhanced judicial system”.

4 Implementation Arrangements

As an overarching framework document, the LNTP has been developed through a process of intense consultation among several ministries and agencies of the Government as well as stakeholders. Likewise, the implementation and monitoring of the LNTP will be effected through extensive collaboration and strengthened partnership with relevant ministries and agencies. In line with the distinction between LNTP core and subsidiary areas, responsibilities and implementation arrangements will vary:

- **LNTP core areas:** MoCI will be responsible for the strategic management, coordination and implementation of the LNTP core areas, working in partnership with other ministries and agencies, the private sector and external organizations. MoCI will directly be responsible for the monitoring of LNTP core areas as identified in this document.
- **LNTP subsidiary areas:** For non-core areas, the lead implementation agencies will be the ones under which mandate the specific measures fall. The role of the MoCI will be restricted to that of a subsidiary monitoring body, while primary monitoring will be effected by the responsible institution, and the lead monitoring agency will be the LDA, which will also facilitate the exchange of information between MoCI and the implementing institutions.

As a general rule, MoCI will draft the necessary amendments to the laws related to or implied in the LNTF. MoCI, in collaboration with other trade-related ministries and agencies, will issue necessary notices, circulars, and policy guidelines for the effective implementation, monitoring, and review of the LNTF. This activity will be executed via comprehensive methods to ensure optimal information capture and understanding, fully recognizing the varied levels of literacy of both women and men in Liberia.

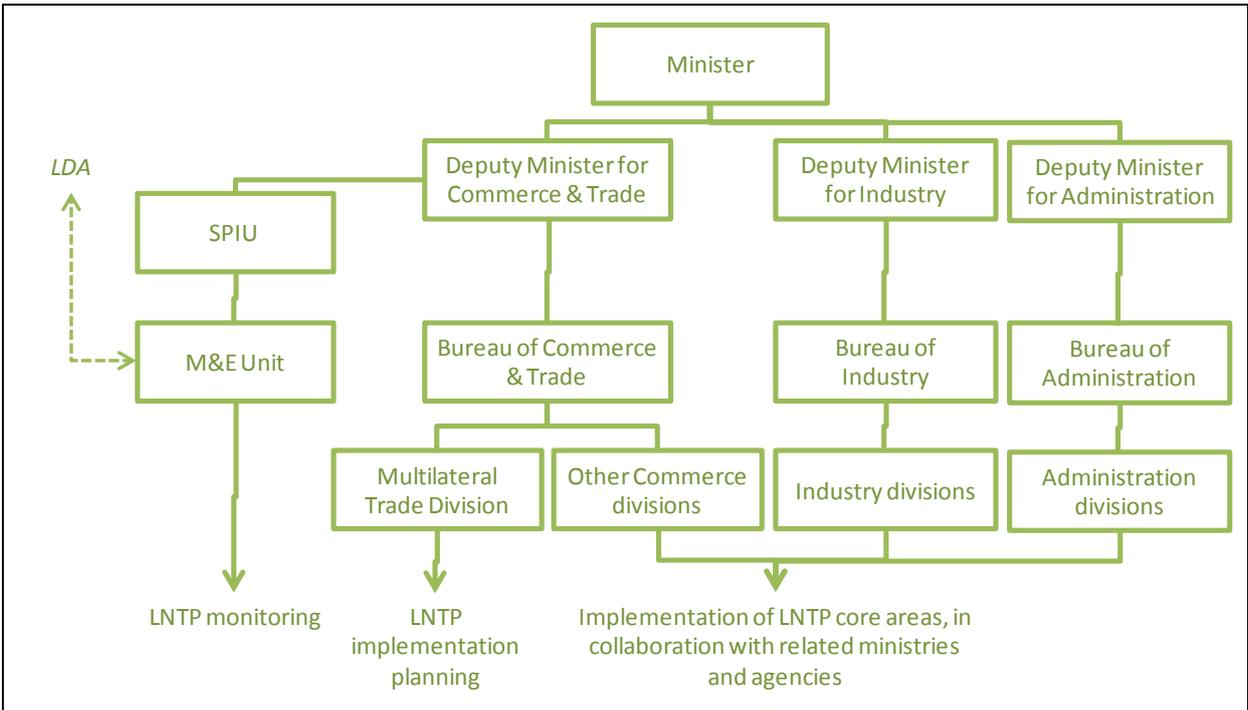
The following sections provide more details about the institutional and procedural arrangements for the implementation of the LNTF.

4.1 Implementation of LNTF Core Areas

Responsibilities outlined under the LNTF core areas will be shared among various units of the MoCI (Figure 12). The implementation of LNTF actions will be undertaken by the responsible units within the MoCI structure, notably in the Bureaus of Commerce & Trade and Industry, and related agencies, in line with their existing terms of reference and mandates.

Strategic issues related to the LNTF will be under the responsibility of the new Multilateral Trade Division under the Bureau of Commerce & Trade, which will assume responsibilities related to bilateral, regional and international trade negotiations and policies, the National Export Strategy, trade facilitation technical support, and IPR issues. Specifically, the Multilateral Trade Division will also be responsible for the development and regular review and update of implementation plans of LNTF core issues. These will be integrated into the 3-year strategic plans of the MoCI. They will also include activities to be undertaken under the separate strategies developed for LNTF core areas, such as the NES, the WTO accession strategy and the DTIS Action Matrix.

Figure 12: Implementation structure for LNTF core areas



Monitoring of LNTP core area progress will be undertaken by the M&E Unit under the SPIU, which will be expanded from the EIF M&E unit currently under establishment. The MoCI M&E Unit will also report to the LDA M&E Section, which in turn will provide information about progress in LNTP non-core areas to the MoCI M&E Unit (see section 4.4 for details).

4.2 Implementation of LNTP Subsidiary Areas

Given its overarching nature, the implementation of LNTP subsidiary areas will involve a large number of ministries and agencies. As a general rule, the lead implementation areas for LNTP subsidiary areas will be the institutions in charge for the specific policy area. Monitoring of LNTP subsidiary areas will be under the responsibility of the LDA, which will liaise with the MoCI M&E Unit; details are provided in section 4.4.

The main mandates of key implementing institutions in relation to the LNTP are as follows:

- The **Ministry of Commerce and Industry** is the primary agency for the LNTP but will not directly be involved in the implementation of LNTP subsidiary areas. It will be responsible for LNTP formulation, review and further development. MoCI will also ensure the continued participation of the private sector and civil society in the implementation, monitoring and further development of the LNTP.
- The **Ministry of State** holds the important role of policy oversight. It is also directly involved in the execution of trade policy through executive orders, which in the past have been an important trade policy instrument.
- The **Ministry of Finance and Economic Planning** is in charge of budgeting and expenditure, as well as revenue policy oversight and, importantly, the formulation and monitoring of development strategy.
- The main responsibility of the **Liberia Revenue Authority/Department of Revenue** is revenue collection and policy. Most importantly for the LNTP, the Bureau of Customs is in charge of all LNTP measures at the borders.
- The **Ministry of Foreign Affairs** undertakes the negotiation of bi-lateral trade agreements as well as undertakes export promotion through agencies.
- The **National Investment Commission's** main role in relation to the LNTP relates to its responsibility of promoting investment and defining investment policies, notably in relation to the Special Economic Zones.
- The **Central Bank of Liberia** plays an important role in relation to LNTP measures related to improving access to finance domestically as well as enhancing the availability of trade finance. It is responsible for financial services regulation.

Other ministries and institutions will also be involved in the implementation of specific aspects of the LNTP as described in this document, including in such sectors as agriculture, fisheries, mining, tourism, transport and infrastructure, and telecommunications, as well as in cross-cutting areas such as land, labor, gender, environmental protection, and legal and judicial matters.

With regard to the role of non-state actors in the development and implementation of trade policy, the Liberia Chamber of Commerce (LCC) and the Liberian Business Association (LBA) are Liberia's largest private-sector organizations. It is important that these organizations continue to be consulted in Liberia's trade policy and negotiations.

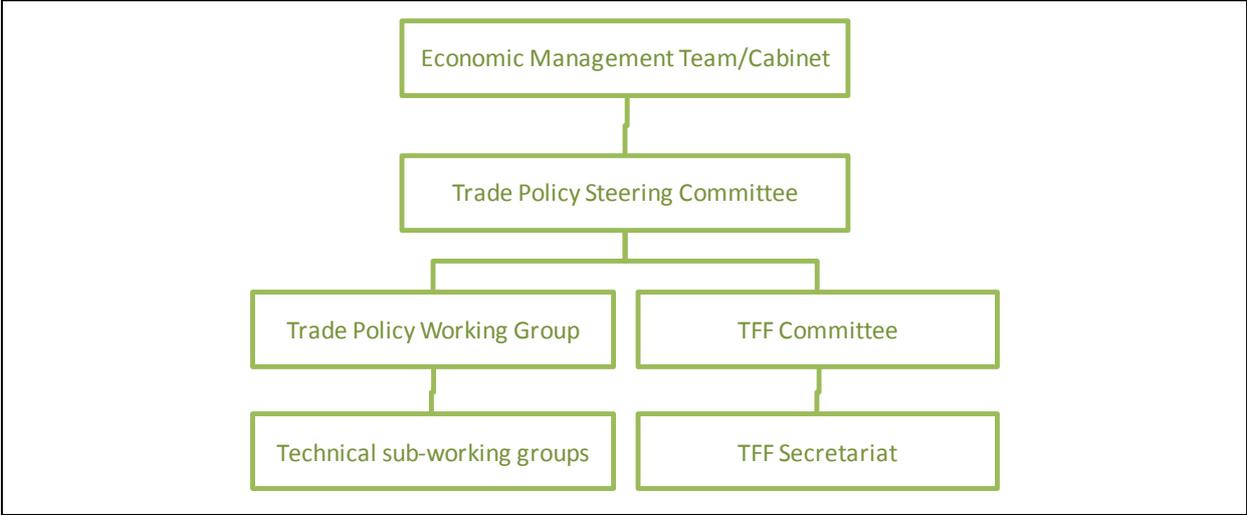
4.3 LNTP Coordination Mechanisms

Because of the involvement of a large number of stakeholders in the LNTP, it is imperative that the LNTP has an effective mechanism for the coordination of the various Government agencies involved in trade policy as well as effective communication with the legislature, economic actors, academia, and civil society. An effective public-private dialogue on trade policy issues is needed in order to ensure that Government actions take due account of the experience and represent the views of the private sector.

Figure 13 provides an overview of the LNTP coordination mechanisms. The specific responsibilities of the key elements in this structure are:

- At a senior level the **Economic Management Team (EMT)**, chaired by the President and comprising all of the major economic ministries, is the main body outside of **Cabinet** which brings together the highest level of government to discuss matters which are of direct interest to the economy. It will discuss LNTP issues as needed but at least annually.
- Inter-agency coordination and public-private dialogue of the LNTP measures will be ensured by the **Trade Policy Steering Committee (TPSC)**, which will be the successor of the WTO Steering Committee with an expanded mandate. The TPSC will address EIF, WTO, EPA, ECOWAS, LNTP and NES issues. Combining high level discussion of these issues in one body is not only important to ensure trade policy coherence but also a response to capacity and resource constraints, and an effort to maximize the efficiency of the organization. The TPSC will meet at least once in a year.
- At a technical level, LNTP issues will be discussed in the **Trade Policy Working Group (TPWG)**, which will be the successor of the WTO Technical Working Group with an expanded mandate. The rationale for the expansion of the WTO TWG's mandate is the same as for the Steering Committee, i.e. to ensure policy coherence and maximize the efficient use of scarce institutional resources. The TPWG will meet every other week. In order to facilitate the TPWG's technical work, it will establish technical sub-working groups on specific technical LNTP aspects, such as SPS, TBT, services trade, etc., which will be chaired by the respective ministry or agency carrying the responsibility for the issue addressed by the sub-working group.
- The **Trade Facilitation Forum (TFF) Committee** is the technical body which is comprised of representatives from a number of organizations inside and outside government including MoF, MoCI, MoT, MoJ, NIC, LCC, BIVAC, APM Terminals, and associations of importers, shipping lines, and customs brokers. The TFF Committee meets once a month and is chaired by the Deputy Minister of Commerce. It discusses primarily operational issues as raised in particular by the private sector. The TFF Committee is supported by a Technical Secretariat, which is chaired by the Assistant Minister for Commerce and is located in MoCI.

Figure 13: LNTP coordination structure



Public-private dialogue is mainstreamed in the coordination structure as the private sector is represented in all bodies at the 2nd & 3rd levels, through the LCC and, in the TFF Committee, other organizations and representatives. However, to further support the effective functioning of the coordination mechanisms, the following supplementary activities will be undertaken:

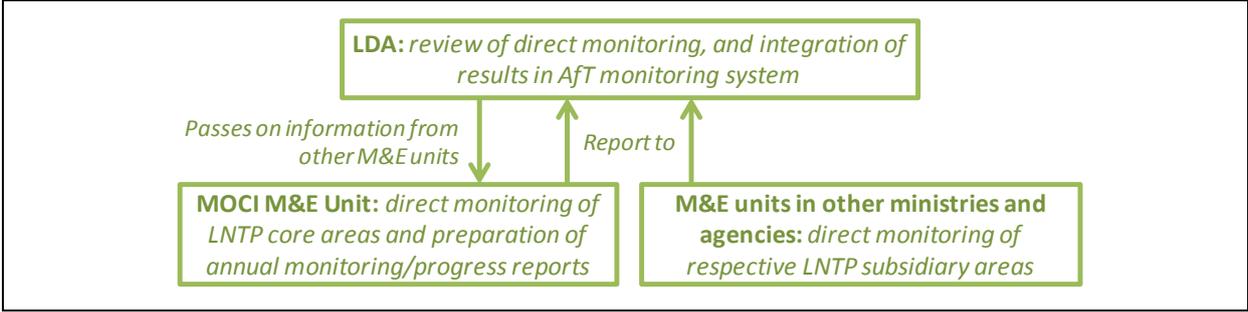
- MoCI will further develop the coordination bodies to ensure a coordinated, coherent and ongoing engagement process for stakeholders;
- Private sector organizations will need capacity building in order to actively and constructively contribute to public private dialogue including at the technical level. This will require technical support from international organization and donors (see section 4.5).

4.4 Monitoring and Evaluation

Monitoring of LNTP progress will be undertaken at least on an annual basis based on the indicators, baselines and targets established for each of the various policy areas identified in the LNTP and the results framework (annex A), as well as complementary progress indicators as defined in the AfT as well as policies and strategies guiding the implementation of LNTP subsidiary areas. To facilitate the annual monitoring, further targets for each year will be defined as part of the implementation planning of the LNTP.

The lead monitoring agency for the LNTP will be the LDA (or the designated institution for monitoring Liberia’s economic transformation). While the LDA is monitoring the AfT directly, the LNTP lead implementing agencies will be in charge of direct monitoring of the LNTP subsidiary measures which they implement, and periodically providing information about progress to the LDA (Figure 14). The LDA will then pass on this information to the MoCI M&E Unit which will prepare the annual LNTP monitoring and progress reports.

Figure 14: LNTF monitoring structure



The MoCI M&E Unit is in the process of being created. The SPIU will identify the requisite staffing to undertake M&E as well as the capacity building needed.

4.5 Donor Support

Liberia’s trade policies and the responsible institutions have benefitted from a variety of donor support. Among the key projects the following ones are ongoing:

- The Enhanced Integrated Framework National Implementation Unit (EIF NIU) was established in 2009 to inject capacity into MoCI and strengthen its policy coordinating role. The EIF is a multi-donor program, coordinated by the World Bank, that provides support to Least Developed Countries (LDCs) to become more active players in the global trading system. The support is geared towards tackling supply-side constraints to trade with the wider objective of promoting sustainable economic growth and development and thereby to reduce poverty;
- The WTO Unit has been established within MoCI to coordinate Liberia’s attempts to accede to the WTO. The unit is currently comprised of three seconded MoCI staff and two Swedish trade experts seconded from the Swedish National Board of Trade, with funding from SIDA. The unit is functioning but requires funding for additional senior staff to upgrade capacity in order to complete its extensive mandate;
- The African Development Bank’s Program of Assistance to Trade Support Institutions in Liberia (PATSI) focuses on technical assistance to the MoCI, Liberia National Port Authority and the Liberia Chamber of Commerce. The project includes funding for four long term technical advisors to support the MoCI in trade policy, MSMEs, standards, and financial management.

Other trade related projects include the Government of Japan’s support to the implementation of the MSME policy, USAID’s Trade Policy and Customs Project, EU support to, inter alia, customs modernization, ITC support for the formulation of the NES and the LNTF as well as WTO accession, assistance by UNCTAD, the WTO, the Government of Switzerland/IDEAS, IFC, ISLP and others.

Building on this support, the Government will require comprehensive financial and technical assistance from donors and specialized international agencies in the implementation of the LNTF. The details of assistance requirements are described in the revised DTIS Action Matrix, the NES and other trade-related strategies, as complemented by the LNTF implementation plans.

Management of donor support will be under the responsibility of the Single Project Implementation Unit, which has been established within MoCI as a centre of excellence to manage key projects. The Unit currently houses four major projects.

Annex A: The LNTP Results Framework

Overall Objective LNTP		Progress indicator(s)		Baseline	Target		
To promote an open competitive private sector economy by supporting the agricultural, industrial, and services sectors to trade at the local and international levels, thereby contributing to employment generation, improvement of the livelihood of the Liberian people, and reduction in poverty.		• Improved trade balance as a share of GDP		Trade deficit 35% of GDP (2012)	Trade deficit 30% of GDP		
Specific Objectives		Progress indicator(s)		Baseline	Target		
SO1: Promote international export competitiveness of Liberian products by addressing supply-side constraints		Increased growth in exports from agriculture, agro-industry, and manufacturing firms		Av. growth p.a., 2008-2011: 13.7%	2015-18: 15%		
Constraints	Proposed response to address constraints	Agents of change	Time frame ²¹	Results/progress indicator	Baseline	Target	M&E
C1.1: Lack of appropriate quality infrastructure prevents exports of Liberian agricultural and industrial goods	<ul style="list-style-type: none"> Establish an effective and efficient National Standards Body; Provide technical assistance to the productive sector on quality related issues, and thereby help it to comply with health, safety, environmental and technical standards; Establish a regulatory framework for SPS and TBT in line with international best practice; Ensure that standards on export markets do not become barriers to exports for Liberian producers. 	Lead MoCI Others MoA, MoH, FDA, EPA	MT	1. Establishment and effective operation of an autonomous National Standards Body 2. Existence of a legal framework for SPS 3. Existence of a legal framework for TBT	1. The Liberian quality infrastructure mainly consists of a Division within MoCI and a Standards Laboratory with limited testing capacities. 2./3. Current legal framework is out of date.	1. National Standards Body operational and Laboratory internationally accredited. 2./3. The legal framework for SPS & TBT has been updated in line with international best practice.	MoCI

²¹ Short term (one year)/medium term (by end of LNTP)/longer term (extending beyond LNTP period).

Constraints	Proposed response to address constraints	Agents of change	Time frame ²¹	Results/progress indicator	Baseline	Target	M&E
C1.2: Low number of Liberian exporters, including in non-traditional export sectors (including services). Lack of support to exporters.	<ul style="list-style-type: none"> • Increase the volume and diversify exports by broadening the number of Liberian exporters, including in non-traditional export sectors (including services). • Lower the cost of production of export commodities and make them more competitive on the international markets by applying WTO consistent support schemes. • Ensure improved administration of incentive regimes. 	Lead MoCI Others NIC	MT ST	1. Share in registered businesses which are exporting 2. Legal framework in place for SEZ	1. 1% 2. Draft SEZ law in place	1. 2% 2. SEZ law and regulations adopted	MoCI
C1.3: Inadequate transport infrastructure increases cost of production	<ul style="list-style-type: none"> • Facilitate the delivery of goods from producers, wholesalers, and retailers to markets at a competitive and reduced cost of transport by upgrading and expanding the road network and fleet. • Increase the utility of transport infrastructure and services. 	Lead MoT	MT	Expansion of the network of primary, secondary and market feeder roads in Liberia	2,206 miles (2012)	4,506 miles (2017)	LDA
C1.4: Inadequate energy infrastructure increases cost of production	<ul style="list-style-type: none"> • Enhance the availability of electricity to the productive sector in terms of expanded penetration (connection to the grid), while reducing the cost of power for industrial use to competitive levels. 	Lead MoLME, LEC	LT	Increase in percentage of businesses having access to electricity	10% urban/ 2% rural (2009)	30% urban/ 15% rural (2015)	LDA
C1.5: The telecommunication	<ul style="list-style-type: none"> • Develop an expanded high 	Lead	MT	Level of access to	Total recorded internet	To be decided by the	LDA

Constraints	Proposed response to address constraints	Agents of change	Time frame ²¹	Results/progress indicator	Baseline	Target	M&E
network and other facilities in Liberia are largely inadequate and increase the cost of production and distribution of goods and services in the domestic market and for export	<ul style="list-style-type: none"> quality and affordable ICT infrastructure; Expand the use of ICT in all relevant ministries and agencies for the development and facilitation of trade in Liberia; Encourage the use of ICT in the private sector; Continuously improve laws and regulations to make sure competition is upheld in a fast changing technological sector. 	MoPT and LTA		internet services	subscribers: 159,444 Internet users per 100 inhabitants: 4.6	lead implementing agency.	
C1.6: Lack of financing instruments for exports	<ul style="list-style-type: none"> Increase the availability and accessibility of trade finance and export credit finance for Liberian businesses 	Lead CBL, MoF Others MoCI, financial institutions	MT	Increased availability of export credit	Limited availability of export credit.	Export credit schemes created and implemented	LDA
C1.7: Priority export sectors need kick-off (infant industry) support	<ul style="list-style-type: none"> Provide support to priority sectors under National Export Strategy 	See NES	MT	Increase in export of priority sectors	n.a.	Higher-than average increase in export of priority sectors	LDA

Specific Objectives				Progress indicator(s)	Baseline	Target	
S02: Promote domestic trade and broaden the pool of export-ready companies				Number of registered businesses	9,087 (av 2011-13)	17,000	
Constraints	Proposed response to address constraints	Agents of change	Time frame ²²	Results/progress indicator	Baseline	Target	M&E
C2.1: Lack of facilities for domestic trade such as markets, warehouses, etc. impacts on turn-around	<ul style="list-style-type: none"> Provide appropriate facilities and access for domestically oriented businesses to the existing infrastructure. 	Lead MoCI	MT	Existence of strategy and action plan for the rehabilitation and expansion of facilities	No strategy and action plan for the rehabilitation and expansion of facilities for domestic trade exists.	Strategy and action plan for the rehabilitation and expansion of facilities for domestic trade developed	MoCI

²² Short term (one year)/medium term (by end of LNTP)/longer term (extending beyond LNTP period).

Constraints	Proposed response to address constraints	Agents of change	Time frame ²²	Results/progress indicator	Baseline	Target	M&E
time, prices, and the efficiency of delivery				for domestic trade		and under implementation, with high priority actions completed	
C2.2: Limited number of scalable domestic firms that are in a position to employ technology, train workers, and develop firm-specific knowledge	<ul style="list-style-type: none"> Promote and support the creation of formal and scalable local manufacturers and stimulate demand for locally produced goods and services. Empower domestic traders and transform trading activities from informal sector into the formal economy. 	Lead MoCI Others PPCC, LBR	MT ST	1. Ease of access to business registration facilities 2. Increase in public procurement of locally produced goods and services	1. Registration of businesses limited to few locations 2. Public procurement is unrecorded and untargeted.	1. Mobile registration of businesses in place and number of facilities increased 2. 25% of public procurement reserved for domestic private sector	MoCI
C2.3: Limitations exist in protecting new invention, design, ideas, and creativity occurring in the economic and social growth of the country	<ul style="list-style-type: none"> Enhance protection of IPR with the dual objectives of encouraging innovation and the development of new technologies in Liberia and protecting inventors and thus ensuring continued development of these new technologies and ideas within Liberia. 	Lead MoCI Others Customs	MT	Existence of effective and efficient national intellectual property regime	National intellectual property regime in place but with some weaknesses and duplication of some tasks.	New national intellectual property regime implemented	MoCI
C2.4: Difficulties in access to finance not only constitute an obstacle to trade but to conducting business in general	<ul style="list-style-type: none"> Reduce costs and promote growth opportunities for traders and producers through the provision of competitively priced financing facilities to both urban and rural based businesses. 	Lead CBL Others MoF, MoCI, Liberian Bankers Association	ST	1. Increased availability of loans for MSMEs 2. Reduction in SME loan rates	1. No benchmark exists; MSMEs' access to loans is limited by collateral requirements and lending institutions' limited understanding of MSMEs and risk aversion 2. 15%-17%	1. Benchmark completed and dedicated MSME focused sections created with specially trained loan officers in select banks 2. 10%	LDA
C2.5: Difficulties exist in access to land and security of tenure, preventing efficient use	<ul style="list-style-type: none"> Ensure that land is utilized to support and encourage growth and development and can be freely used as collateral for 	Lead Land Commission	MT	Progress in implementation of Land Rights Policy	Land Rights Policy approved	Land cadastre operational and recording land parcels	LDA

Constraints	Proposed response to address constraints	Agents of change	Time frame ²²	Results/progress indicator	Baseline	Target	M&E
of land by businesses	finance. <ul style="list-style-type: none"> Ensure access to land tenure based on established title and transparent methods of conveyance. 						

Specific Objectives	Progress indicator(s)	Baseline	Target
SO3: Make import and export administration, customs and border-control measures more efficient	Time to clear imports and exports through customs	Imports: 15 days Exports: 7 days	Imports: 12 days Exports: 6 days

Constraints	Proposed response to address constraints	Agents of change	Time frame ²³	Results/progress indicator	Baseline	Target	M&E
C3.1: Exporting in Liberia is subject to slow export administrative procedures	<ul style="list-style-type: none"> Prevent that the export administration constitutes an undue burden on exporters both in terms of compliance costs and cash costs, thereby contributing to the international competitiveness of Liberian exporters 	Lead MoCI Others LPA, LAA, inspection companies, APM Terminal, the Brokers Association, and exporters	LT	Time required for clearing exports	7 days (2013)	6 days	MoCI
C3.2: Importing of inputs necessary for value-added and export-oriented production in Liberia is subject to very slow and expensive import administrative procedures	<ul style="list-style-type: none"> Ensure that Liberian businesses have secure and timely access to imported capital goods and inputs, thereby promoting their competitiveness and enabling them to participate in international (regional or global) value chains. Establish SPS and TBT enquiry points 	Lead MoCI Others LPA, LAA, inspection companies, APM Terminal, the Brokers Association	MT	1. Time required for clearing imports 2. WTO compliant licensing regime enacted	1. 15 days (2013) 2. Draft Foreign Trade Law exists	1. 12 days 2. WTO compliant licensing regime enacted 3. SPS and TBT enquiry points established	MoCI
C3.3: Border controls are time consuming	<ul style="list-style-type: none"> Promote speedy, effective, and efficient custom clearance and 	Lead Bureau of Customs	ST	1. Enhanced legal framework for	1. Draft Customs Code in place	1. Customs Code enacted	MoCI

²³ Short term (one year)/medium term (by end of LNTP)/longer term (extending beyond LNTP period).

Constraints	Proposed response to address constraints	Agents of change	Time frame ²³	Results/progress indicator	Baseline	Target	M&E
	reduction of cost to importers and exporters. <ul style="list-style-type: none"> Simplify and make transparent the procedures for clearing goods imported into the Country. 	Others MoCI	MT	customs 2. Enhanced and expanded use of customs automation	2. ASYCUDA implemented in a limited number of border posts	2. ASYCUDA rolled out to all 17 points of entry	
C3.4: Airport and seaport activities and costs are constraints on exports and imports. Lack of appropriate facilities prevent the export of perishable products.	<ul style="list-style-type: none"> Facilitate passage of goods at airports, seaports, and border posts, while providing high quality cargo handling at competitive prices. 	Lead MoCI, MoPW, NPA, LAA, Customs	MT	Reduced cargo dwell time at major ports	7 days; for break bulk: 79 days or more	5 days ; for break bulk, cargo dwell time: 30 days	MoCI
C3.5: Restrictions on transit trade serve as serious barriers to trade	<ul style="list-style-type: none"> Streamline transfer of goods through Liberia from/to any of the sub-regional countries, without leakages in the local economy 	Lead MoCI, MoT, Customs	MT	Improved road connectivity with neighboring countries	Lack of good quality roads linking Monrovia to the principal productions centers in MRU and ECOWAS partners	Expanded good-quality roads connecting Liberia with MRU and ECOWAS partners	MoCI

Specific Objectives		Progress indicator(s)			Baseline	Target	
SO4: Promote regional trade and integration		Share of Liberia's intraregional trade in Liberia's global trade			9% (2012)	12%	
Constraints	Proposed response to address constraints	Agents of change	Time frame ²⁴	Results/progress indicator	Baseline	Target	M&E
C4.1: Tariff policy not yet harmonized within ECOWAS	<ul style="list-style-type: none"> Implement the ECOWAS Common External Tariff, ratify ECOWAS Trade Liberalization Scheme (ETLS) to complete accession to ETLS 	Lead Customs Others MoCI, ECOWAS	ST	1. Ratification of ECOWAS ETLS 2. Implementation of ECOWAS ETLS and CET in Liberia	1. ETLS approved by ECOWAS Heads of State 2. Liberia applies national tariffs	1. ECOWAS ETLS ratified by legislature 2. ECOWAS ETLS and CET implemented in Liberia, with required exemptions	MoCI
C4.2: Non-tariff barriers (NTB) in trade with ECOWAS put a burden on intraregional trade	<ul style="list-style-type: none"> Conduct studies to identify NTBs and subsequently remove them; Participate in regional initiatives aimed at removing NTB; 	Lead MoCI Others TFF, Customs,	LT	Number of removed NTBs	19 NTBs for regional trade have been identified	Removal of 50% of identified NTBs	MoCI

²⁴ Short term (one year)/medium term (by end of LNTP)/longer term (extending beyond LNTP period).

Constraints	Proposed response to address constraints	Agents of change	Time frame ²⁴	Results/progress indicator	Baseline	Target	M&E
	<ul style="list-style-type: none"> In regional fora, push for the removal of barriers/obstacles to full regional integration. 	MoT, MRU, ECOWAS					
C4.3: Pan-African trade is limited	<ul style="list-style-type: none"> Contribute to the process of African integration by fostering continental trade. Source support for investment and technical incentives that will contribute to Liberia's economic growth and trade agenda. 	Lead MoCI Others MoFA	LT	Share of trade with African partners in Liberia's overall trade	9% (2012)	12%	MoCI

Specific Objectives	Progress indicator(s)	Baseline	Target
SO5: Promote global market access for Liberian goods and services	Increase in the number of Liberian businesses exporting under PTAs and preference schemes	5 companies	10 companies

Constraints	Proposed response to address constraints	Agents of change	Time frame ²⁵	Results/progress indicator	Baseline	Target	M&E
C5.1: Liberia is not a member of the WTO	<ul style="list-style-type: none"> Swiftly proceed and complete WTO accession process 	Lead MoCI Others Almost all ministries and agencies	MT	Progress in Liberia's WTO accession progress	Liberia has completed the initial phase of WTO accession	Liberia has successfully completed WTO accession	MoCI
C5.2: EPA will confront Liberia with challenges such as potential loss of tax revenues on imports from the EU; erosion of protection for Liberian producers selling on the domestic market; and increased competition from EU producers for Liberian exports in the ECOWAS markets	<ul style="list-style-type: none"> Complete the EPA process by ratifying the Agreement. Ensure that Liberian companies make use of the enhanced market access to the EU market for both goods and services, as well as support for developing Liberia's competitiveness, while limiting negative impact on Government revenues and Liberian 	Lead MoCI Others MoF, ECOWAS	MT	1. Ratification of EPA 2. Level of support secured under the EPA development program	1. EPA negotiations have been concluded in early 2014 2. Funding requirements under EPA development program have been	1. EPA ratified by legislature 2. 50% of funding requirements have been secured, and projects have started.	MoCI

²⁵ Short term (one year)/medium term (by end of LNTP)/longer term (extending beyond LNTP period).

Constraints	Proposed response to address constraints	Agents of change	Time frame ²⁵	Results/progress indicator	Baseline	Target	M&E
	businesses.				identified		
C5.3: Liberian businesses have hardly been able to export under preferential trade agreements	<ul style="list-style-type: none"> Enable businesses to take full advantage of any preferential schemes from which Liberia benefits Expand the list of countries that offer such preferences to Liberia. 	Lead MoCI Others MoFA	MT	Increase in the number of Liberian businesses exporting under PTAs and preference schemes	5 companies	10 companies	MoCI

Specific Objectives	Progress indicator(s)	Baseline	Target
SO6: Make Liberia's trade enhancing institutions more effective	Existence of suitably staffed and qualified trade policy and promotion bodies	Serious capacity constraints exist	Proven increase in capacity of trade policy institutions and existence of effective trade promotion function

Constraints	Proposed response to address constraints	Agents of change	Time frame ²⁶	Results/progress indicator	Baseline	Target	M&E
C6.1: Trade policy institutions in Liberia are weak	<ul style="list-style-type: none"> strengthen the capacity of MoCI and other ministries and agencies involved in trade policy definition and thus facilitate the LNTP's efficient implementation and the achievement of the Aft's overarching objectives. 	Lead MoCI Others Trade related ministries and agencies	MT MT ST	1. Share of staff with university degree 2. Number of trainings provided to MoCI staff per year 3. Existence of an M&E function within MoCI	1. 34% (2013) 2. 35 trainings (2013) 3. No explicit M&E function exists at MoCI	1. 50% 2. 60 trainings (2019) 3. MoCI M&E Unit established (2014)	MoCI
C6.2: Trade support institutions in Liberia are weak	<ul style="list-style-type: none"> Establish an institution and provide effective support to Liberian exporters and potential exporters in terms of market intelligence, market access and entry, and facilitation of exports. Strengthen the trade-related capacity of other Liberian institutions providing support services to exporters. 	Lead MoCI Others Trade related ministries and agencies	MT	1. Establishment and effective operation of an export promotion function which provides a comprehensive set of support services to Liberian exporters 2. Number of MoCI staff seconded to Liberian diplomatic missions 3. Number of trade support institution staff trained	1. No export promotion body exists. 2. No seconded staff 3. Trade support fragmented across various institutions, with no systematic training done	1. Export promotion body is operational 2. 2 second staff 3. 20 per year	MoCI

²⁶ Short term (one year)/medium term (by end of LNTP)/longer term (extending beyond LNTP period).

Specific Objectives		Progress indicator(s)		Baseline	Target		
S07: Enhance the legal framework and good governance for trade		Transparency of and participation in development of trade related laws and regulations		Weaknesses exist both in rule making and publication of trade related rules	Legal framework meets WTO standards		
Constraints	Proposed response to address constraints	Agents of change	Time frame ²⁷	Results/progress indicator	Baseline	Target	M&E
C7.1: Relevant rules and information for traders are not readily available and insufficient involvement of stakeholders in rule-making	<ul style="list-style-type: none"> Ensure that businesses in Liberia benefit from clear and predictable rules applied to trade in Liberia Government will consult with stakeholders during the development of laws and regulations, including administrative decrees; Government will prioritize publishing laws, regulations, and other rules affecting trade and will do so in a timely fashion. Online publication will be considered. Information dissemination will also take into cognizance the low level of literacy and the limited means of information exchange of rural communities 	Lead MoCI Others Trade related ministries and agencies, PPCC	MT	1. Consultation of stakeholders in the development of trade-related policies rules 2. Publication of, and ease of access to, trade-relevant rules	1. Sometimes stakeholders complain about insufficient consultations 2. Sometimes stakeholders complain about lack of information about trade related rules	1. All new trade-related rules adopted have been consulted with stakeholders 2. All new trade-related rules published promptly in written form and on the internet	MoCI
C7.2: No competition and consumer protection framework is currently in place	<ul style="list-style-type: none"> Ensure that no individual, business, group of traders or producers will conspire to conduct unfair trade practices to the detriment of Liberian consumers; Ensure that fair competition will prevail among all businesses – foreign and domestic, large and small – providing goods or services on the Liberian market; Ensure the well-being, rights and education of consumers. This includes, among other priorities, the protection of health and safety, the protection against misleading or false information about goods and services, and the importation of substandard commodities – while ensuring that standards issues are not used as protectionist devices. 	Lead MoCI Others MoJ, Legislature, private sector	MT	Adoption and enforcement of competition and consumer protection law and policy	Draft competition law in place (2013)	Competition law adopted (2015) and competition authority established (2017)	LDA
C7.3: Commercial Court and lawyers are inexperienced in the	<ul style="list-style-type: none"> Build the capacity of the judges and legal professionals, with the technical support from international specialized organizations and donors, to support its trade policy activities (IPR, licensing issues, competition, etc.) 	Lead MoJ	MT	Increase in legal capacity to handle trade disputes	Commercial Court established but lacking specific	Judges and legal professionals trade in trade disputes,	LDA

²⁷ Short term (one year)/medium term (by end of LNTP)/longer term (extending beyond LNTP period).

Constraints	Proposed response to address constraints	Agents of change	Time frame ²⁷	Results/progress indicator	Baseline	Target	M&E
adjudication of trade and trade related disputes					skills required for adjudication of trade disputes	including IPR, NTMs, classification issues, etc.	

Annex B: Role of the LNTP in the Context of the Aft Economic Transformation Pillar Goals

Table 1 shows the contribution of the LNTP to the strategic objectives of the Aft Economic Transformation pillar, based on the Aft summary matrix. The column “role of LNTP” provides information of how the LNTP contributes to the wider goal, where and how it links to other policies, and which areas are “core” and “non-core” areas of the LNTP.

Throughout the LNTP – including in chapter 3 where the specific policy areas and actions are described –, cross-linkages between the LNTP and other, related policies are already in place and are clearly spelled out in order to ensure coherence of policies and avoid duplication in implementation.

Table 1: Role of the LNTP in the Context of the Aft Economic Transformation Pillar Goals

Economic Transformation Pillar Goal: Transform the economy to meet the demands of Liberians by developing the domestic private sector; providing employment for a youthful population; investing in infrastructure for economic growth, including with resources leveraged from the FDI in mining and plantations; addressing fiscal and monetary issues for macroeconomic stability; and improving agriculture and forestry to expand the economy for rural participation and food security.			
Sector/Area Goal	Strategic Objectives	Outcome Indicators (by 2017)	Role of LNTP
A. PRIVATE SECTOR DEVELOPMENT: <i>Promote and sustain PSD (Private Sector Development) through economic competitiveness and diversification, increased value addition, and an improved administrative and policy environment.</i>			
MSMEs Growth and Financing Quickly develop MSMEs so that they increase quality employment and wealth and reduce poverty.	<ol style="list-style-type: none"> 1. Encourage and facilitate MSMEs to move to the formal sector. 2. Increase access to financial services for MSMEs. 3. Expand access to key marketing and infrastructure services, especially electric power. 	<ul style="list-style-type: none"> • Increased number of MSMEs registered and operational, including those headed by women. • Increased incomes of MSMEs owners and employees. • Increased sustainable financing and equity-building deposit mobilization for MSMEs. 	No direct role of the LNTP – these issues are addressed by the MSME Policy .
Industrial Development Growth of industries producing competitive tradable goods.	<ol style="list-style-type: none"> 1. Improve options for industry to employ Liberian workers, including under-represented groups. 2. Provide access to technology and infrastructure and streamline regulations to increase competitiveness of new and existing industrial enterprises. 3. Improve access to sustainable financing for industry. 	<ul style="list-style-type: none"> • Growth of industrial investment, value added and employment of Liberian workers including women, youth and disadvantaged groups. • Increased number of registered industrial firms in operation. • Increased local equity for the financing for industry. 	These issues are addressed by the National Industrial Policy . However, the LNTP contributes to it by facilitating imports (of inputs) and exports.
Regulatory Environment Reduce impediments to expansion of employment and production, especially of tradable goods, and assure workers safety and environmental protection	<ol style="list-style-type: none"> 1. Streamline regulations to reduce the cost of entering the formal sector and increase the benefits of being in the formal sector. 2. Enable Liberian products to be more competitive with imports and for export. 3. Assure safe working conditions, fair treatment for workers, protection of children and compliance with environmental standards. 	<ul style="list-style-type: none"> • Improvements in Doing Business and other ratings of business climate. • Growth of exports both from non-concession sectors and domestic production that competes with imports. • Improved satisfaction with Liberian products by domestic consumers. • Improved environmental compliance and conditions of workers. 	The LNTP has a direct role to play by improving trading across borders.
Property Rights and Contract Enforcement	<ol style="list-style-type: none"> 1. Clarify and transparently enforce property rights and commercial contracts through strengthened laws 	<ul style="list-style-type: none"> • Increased public and private investment in business, infrastructure, and agriculture. 	The LNTP would contribute to this by improving transparency

Sector/Area Goal	Strategic Objectives	Outcome Indicators (by 2017)	Role of LNTP
Enforce real property rights, intellectual property rights and other contractual rights to attract investment by Liberians and foreigners.	and implementing institutions, namely courts and arbitration. Make contract enforcement available to more MSMEs.	<ul style="list-style-type: none"> Increased numbers of contract and property rights cases resolved. Surveys show perceptions of clearer definition and protection of communal and private land claims, including claims of women. 	of the trading regime.
International Trade Facilitate and promote exports from agriculture, industry and SMEs, and imports of goods for investment and consumption.	<ol style="list-style-type: none"> Promote Liberian products for international markets. Facilitate exports (e.g., through special export processing zones, improved trade agreements, and training for entrepreneurs, including women). Make customs and border-control measures more efficient. 	<ul style="list-style-type: none"> Increased exports from agriculture, agro-industry and manufacturing. Reduced time to clear imports and exports through customs. Reduced smuggling. 	LNTP core area. This AfT objective constitutes the core of the LNTP; the corresponding results framework (annexed to the AfT) for Economic Transformation Pillar objective 1.5 is fully integrated into the LNTP (see annex B below)
B. MACROECONOMIC ISSUES: To maintain fiscal, monetary, trade and exchange rate policies that entrench macroeconomic stability and support efficient public expenditure, private-sector growth and job creation.			
Macroeconomic and Debt Management Continue sound fiscal policy, public expenditure and debt management, and improve efficacy and transparency of spending and revenues, including from natural resources.	<ol style="list-style-type: none"> Improve planning, transparency and efficiency of public expenditure management. Strengthen administration of taxes and royalties and increase revenues. Keep debt low and long term. 	<ul style="list-style-type: none"> Increased investment as a share of public spending. Increased revenue collection. Sustainable structure and level of public debt. 	No direct role of the LNTP.
Monetary Avoid high inflation and exchange rate volatility and develop a growth-enhancing and inclusive financial system.	<ol style="list-style-type: none"> Keep inflation low and the exchange rate stable. Strengthen and expand the financial system in order to improve access to credit and asset accumulation by the domestic private sector, including MSMEs, agriculture, women, youth, and PWDs. 	<ul style="list-style-type: none"> Stable price indices and exchange rate. Adequate capital to loan ratios and reduced NPLs at commercial banks. Growth of deposits from and loans to MSMEs. Increased share of households and MSMEs using banking services. 	The LNTP will contribute to this indirectly and in the medium term by helping increase exports.
C. INFRASTRUCTURE			
Power and Energy Increase access to modern energy services and affordable power for community and economic transformation.	<ol style="list-style-type: none"> Increase affordable access to the electricity grid in population and production centers, including to women. Improve energy policy with involvement of the Government, private sector, CSOs and donors. Increase environmental sustainability, including reduced use of charcoal and wood for fuel. 	<ul style="list-style-type: none"> More households and enterprises with access to electric power, with reduced costs and increased reliability. Increased safe access to petroleum fuel outside Monrovia Reduced deforestation for fuel. 	No direct role of the LNTP.
Transport Services Ensure that all Liberians have more reliable, safe, accessible,	<ol style="list-style-type: none"> Improve transport sector policy; assign functions and planning, including coordination among government agencies and with neighboring countries. 	<ul style="list-style-type: none"> More efficient and affordable rural and urban transport services in a range of modalities. Increased traffic volume and 	Transport services are a core aspect of the LNTP as the ability to trade – both domestically and internationally –

Sector/Area Goal	Strategic Objectives	Outcome Indicators (by 2017)	Role of LNTP
affordable and efficient transport services.	<ol style="list-style-type: none"> 2. Improve the efficiency, transparency, environmental sustainability, and safety of transport services nationwide, including alternate modes (e.g., rail and water). 3. Continued improvement of management and facilities at sea ports and airports. 	reduced turnaround time at sea ports and airports.	depends on the availability of efficient transport & logistics services. It remains to be clarified to what extent transport services issues are covered by the National Transport Policy & Strategy and National Transport Master Plan.
Roads and Bridges Improve accessibility 'year round' and connectivity of roads and bridges.	<ol style="list-style-type: none"> 1. Improve road connections between all regions of Liberia, especially for southeast counties; open more secondary and feeder roads; and keep roads usable year-round 2. Enhance operational efficiency through improved planning and procurement, including by strengthening the private road construction and maintenance sector; collaboration with concessionaires; and use of labor-intensive technologies that reduce unemployment. 3. Ensure participation from transport stakeholders and communities in road construction planning and monitoring to enhance accountability. 	<ul style="list-style-type: none"> • Increased share of roads in good condition. • Reduced travel time between regions and in urban areas. • Better access of rural areas to main highway corridors. • Improved efficiency in procurement of road construction and maintenance, with increased labor intensity where appropriate. • Surveys will indicate an increased community sense of ownership and satisfaction with road services. 	Domestic transport infrastructure would be addressed by the National Transport Policy & Strategy and National Transport Master Plan.
Post and Telecom Facilitate universal access to postal, telecom and ICT services that are transparent, reliable and low-cost nationwide.	<ol style="list-style-type: none"> 1. Improve domestic and international Internet broadband connectivity 2. Promote efficient, secure and affordable phone service throughout the country. 3. Develop the Liberian Postal System as a semi-autonomous corporation with a realistic mandate and a sound financial basis. 	<ul style="list-style-type: none"> • Improved coverage and quality of Internet and phone services. • Start of mail delivery, with customers' satisfaction and fiscal affordability. 	No direct role of the LNTP – this would be addressed by the ICT and Telecommunications Policy. However, specific aspects of telecommunications would be addressed under the WTO accession strategy, but not specifically under the LNTP.
Public Housing and Buildings Expand access to affordable housing for low-income households nationally and in all counties. Rebuild public buildings, strengthen urban infrastructure and improve city planning.	<ol style="list-style-type: none"> 1. Expand access to affordable housing, including for low-income groups and women. 2. Improve housing policy, clarifying public- and private-sector roles and assuring fiscal affordability and community participation. 3. Reduce the Government's costly use of rental buildings by restoring and upgrading public buildings. 4. Encourage employment-intensive techniques where appropriate for construction and site preparation. 	<ul style="list-style-type: none"> • Increased number of low-income housing units and communities built in each county. • Increased pro-poor allocation of public housing. • Increased number of public buildings restored and upgraded, reducing government outlays for building rentals. 	No direct role of the LNTP.
D. AGRICULTURE, FOOD SECURITY and NUTRITION			
Promote a robust, competitive and modernized agriculture sector supportive of sustainable	<ol style="list-style-type: none"> 1. Increase agricultural productivity, value-added and environmental sustainability, especially for smallholders including women and youth. 2. Increase integration of smallholder 	<ul style="list-style-type: none"> • Increased agriculture productivity, output, domestic sales and exports (crops, poultry, livestock and tree products). • Increased overall and irrigated 	These issues are addressed by the Food and Agriculture Policy and Strategy as well as the National Policy for Agricultural Extension

Sector/Area Goal	Strategic Objectives	Outcome Indicators (by 2017)	Role of LNTF
economic growth and development	<p>agriculture with domestic and international markets.</p> <p>3. Increase fishery production in a sustainable manner.</p> <p>4. Increase access to machinery, fertilizer, storage, credit, training, technical assistance, market information, and improved technologies and related services—through farmer groups and nuclear farms.</p>	<p>crop-production acreage.</p> <ul style="list-style-type: none"> • Increased volume and value of fishery output. • Reduced rice import bill. • Increased incomes of smallholders and fishers. 	<p>and Advisory Services. However, the LNTF contributes to it by facilitating imports (of inputs such as machinery, seed, fertilizer, etc.) and exports.</p>
E. FORESTRY			
To integrate the community, conservation and commercial aspects (3 C strategy) of forestry to contribute sustainably to reducing poverty, improving livelihoods and the quality of rural life, and increasing the ecological services provided by Liberia's forests	<ol style="list-style-type: none"> 1. Develop community and private-sector forest enterprises to increase incomes, provide jobs including for women and youth, and increase government revenues. 2. Expand sustainably harvested forest flora and fauna for domestic and export markets, through improved user rights, increased community participation in decision-making and sustainable forest management. 3. Minimize illegal harvesting of forest resources and assimilate and strengthen the informal forestry sector. 	<ul style="list-style-type: none"> • Increased number of viable community and private-sector forestry enterprises. • Increased forest production, exports, value-added, and employment including of youth, women and other vulnerable groups. • Reduced illegal harvesting and trade of forest products, including across international borders. 	<p>These issues are addressed by the Food and Agriculture Policy and Strategy as well as the National Policy for Agricultural Extension and Advisory Services. However, the LNTF contributes to it by facilitating imports (of inputs such as machinery) and exports.</p>
F. MINERAL DEVELOPMENT AND MANAGEMENT			
Promote sustainable, transparent and well-managed exploitation of Liberia's mineral resources and an equitable distribution of the benefits among all Liberians.	<ol style="list-style-type: none"> 1. Increase fiscal revenue, with full reporting to LEITI. 2. Improve regulatory system and compliance of mineral production, with increased transparency and CSO monitoring of concession agreements, mineral revenues and regulatory compliance for environment and worker safety, including elimination of child labor. 3. Strengthen small-scale mining, with more quality employment opportunities. 	<ul style="list-style-type: none"> • Increased mineral exports and concessions revenue to the Government, with increased transparency through LEITI. • Increased quality of and compliance with mineral regulations, and fewer instances of environmental degradation and worker safety problems. • More small-scale miners will register, pay taxes, and comply with regulations. 	<p>These issues are addressed by the Mineral Policy. However, the LNTF contributes to it by facilitating imports (of inputs) and exports.</p>

Source: Adapted from Aft Table 9.3: Summary Matrix for Economic Transformatio



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