



PROMOTING PRIVATE SECTOR DEVELOPMENT AND NATURAL RESOURCES GOVERNANCE PROGRAMME



Empowered lives
Resilient nations

UNDAF OUTCOMES:

2.2: Private sector development: Improved equal access to sustainable livelihoods opportunities in an innovative and competitive private sector for rural and urban areas

2.4: Macro-economic policy environment: Improved evidence-based policies to maintain a stable and inclusive macro-economic environment

4.3: Natural Resources Management: By 2017, Liberia has an effective and efficient natural resource management framework enabling transparent, accountable and equitable distribution of economic benefits and protection of rights of all

EXPECTED CP OUTCOME:

#2 :Inclusive and sustainable economic transformation informed by evidence-based macro-economic policy promoting access to livelihood, innovative and competitive private sector and efficient natural resource management

UNDAF ACTION PLAN OUTPUT:

2.2.2: Mechanisms developed to streamline the regulatory framework for the private sector, including standardization of enforcement mechanisms by 2017

2.2.3: Increased access to business development services and quality vocational training, focusing on employment creation, MSMEs development targeting youth, women and persons with disabilities

2.2.4: Enhanced access to sustainable financial services, market linkages and value chain upgrading for MSMEs, with special focus on the rural areas

2.4.2: Provide technical and advisory support for enhanced natural resources governance facilitation with focus on revenue management, as well as on coordinating negotiation in the concessions/ contracts in the oil sector and the strengthening of tax administration through adoption of VAT

2.4.3: Strengthened national framework for regional and global economic cooperation and integration towards macroeconomic harmonization and convergence by 2017, with focus on international trade

4.3.4: By 2015, government's capacity for contracts, agreements and concessions negotiations enhanced

EXPECTED PROGRAMME OUTPUTS:

1. An enabling environment for inclusive and sustainable private sector development created
2. Improved productivity and competitiveness of local enterprises
3. National capacity for the management and utilisation of natural resources revenue enhanced.

Implementing Partner:

National Investment Commission

IMPLEMENTING AGENCIES:

National Investment Commission (NIC); Ministry of Commerce and Industry (MOCI), Ministry of Finance, Ministry of Lands, Mines and Energy, National Concessions Bureau for Concessions (NBC), Liberia Extractive Transparency Index (LEITI), Liberia Business Association (LIBA), Liberian Chamber of Commerce, Central Bank of Liberia

Programme Brief



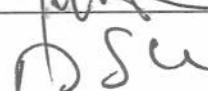
UNDP under its 2013-2017 Country Programme seeks to support the Government's drive for sustainable Economic Transformation by rolling out a package of measures aimed at reducing obstacles to enterprise/private sector development, expanding access to inclusive financial services while strengthening governance of natural resources. The program hopes to build on on-going assistance to microfinance institutions to expand the range and reach of inclusive finance to areas such as micro-insurance and leasing; and effective natural resource management and linking natural resources to value-addition and jobs creation. Also, the focus will be on strengthening governance of natural resources in the context of reconciliation and peace consolidation and the overall transformation of the Liberian economy.

The Private Sector Development and Natural Resources Governance Programme is in consonance with the national vision for a private sector-led growth as encapsulated in the Economic Transformation Pillar of the Agenda for Transformation (AfT). The Programme focuses on a mix of upstream policy and regulatory interventions and downstream catalytic and transformational interventions which will facilitate inclusive and sustainable growth. The 5-Year Programme will adopt a three prong approach aimed at:

- Creating an enabling environment for inclusive and sustainable private sector development,
- Developing the capacity of the local entrepreneurs for improved productivity and competitiveness and
- Supporting the effective governance of the natural resources sector to enable it stimulate Liberia's growth and development in an inclusive manner.

The programme is anchored on two outcome areas of UNDAF as aligned with AfT all geared toward promoting sustainable economic transformation and inclusive governance of natural resources in a coherent coordinated and accountable way.

<p>Programme Period: 2013-2017</p> <p>Key Result Area (Strategic Plan): Sustainable Economic Development</p> <p>Atlas Award ID: _____</p> <p>Start date: Jan 1, 2013</p> <p>End Date: 31 December 2017</p> <p>PAC Meeting Date: _____</p> <p>Management Arrangements: NIM _____</p>	<p>Total resources required: 4,066,700</p> <p>Total allocated resources: 400,000</p> <p>Regular: 400,000</p> <p>Other: _____</p> <p>Donor: _____</p> <p>Donor: _____</p> <p>Government: _____</p> <p>Unfunded budget: _____</p> <p>In-kind Contributions: _____</p>
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Agreed by	Signature	Date
<p>Hon. Amara M. Konneh Acting Minister Ministry of Planning and Economic Affairs Republic of Liberia</p>		24/07/13
<p>Hon. O. Natty B. Davis Chairman, National Investment Commission, Republic of Liberia</p>		6/20/13
<p>Mr. Dominic Sam Country Director, United Nations Development Programme</p>		18/6/2013

SITUATION ANALYSIS

Liberia is still a fragile, post-conflict nation, which is making great effort at transitioning from recovery and reconstruction to inclusive growth and development. The country is a Low Income and Low Human Development country, ranking 182 out of 187 countries in 2011¹. The country's low Human Development Index has been further exacerbated by the several years of civil war which destroyed the socio-economic infrastructure of the country and brought economic activity to a virtual halt. Post-war Liberia has witnessed impressive growth with GDP of 7% in 2011 projected to increase to 9% in 2012. This impressive growth has however not been equitable or inclusive, with about 56.6% of Liberia's 3.5 million population living below the poverty line and 47.9% living in extreme poverty and on less than US\$1 per day.

Despite the improving economic situation, Liberia continues to experience high levels of unemployment. According to the 2010 Liberia Labour Force Survey, the informal sector accounts for 68% of employment, primarily in agriculture (including forestry and fisheries) and the wholesale and retail trade, without wages and benefits. Only 15% of Liberians are employed in the formal economy, mostly in plantation agriculture and over half of the employed population are self-employed or contribute to non-wage family work, resulting in a high employment vulnerability rate of 77.8%. The rates of informal employment are much higher in rural (75%) than urban areas (59%), and higher for females (74%) than for males (61.3%). The high rates of informal employment in rural areas are related to the lack of formal jobs in most of the counties, with the population being primarily engaged in subsistence farming.

Other challenges which have strong influence on the prospects for peace and stability and ensuring that the current economic growth is sustained and enhanced, include limited structural transformation of the economy; rapid population growth of 2.1% per annum creating a large pool of under/unemployed youth. Other constraints involves factors militating against the formation of micro, small and medium-size enterprises (MSMEs) and jobs creation; the multifaceted challenges of successfully managing an expected boom in extractive industries – from prudent and transparent management of revenues, to sustainable resource use and establishment of strong linkages with the broader economy to boost value addition and employment.

Liberia is greatly endowed with minerals (iron ore, gold, and diamonds), forest products and potentially oil and natural gas which are currently under exploitation. Each sector has its unique challenges for both investors and the Government of Liberia. Historically, the key driver of Liberia's growth has been the exploitation of its abundant natural resources through concessions. These concessions have thus been the main source of both direct and indirect jobs creation and constitute the largest potential source of government revenue for the foreseeable future.

The Liberian extractives sector consists of agro-forestry, hydrocarbon and mining and each sector has its unique challenges for both investors and the Government of Liberia. For the forestry sector, investors are extracting known commodities while in the hydrocarbon sector primary activities remain exploration. In the mining sector, investors are bidding on known deposits and are transitioning to exploration and discovery of new deposits. While natural resource concessions still remain the core drivers of growth in Liberia, they do so in the context of an indigenous private sector where the average Liberian enterprise is small, limited capacity for skills and innovation, low productivity and very limited ability to access formal finance. This presents two key challenges to the Government of Liberia in promoting private sector development: first, how best to harness and maximise the development impact of the concessionaires and Liberia's natural resources industries; and secondly, how to leverage the revenue flows to develop a viable, vibrant, and sustainable domestic private sector in addressing the issues of job creation and inclusive growth.

¹ UNDP, 2011, *Human Development Report 2011: Sustainability and Equity: A better Future for All*

There are currently 12 active agricultural concessions, 3 petroleum concessions, 6 mining concessions, 7 forestry concessions, and 56 private use permits in Liberia². Revenues received from these initiatives accounted for roughly 13% of GDP in the 2009/10 Fiscal Year³.

While revenue from the Extractive Industry sector has been the major source of finance for the country's development its inequitable distribution and impact continues to be a source of concern for both the government and citizenry. The challenge with revenues from the extractive industry is how to use them for the common good, rather than enrichment of a few. The large-scale mineral extraction sector made significant progress during the post war era, by attracting local and foreign investors and yielding fiscal revenue. However, providing more employment and capacity building for Liberians, as well as linkages to domestic suppliers remains problematic. Informal small-scale mining mainly gold and diamonds, has also grown, although its size is not well recorded. Due to inefficient practices, recovery from alluvial gravels for gold is minimal and the country has been unable to generate large revenues from the exploitation of alluvial diamonds due to the difficulty of policing the resource. The deposits are widely dispersed and can be mined with simple hand-held tools, facilitating illicit mining, and smuggling to evade taxes. Additionally, health and environmental hazards from mercury and other substances are substantial.

The challenge of the sector is compounded by the existence of a number of laws governing the fiscal terms of natural resource contracts — the New Minerals and Mining Law, the Liberian Revenue Code, and the Investment Incentive Code of 1973. This makes concessions negotiations sometimes arbitrary and some terms of individual contracts inconsistent with existing legislation. The Public Procurement and Concessions Act (PPCA) govern concessions processes and subsequent economic activities in the extractives sector. There is also an Inter-Ministerial Co-ordinating Committee (IMCC) which negotiates and approve the issuance of licence for concessions.

Improving the business process and transparency in the extractives sector requires both regulatory and transactional reforms. From the regulatory perspective, the Mineral Policy, Minerals and Mining Act, the National Bureau of Concessions Act, and upcoming amendments to the PPCA provide a robust roadmap for improvement. The establishment of the Business Reform Committee to ensure the improvement in the overall investment climate, by identifying and analysing administrative and regulatory issues and recommending reforms seeks to address the identified challenges and provides opportunities for further improvement in the governance of the sector.

A number of key policy frameworks and analytical work have been initiated to guide the private sector-led economic transformation process, notable among these are the MSME Policy, Industrial Policy and Strategy, the ratification of the Special Economic Zone Law, Export Strategy and Business Linkages and Growth Corridors Studies. Additionally, a number of government agencies are involved in private sector promotion and development but with limited co-ordination. There is therefore the need for administrative and legal reforms backed by institutional capacity development to ensure their optimal performance in promoting a private sector-led growth.

Despite the remarkable progress, Liberia's private sector continues to face a conundrum of challenges which militate against its effective growth and competitiveness, key among these are

- Absence of a conducive legal and regulatory framework:
- Weak infrastructure—especially roads and power
- Lack of tax incentives
- Difficulty in accessing finance and markets.
- Difficulty in launching new export activities

² The President under Executive Order No, 44 has placed Moratorium on all PUPs for either illegal operations and irregularities.

³ GIZ/ITAD, 2012: *Results Framework for the Extractive Industries Transparency Initiative Liberia Pilot Study*

- Weak and unclear property rights
- Low levels of human development and limited management and entrepreneurship skills
- Continued risks regarding security and stability; and
- High administrative and regulatory costs
- Insufficient knowledge to stimulate innovation and business development services
- Limited local capacity for investment, fragmented markets; and
- low levels of financial literacy;

It is to address these challenges that the Government under the PRS 1 and AFT has prioritized, 1) rebuilding critical infrastructure; 2) reviving traditional resource sectors; and 3) establishing a competitive business environment. These efforts have yielded some visible results in transforming of the Liberian economy from a state-driven system to a market-led economy and established a solid foundation for private sector-led growth as envisioned under the *“Agenda for Transformation: Steps Towards Liberia Rising 2030”*, and the Long Term national vision of making Liberia a Middle Income Country by 2030.

To consolidate and build upon these preliminary gains, the Government of Liberia has committed itself to the preparation of a Comprehensive Private Sector Development Strategy to engineer a structural transformation of the economy.

On the Extractive Industry, Liberia is noted to be the first African country and the second in the world, to become EITI compliant in 2009. LEITI became a significant policy of the Government of Liberia with the approval of the LEITI Act by the Liberian Legislature in July 2009. The general objective of the LEITI is to assist in ensuring that all benefits due the Government and people of Liberia on account of the exploitation and extraction of the country’s minerals and other resources are i). Verifiably paid or provided; ii). Duly accounted for; and iii). Prudently utilised for the benefits of all Liberians and on the basis of equity and sustainability. Additionally, LEITI is required to encourage and facilitate discussion and adoption of appropriate policies for fair sharing of the benefits accruing from exploitation of the natural resources of Liberia, as well as monitor compliance of the fiscal and non-fiscal obligations of concessionaires, and encourage development of linkages with the local economy.

The Government under the AFT intends to “use LEITI and other means to improve the transparency of information on concession agreements to ensure public confidence in the process”. These national priorities of a private sector led economic transformation fuelled by resources from a transparent and inclusive management of the Liberian extractive industry, under-pin the proposed UNDP Programme on Private Sector Development and Natural Resource Governance.

STRATEGY

UNDP under its 2013-2017 Country Programme seeks to support the Government’s drive for sustainable Economic Transformation by rolling out a package of measures aimed at reducing obstacles to enterprise development. Other areas includes administrative and regulatory reform licensing, registration, taxation, regulatory compliance requirements and expanding access to services building on on-going assistance to microfinance institutions to expand the range and reach of inclusive finance to areas such as micro-insurance and leasing; effective natural resource management (NRM) and linking NRM to value-addition and jobs creation as well as focusing on reconciliation and consolidation of peace.

The proposed UNDP Private Sector Development and Natural Resources Governance Programme is in consonance with the national vision for a private sector-led growth. This is encapsulated in the Economic Transformation Pillar of the Agenda for Transformation as follow: *“To transform the economy so that it meets the demands of Liberians through development of the domestic private sector—using resources leveraged from FDI in mining and plantations; providing employment for a youthful population; investing in*

infrastructure for economic growth; addressing fiscal and monetary issues for macroeconomic stability; and improving agriculture and forestry to expand the economy for rural participation and food security”.

The Programme is UNDP’s contribution to the UN’s commitment to Liberia’s development agenda as envisaged under UNDAF Outcome 2: *Sustainable Economic Transformation, of “Improved equal access to sustainable livelihoods opportunities in an innovative and competitive private sector for rural and urban areas”* and Outcome 4 *“Enhancing national capacity for effective natural resources management”*. The programme is in line with the Assessment of Development Results (ADR) recommendations that UNDP creates the conditions and facilities that broaden employment opportunities (micro-finance, small enterprise development and business advisory services, legal framework) for private sector development including asset ownership⁴.

PROGRAMME COMPONENTS OUTPUTS AND OBJECTIVES

The UNDP Private Sector Development and Natural Resources Governance Programme will focus on a mix of upstream policy and regulatory interventions and downstream catalytic and transformational interventions which will facilitate inclusive and sustainable growth. The programme seeks to enhance Liberia’s competitive advantage by developing viable local businesses that can offer entry points to investors create jobs for its population and expand opportunities to promote more resilient local economies. The program will span over 5 years period January 2013 to December 2017 and adopt a three - component approach as follow:

Component 1: Legal and regulatory environment

Component 2: Developing the capacity of the local entrepreneurs for improved productivity and Competitiveness and

Component 3: Supporting the effective management of the natural resources sector to enable it stimulate Liberia’s growth and development in an inclusive manner.

Component 1: Legal and regulatory environment

Outputs Objective and brief description

Objective: To create an enabling policy and regulatory environment for ensuring inclusive and sustainable private sector development.

Description of activity

Outputs

1. National Private Sector Strategy formulated and implementation plan roll-out
2. Regulations for trade, investment promotion and partnership strengthened and institutionalized with quality standards
3. Local procurement strategy and business linkages policy formulated, adopted and roll-out with clear pro-poor dimensions

⁴UNDP Evaluation Office, 2011: *An Assessment of UNDP’s contribution to Development Results in Liberia*

4. Establishment, development and functional industrial zones and parks
5. Industrial development coordinating mechanisms functional

Key activities to be undertaken under this thematic area are:

1.1.1 Support for the formulation of a National Private Sector Development Strategy

There are currently a number of sector policy frameworks and strategies aimed at enhancing the development of the private sector. These include the MSME Policy, the Industrial Policy and Strategy, PPP Guidelines and Strategy, Special Economic Zones Law; and Business Linkages and Growth Corridor Studies. However, there is no overarching policy framework to serve as a convergence platform for these various initiatives and co-ordination among the various institutions whose work impact on private sector development is limited. Therefore, the Government of Liberia, under the leadership of the National Investment Commission will be supported to formulate a National Private Sector Development Strategy.

1.1.2 Trade and Investment Promotion.

The National Investment Commission (NIC) is mandated to encourage, promote, co-ordinate and advise on investments to accelerate economic growth and development in Liberia. In pursuance of this the NIC has proposed a number of key policy instruments and initiatives. Key among these are the Public Private Partnership Guidelines to deepen private sector investments in Liberia and the Business Linkages Policy to foster the participation of Liberian businesses in the country's economic growth and enhance market access for small and medium enterprises. UNDP will support the review and finalization of the PPP guidelines and development of a PPP Policy to provide the legal framework for operationalizing PPPs particularly in infrastructure and service delivery (transportation and energy). This will help in meeting the critical needs of the country and expand opportunities for investments in those sectors and local business participation.

Additionally, the programme will support strengthening PPP management and approaches; profiles of investment and joint venture opportunities. As part of support to strengthening linkages and pro-poor investment, the program will support collaboration through the UNDP Istanbul International Center for PSD, the Ross Business School, the NIC and the Liberian local private sector in development a National Local Procurement Strategy. It will also support Liberian businesses in, building their capacity to take advantage of the emerging business opportunities. The MAP project report will be implemented

Support would also be provided to establish and institutionalize a PPP Unit at the NIC to lead and co-ordinate work on integrating PPPs in the national development process and facilitate the development of various instruments for the effective use of PPPs in various sectors of the economy. The IICPSD will facilitate knowledge transfer from Turkey and other relevant developing countries). In this regard, Turkey's Minister of Development has offered capacity building support and the Government of Poland is also willing to join.

UNDP in collaboration with BDP will support capacity assessment for trade promotion through support to the Enhance Integrated Framework Secretariat. The assessment of capacity and trade promotion will be leverage into finalization and presentation of Liberia phase 2 projects under the EIF arrangement.

1.1.3 Industrial Sector Support Programme

The Government of Liberia with support from UNDP and other partners has developed a National Industrial Policy. The Policy seeks to guide the diversification of the economy and improve the performance and productivity of the industrial sector and maximize the use of the country's productive capacities and her

comparative advantages. The policy provides a clear set of priority instruments and measures to be undertaken to enhance the productivity, efficiency and competitiveness of Liberia's industrial sector. Operationalizing the Industrial Policy requires an Industrial Sector Support Programme (ISSP), with detail Implementation Plan, outlining the key activities to be undertaken, the expected chain of results, timeframe, estimated costs, and the management and coordination arrangements.

- UNDP will support the Government of Liberia in developing of a 5 years Industrial Sector Support Programme with a view to transforming Liberia into an industry-driven economy that delivers high levels of productivity for Liberian businesses through the provision decent and sustainable jobs. Special Economic Zones have the potential to propel economic development by increasing and diversifying production and exports, boosting employment, attracting FDI, transferring skills and technology, stimulating linkages and piloting new economic policies. The Government of Liberia has already initiated work on establishing Special Economic Zones to jump-start investments and the provision of infrastructure for key strategic sectors. Feasibility studies have been undertaken, sites identified and an SEZ Law has been drafted and awaiting feedback and finalization. The Industrial Sector Support Programme will support the finalization of the law and kick-start work on establishing Special Economic Zones (SEZ) in Buchanan, Sinoe and Ganta and an Industrial Park in Monrovia.

- Quality Standards

The development and effective use of national standards, based on relevant international standards are important for industrial development as it assures consumers of the safety and suitability of products. Support will be provided for the establishment of a new National Standards Authority (which brings together all government agencies with roles in ensuring quality standards) with the responsibility for testing and verifying the standard of all exports and imports. Measures to ensure awareness creation, capacity development and consensus-building regarding the process of developing voluntary standards will be implemented to enhance the commitment of manufacturers to the effective development and use of national standards.

- Co-ordination of the Implementation of the Industrial Policy and Industrial Sector Support Programme. The Ministry of Commerce and Industry will be supported to develop a Management Information System to track and report on the implementation of the ISSP.

OUTPUT 2: Capacity building of Micro Small and Medium Enterprises for improved productivity, competitiveness and diversification

The Ministry of Commerce and Industry, estimates that about 50,000 people are employed in Liberia's formal business sector made up of 7,062 registered enterprises. Enterprises in Liberia are categorized by size as follows: Micro (0-3 employees) Small (4 -20 employees) Medium (21-50 employees) and enterprises with over 50 employees are characterized as large.

To enhance the capacity of the MSME sector in Liberia, the Ministry of Commerce and Industry has developed a MSME Policy aimed at improving the growth and productivity of MSMEs; and increase equality of access to economic opportunities and resources among Liberians. The MSME Policy focuses on four key policy elements: legal/regulatory reforms, access to markets, access to finance, and building skills and knowledge.

The UNDP Private Sector Development Programme is in line with the MSME Policy and will support the provision of technical services, skills and knowledge building to the MSME sector to enable them to enhance their efficiency and competitiveness to be able to take advantage of emerging business opportunities in the country and sub-region. The UNDP capacity building will cover four key areas:

- Business development and skills training

- Access to improved technology and markets
- Inclusive market development through business linkages and value chains
- Enhancing access to finance and inclusive financial services

2.1 Business Development and Skills Training

The Central Bank of Liberia has made available a capacity building grant of US\$250,000 to the Liberia Business Association (LIBA) to expand outreach and develop the capacity of indigenous Liberian businesses. UNDP will build upon this and other training initiatives by supporting LIBA for the development of business development training/capacity building initiatives and business incubator designed to improve efficiency, performance and take advantage of market opportunities. UNDP will work with high performing training service providers, as assessed by graduate entrepreneurs, thereby being responsive to market actor's feedback. These will contribute to UNDP model of strengthening linkages, facilitating inclusive investment for growth at the bottom of the pyramid.

UNDP will focus its capacity building efforts on the Micro (0-3 employees) and Small (4 -20 employees) enterprise segments as they comprise the majority of the SME sector actors and tend to be operated by women and youth.

UNDP will work with the NIC to roll-out a pilot inclusive market initiative, the Enterprise Advancement Project. This project incorporates business linkages and development services to small and medium-sized enterprises (SME), enabling them to respond to market opportunities with the support of more mature firms.

The intervention adopts a hybrid approach to address the supply and demand for business linkages by providing business development/capacity building services and facilitate linkages, joint ventures and subcontracting between large firms and SMEs.

UNDP will pilot a Technical Assistance Matching Grant Scheme, linked to the EAP program, which will support the provision of technical assistance in the form of professional consulting services for the development of business plans and feasibility studies for the acquisition of loans for business expansion and improvements. Businesses will receive a rebate of up to 50% of cost of technical services provided to them, on the completion of the assignment.

The NIC will provide additional support to businesses, by securing the commitment for participation of large firms and concessionaires in the targeted sectors and business associations, as well as government support for the project.

To facilitate the linkages, NIC will collaborate with LIBA to develop a profiling and ranking system of SMEs, serve as the basis for the development of a Sub-contracting and Partnership Exchange (SPX), a UNIDO tool for promoting linkages and outsourcing between large firms and SMEs.

Based on the successful pilot and demonstrable benefits of the scheme to both large firms and SMEs, large firms may be encouraged to contribute to the scheme and the size of the rebate reduced incrementally over time.

The experience of UNDP IICPSD's Inclusive Procurement in the extractive industries and Supplier Development Programme would be leveraged to enhance the capacity of Liberian SMEs to supply goods and services to concessionaires.

The EAP has the additional benefit of building the local firms capacity to leverage the Central Bank of Liberia's US\$ 5 million Stimulus Package for local businesses.

Business Incubation

Working with the Liberian Business Association (LIBA) and similar firms, business incubators will be established to provide support services and resources to businesses during their formative stages. The focus will be to provide sector and value-chain specific incubation services where businesses, through economies of scale, can access technical and logistical support and other resources.

Technical and Vocational Training (TVET)

To ensure a sustainable and quality supply of skills for business development and growth, UNDP in partnership with the Istanbul International Centre for Private Sector in Development (UNDP IICPSD) will collaborate with the Ministry of Youth and Sports to undertake an adequacy and performance analysis of the existing vocational training system to inform the development of a National TVET Strategy. The study will be part of a multi-country vocational training study that is funded by a number of multi-national corporations including Coca Cola, Vodafone and CISCO and will also serve as a basis for a series of pilot projects of private sector-led vocational training schemes, including trainers of trainers from various technical and vocational schools in Liberia.

Support for the Promotion of Local Innovation and Catalytic Inclusive Market Initiative:

To test the concept of inclusive market development, UNDP in collaboration with the National Cassava Sector Coordination Committee, will undertake the development of business models to promote cassava and fish value chain as a commercial crop in West Africa and Liberia.

The initiative entails a study of the cassava value chain in Liberia and design of business models to enhance productivity in the sector. Operators in the cassava value chain will be supported with improved planting material and agronomic practices to boost production and productivity. Knowledge and experience sharing and advocacy within the sub-region will be promoted to facilitate marketing and scaling-up. The experience from the initiative will enable the Committee to support its members to source funding for scaling up from the Central Bank of Liberia's US\$ 10million Agriculture Support Fund.

As part of effort to address poverty through innovation and value chain development The UNDP will support the piloting of projects in the development of clay oven in the 15 political sub-division within the program lifespan.

Support to grooming future entrepreneurs and professionals through attachment programmes.

In a effort to support the development of skills and grooming of future entrepreneurs and professionals for the private sector, the UNDP as part of its capacity development programme will work with the GOL and private sector to support limited attachment of prospective and recent University graduates at various companies in Liberia, the goal of which is to help students discover their potentials and business interests as well as facilitate knowledge transfer and early tapping of skills and employment opportunities

2.3 Inclusive Financial Services

UNDP will build upon the work done with UNCDF and the Central Bank of Liberia on Inclusive Financial Services and leverage the successor Liberia Inclusive Financial Sector Phase II (LIFS II) to expand access to financial services: credit, savings, insurance and remittances, targeting women owned enterprises. In alignment with CBL's priorities and market opportunities UNDP will support the proliferation of community managed savings and lending association such as VSLAs (Village Savings and Lending Associations) and Credit Unions. Generally managed by and benefitting women, VSLAs have a proven track record of being sustainable locally based mechanisms which provide an appropriate platform for financial literacy, business development training and financial services. Credit Unions, by comparison are more formal institutions

which are also managed by community shareholders and tend to provide financial services to low income and financially marginalized individuals in Liberia.

UNDP will also seek value adding strategic synergies such as the Financial Literacy Index Initiative of the IICPSD and VISA to expand access of poor households to financial services. The IICPSD in collaboration with VISA is implementing a Financial Literacy Index initiative as well as providing financial education and inclusion to change consumption patterns, improve financial management at the household level and provide access to individuals to financial services. Under the programme, collaboration will be forged with the Central Bank of Liberia and local financial institutions to include Liberia in the Financial Literacy Index initiative.

The UNDP IICPSD will support the roll-out of the Turkish Technology Development Foundation (TTGV) Impact Investment model to provide venture capital for innovative small and micro enterprises. Implemented as a pilot project the programme will seek to make investments with the intention to generate measurable social and environmental impact alongside a financial return.

Impact investments target a range of returns from below market to market rate, depending upon the circumstances. Impact investors actively seek to place capital in businesses and funds that can harness the positive power of enterprise. Impact investment is generally seen as an emerging asset class with the prospect of achieving market-rate returns and social good at the same time. With increasing numbers of investors interested in the double bottom line (social and financial returns), the impact investment market is particularly relevant in catalyzing innovation and financial inclusion. The UNDP IICPSD will support the roll-out of the Turkish Technology Development Foundation (TTGV) Impact Investment model to provide venture capital for innovative and bottom-of the pyramid enterprises.

2.4 STRENGTHENING CORPORATE RESPONSIBILITY AND CORPORATE GOVERNANCE MECHANISMS IN LIBERIA

Working with the UNDP Country Office, the IICPSD, the Corporate Social Responsibility Forum, the Liberian Business Association and the Liberian Chamber of Commerce, various business associations and companies would be sensitized and supported to launch the Global Compact in Liberia and establish the Local Network to promote more responsible and inclusive business practices using the UNGC principles on human rights, labour standards, transparency and environmental sustainability.

The UN Global Compact is the world's largest voluntary corporate citizenship initiative with over 8700 participants located in more than 135 countries. As a multi-stakeholder initiative, the Global Compact seeks to align business operations and strategies with ten universally accepted principles in the areas of human rights, labour, environment and anticorruption and to catalyze actions in support of broader UN goals. The principles of the compact enjoys universal consensus and are derived from the Universal Declaration of Human Rights; ILO's Declaration on Fundamental Principles and Rights at Work; the Rio Declaration on Environment and Development and the United Nations Convention against Corruption. The Global Compact is a leadership platform endorsed by chief executives for the development, implementation and disclosure of responsible and sustainable corporate policies and practices.

The Global Compact would be used to promote partnerships to leverage transformation and modernization in the business environment. The Liberian UNGC Local Network will be further exposed to the experience of other networks within the sub-region and continent (such as Ghana and Nigeria) as well Africa as global dialogue platforms that the UN Global Compact Office and IICPSD has developed.

OUTPUT 3: ENHANCED CAPACITY FOR GOVERNANCE OF THE EXTRACTIVE INDUSTRY

The Liberian extractives sector consists of agro-forestry, hydrocarbon and mining. Liberia is greatly endowed with minerals (iron ore, gold, and diamonds), forest products and potentially oil and natural gas which are currently under exploitation. Each sector has its unique challenges for both investors and the Government of Liberia. For the forestry sector, investors are extracting known commodities while in the hydro carbon sector primary activities remain exploration, while in the mining sector, investors are bidding on known deposits and are transitioning to exploration and discovery of new deposits.

Improving the business process and transparency in the extractives sector requires both regulatory and transactional reforms. From the regulatory perspective, the Mineral Policy, Minerals and Mining Act, the National Bureau of Concessions Act, and upcoming amendments to the PPCA provide a robust roadmap for improvement. The establishment of the Business Reform Committee to ensure the improvement in the overall investment climate, by identifying and analysing administrative and regulatory issues and recommending reforms seeks to address the identified challenges.

Under the Private Sector Development and Economic Governance Programme, UNDP Liberia will seek to support the capacity of key agencies involved in the extractive industry value chain, from negotiation, granting of concessions, monitoring and reporting of resource revenues to perform their roles effectively to enable the people of Liberia obtain the full benefits of their rich natural resources. Specifically the programme will support:

- Review and development of clear mandates, structures and functions of key actors in the extractive industry and make recommendations for reform and co-ordination as appropriate.
- Strengthening capacity for the monitoring of concession agreements to ensure compliance by both government and concessionaires.
- Strengthening capacity for the technical review of EITI Reports
- Advocacy and information sharing on revenues from the extractive industries to promote shared understanding of use of revenues from the extractive industries.
- Increased voice and participation of the citizenry in the management of extractives
- Establishment of a "Stabilization Fund" to support business linkages, training and alternative livelihoods initiatives in communities in the catchment area of concessions. To enhance the social development impact of concessions, the programme will assist with the implementation of certain clauses related to human capital growth and environmental sustainability in concession agreements
- Organization of artisanal miners into co-operatives to promote their legalization and enhance support to minimize the negative and a harmful impact of their activities.

The UNDP Strategy for Sustainable Management of Extractive Industries and emerging global programme on "Sustainable and Equitable Management of the Extractive Sector for Human Development" provide opportunity for leveraging additional technical and financial support.

Results and Resources Framework

<p>Intended Outcome as stated in the Country Programme Results and Resource Framework: Inclusive and sustainable economic transformation informed by evidence-based macro-economic policy promoting access to livelihood, innovative and competitive private sector and efficient natural resource management</p>										
<p>Outcome indicators as stated in the Country Programme Results and Resources Framework, including baseline and targets:</p> <ul style="list-style-type: none"> i. Regulatory framework for natural resources management with community participation endorsed ii. Government capacity for contracts negotiations supported by expert knowledge. 										
<p>Applicable UNDAF Action Plan (UAP) Key Result Area :</p> <ul style="list-style-type: none"> i. 2.2.1.4: Provide technical support to the adoption of PPP guideline through translation into policy, facilitating PPP in some areas to broker pro-poor investment/growth 2.2.1.5 Support capacity building of civil society and media towards enhanced advocacy for job creation ii. 2.2.2.1 Support the Government to design an inclusive Private Sector Development strategy and program iii. 2.2.2.2 Support to the development of the consumer protection policy standard regime iv. 2.2.2.3 Support to formalization and registration of MSMEs v. 2.2.4.1 Provide technical and advisory support for enhanced natural resources governance facilitation with focus on concessions contract management vi. 2.2.4.2 Support SME policy and program development 										
<p>Partnership Strategy: The programme will be implemented using the NIM modality and the expertise of UN agencies such as UNCDF and UNIDO would be sourced for specialized components in line with their mandates. The UNDP Istanbul International Centre for Private Sector in Development (IICPSD) will provide technical support and additional resources would be mobilised from other development partners such as the EC and AFDB and the private sector. During the program period, the UNDP will serve as the main interlocutor with the different GoL entities under this program and collaborating to ensure that the program results are delivered.</p>										
<p>PROGRAM TITLE: PRIVATE SECTOR DEVELOPMENT AND NATURAL RESOURCE GOVERNANCE PROGRAMME</p>										
Intended Outputs	Output Targets (years)	Activities	Responsible Party	Inputs	2013	2014	2015	2016	2017	Total
Output 1: Output1: AN ENABLING	2013Targets: 1.1 • National Private	Activity 1.1 Formulation of Private Sector Development	NIC	Consultancy fees	397,000	450,000	350,000	290,000	230,000	1,717,000

ENVIRONMENT FOR INCLUSIVE AND SUSTAINABLE PRIVATE SECTOR DEVELOPMENT CREATED	FOR INCLUSIVE AND SUSTAINABLE PRIVATE SECTOR DEVELOPMENT	Development	Strategy	Meeting costs						
<ul style="list-style-type: none"> Baseline 1.1: Fragments and uncoordinated policies and program for private sector development.. Indicators National Private Sector Development Strategy developed through a participatory process. GoL/Donor co-ordinating mechanism for private sector development institutionalized. Liberia's position in World Bank Ease of Doing Business Ranking Percentage increase in FDI Industrial Sector Support Programme formulated and implemented 	<ul style="list-style-type: none"> Strategy formulated and approved by stakeholders and PSDS 1 Coordinator hired 4 thematic working groups established 5 regional thematic working groups established and functional Baseline study for the establishment of the National Standard Board Conducted. 	<ul style="list-style-type: none"> 1.1.1.1 Technical support for the hiring and functioning of PSDS Co-ordinator 1.1.2 Establishment of thematic working groups 1.1.3. Organize outreach and stakeholder dialogues in various countries and interest groups to obtain inputs for the formulation of the strategy 1.1.4 Provision of technical support for the collation of inputs, feedback and quality assurance from stakeholder dailouge 1.1.5 Identify and provide support for the training and capacity building of PSDS implementation coordinator and staff 1.1.6 Finalize, endorse and design implementation strategy for the roll-out of Liberia Trade Policy 1.1.7 Draft and enact consumer protection policy and competition law and support institutional arrangement for the reform 1.1.8 Provide support for the conduct of investment mapping throughout Liberia, 1.1.9 Conduct study and for the establishment of the National Standard Board 1.1.10 Support to the logistics and operation of the PSD Project Unit at NIC 	<ul style="list-style-type: none"> 1.1.1.1 Technical support for the hiring and functioning of PSDS Co-ordinator 1.1.2 Establishment of thematic working groups 1.1.3. Organize outreach and stakeholder dialogues in various countries and interest groups to obtain inputs for the formulation of the strategy 1.1.4 Provision of technical support for the collation of inputs, feedback and quality assurance from stakeholder dailouge 1.1.5 Identify and provide support for the training and capacity building of PSDS implementation coordinator and staff 1.1.6 Finalize, endorse and design implementation strategy for the roll-out of Liberia Trade Policy 1.1.7 Draft and enact consumer protection policy and competition law and support institutional arrangement for the reform 1.1.8 Provide support for the conduct of investment mapping throughout Liberia, 1.1.9 Conduct study and for the establishment of the National Standard Board 1.1.10 Support to the logistics and operation of the PSD Project Unit at NIC 	Travel costs						

	<p>conducted</p> <ul style="list-style-type: none"> • UN Global Compact launched in Liberia. <p>2013 TARGET 1.3</p> <ul style="list-style-type: none"> • Industrial Sector Support Programme developed and operational. • Special Economic Zones Law passed by the legislature. • Industrial SWOT conducted • Invested promotion in SEZs coordinated and promoted. 	<p>Activity 1.2 Trade and investments promotion</p> <p>2.2.1. Review and finalization of PPP Guidelines and formulation of a National PPP Policy.</p> <p>2.2.2. Support the establishment and operation of PPP Unit at NIC</p> <p>2.2.3 Develop profiles of key investment and joint venture opportunities.</p> <p>2.2.4. Organize study and investment promotion tours to best practice countries under the aegis of south—south co-operation.</p> <p>2.2.6 Support to the CSR, LIBA and LCC for the launch of UN Global compact in Liberia.</p>	<p>NIC</p>	<p>Consultancy fees Equipment Publications Travel costs</p>																			
	<p>2013 Activity 1.2 Trade and investments promotion</p> <p>1.2.1 Review and finalization of PPP Guidelines and formulation of a National PPP Policy</p> <p>1.2.2 Support 1 investment promotion tours to best practice countries under the aegis of south—south co-operation (Turkey &/or Poland) for securing</p>	<p>NIC</p>	<p>Consultancy fees Meeting costs Travel costs Equipment Reporting costs</p>																				

		<p>investment in the SEZs 1.2.3 Support to the CSR, LIBA and LCC for the launch of UN Global compact in Liberia.</p> <p>1.2.4 Launch of Liberia Annual PPP Dialogue with selected theme annually beginning with Agric-Investment Forum/Round Table in Collaboration AFIM</p> <p>1.2.5 Support to capacity assessment and strengthening of trade capacity the Integrated framework office</p>				
	<p>2014 Targets: 1.1</p> <ul style="list-style-type: none"> National Private Sector Development Strategy operational Key institutional, legal and regulatory reforms to facilitate private sector development initiated. 	<p>Activity 1.3: Formulation and implementation of an Industrial Sector Support Programme</p> <p>1.3.1 Conduct detailed industrial sector analysis to identify key competitive sectors for targeted action and support.</p> <p>1.3.2 Formulate National Sector Implementation plan for 5 years.</p> <p>1.3.2 Support the finalization of the Special Economic Zones</p>				

	<ul style="list-style-type: none"> PSDS Monitoring structure developed and functional Trade and business information system developed and operational Consumer protection law enacted Labor standard developed 	<p>(SEZ) law and establishment of Special Economic Zones (SEZ) in Buchanan, Sinoe and Ganta. Support to the rectification and launch of the Monrovia Industrial Park</p> <p>1.3.3 Development of a Management Information System to track and report on the implementation of the Industrial Policy Implementation Plan</p> <p>1.3.4 Support to the establishment and functioning of Industrial Coordination Committee (ICC).</p> <p>1.3.5 .Support to the strengthening of the bureau of industry through provision of enhance capacity and operational logistics</p> <p>1.3.6 Support to the conduct of an industrial SWOT by the Bureau of industry..</p> <p>1.3.7 Investment promotion in the SEZs facilitated</p>							
<ul style="list-style-type: none"> 2014 TARGET 1.2 PPP activities coordinated in all sectors Low housing areas identify and partnership coordinated. National standard board established <p>2014 Target 1.3</p> <ul style="list-style-type: none"> Industrial Sector support program roll-out At least 1 SEZs and Monrovia Industrial Park operational National Standards Authority operational NIDFO established and operational TVET for Industrial development 	<p>2014 Activity 1.1: Support implementation of National Private Sector Development Strategy</p> <p>1..1 Designate and support PSDS focal persons in key Ministries Departments and Agencies to coordinate the implementation of the PSDS</p> <p>1..2 Support implementation of required legal and regulatory reforms to facilitate private sector</p>	<p>NIC</p> <p>Meeting costs Training Costs Travel costs Equipment Reporting costs</p>							

	<p>developed.</p> <p>2015 Targets: 1.1</p> <ul style="list-style-type: none"> • PSDS focal point in key 7 Private Sector institutions supported. • Legal Reform facilitated growth of Private Sector in Liberia • Joint monitoring structured developed • Conformity standard accessed • Non taxed revenue increased by 10 annually 	<p>development</p> <p>1.3 Monitor implementation of PSDS through joint GoL/DP co-ordination mechanism for private sector development.</p> <p>1.1.3 Support to the effective functioning of the Trade Promotion Unit to adequately monitor, gather and disseminate trade information.</p> <p>1.1.4 Support to the enactment of Intellectual Property Rights and Law</p> <p>1.1.5 Continue support to consumer protection law and awareness and functional consumer protection unit.</p> <p>1.1.6 Support to strengthening capacity for ensuring labor standard, regulation and manpower planning at the ministry of labor.</p> <p>2014 Activity 1.2 Trade and investments promotion</p> <p>1.2.1 Support operations of PPP Unit at NIC to lead and coordinate work on PPPs.</p> <p>1.2.2 Undertake study on low cost, low carbon housing model to inform design of Affordable Housing Units Construction Programme</p> <p>1.2.3 Design proposals for the Affordable Housing Units</p>	<p>NIC</p> <p>Consultancy fees Equipment Publications Travel costs</p>	
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	<p>Construction Programme and mobilise funding and investment as model PPP with strong local private sector participation.</p> <p>1.3.4 Promote Impact Investments in Liberia using Southern-based models of funding for innovative businesses</p> <p>1.3.5 Support for the establishment of National Standard Board</p>										
	<p>2014 Activity 1.3: Support to Industrial development program</p> <p>Support to the implementation of the Industrial Sector support Programme</p> <p>3.1 Support establishment of Special Economic Zones (SEZ) in Buchanan, Sinoe and Ganta and an Industrial Park in Monrovia.</p> <p>3.2 Support the establishment of a National Standards Authority</p> <p>3.3 Develop an Industrial Sub-Contracting Partnerships Exchange to expand opportunities for subcontracting in the industrial sector and develop the mechanisms for SMEs to take advantage of such opportunities</p> <p>3.4 Industrial Statistics monitoring and Data Collection.</p> <p>3.5 Strengthening TVET Institutions for Industrial Development</p> <p>3.6 Support to the set up and</p>	MoCI	<p>Consultancy fees</p> <p>Meeting costs</p> <p>Travel costs</p> <p>Reporting costs</p>								

<p>commercial agriculture developed</p> <ul style="list-style-type: none"> • Trade promoted • Trade promotion and management capacity at the ministry of commerce strengthened 	<p>Agricultural mechanization strategy</p> <p>1.2.2 Conduct Trade promotion for commercialization and modernization of agriculture</p> <p>1.2.3 Mid-term assessment of trade promotion to ascertain observe Trade Promotion effectiveness, measure category Price Elasticity, evaluate market place and competitive dynamics and assess new Trade Promotion options</p> <p>1.2.4 support to strengthening of trade promotion management capacity at the ministry of commerce</p> <p>1.2.5 strengthen linkages between manufacturers and retailers</p> <p>1.2.6 Conduct feasibility for linking Liberia to new trade</p>	<p>costs</p> <p>Reporting costs</p>				
<p>2016 Targets: 1.3</p> <ul style="list-style-type: none"> • Increase to 30 percent (baseline unknown) by 2017, the number of women, youth and physically challenged persons working in industry • Reduced vulnerability and 	<p>Activity 1.3 Support to Industrial development program</p> <p>1.1.1 Set minimum wage for industry and enforce its implementation as part of standards for workers' compensation</p> <p>1.1.2 In consultation with industrial firms and workers unions, support the enforcement of co-existence and full</p>	<p>MOCI</p> <p>Consultancy fees</p> <p>Meeting costs</p> <p>Travel costs</p> <p>Reporting costs</p>				

<p>discrimination of industrial workers.</p> <ul style="list-style-type: none"> Industrial statistics readily available. 	<p>collaboration with people living with HIV/AIDS to avoid discrimination; mainstream HIV/AIDS strategies and schemes into the policies and operational guidelines of manufacturing firms</p> <p>1.1.3 Establish legal and regulatory framework for collecting and managing industrial statistics and data</p> <p>1.1.4 Developed manufacturing firms to develop and implement workplace health and safety policies, regulations and programmes for HIV/AIDS, TB and malaria including non-discriminatory measures</p> <p>1.1.5 Support relevant MACs to draw up sector-specific action plans to integrate industrial development into their medium-term and long-term sector development programmes and budgets for sustainability</p>					<p>NIC</p> <p>Consultancy fees Meeting costs Travel costs Reporting costs</p>			
<p>2017 Targets: 1.1</p> <ul style="list-style-type: none"> Capacity of regulatory MACs for PSD developed PSD Project fully transitioned 	<p>Activity 1.1: Activity 1.1: Support to the implementation of the Private Sector Development Strategy</p> <p>1.1.1 Provide training to partner organisations regarding experiences in other countries with enabling environment regulation for PSD.</p> <p>1.1.2 Transition project</p>								

<p>Lesson learned documented</p>	<p>capacity to government for sustainability</p> <p>1.1.1.3 Evaluate and review PSDS strategy implementation</p> <p>1.1.1.4 Conduct consultation for updating PSDS</p> <p>1.1.1.5 Developed next 5 years PSDS Strategy</p> <p>1.1.1.6 Project evaluation and completion report.</p>			
<p>2017 Targets: 1.2</p> <ul style="list-style-type: none"> 4 staff trained to effectively managed trade and investment promotion. Investment in SEZs increased. 	<p>Activity 1.2: Trade and investments promotion</p> <p>1.2.1 Capacity support to the MOCI and the NIC for sustainable trade and investment promotion and management</p> <p>1.2.2 Trade promotion for agricultural products processing within the SEZs</p> <p>1.2.3 Investment marketing capacity at the NIC strengthened</p> <p>1.2.4 Review and analyse Trade-related Aspects of Intellectual Property Rights that could support the manufacturing</p>	<p>NIC</p>		

2017 Targets 1.3	Activity 1.3 Support to Industrial development program	MOCI	Consultancy fees						
<ul style="list-style-type: none"> Market infrastructure standardize ICT needs assessment for industrial manufacturing conducted Increased awareness of decent work and labor law. 	<p>1.3.1 Support to the development of at least 3 standard market infrastructures in 3 regions (Greater Monrovia region, Nimba Region and South Eastern Region)</p> <p>1.3.2 Conduct studies to determine the ICT need of the manufacturing sector</p> <p>1.3.3 Support the Labour Code Intensify Education and awareness creation of all stakeholders on the Law</p>		Meeting costs Travel costs Reporting costs						
<p>INTENDED OUTPUT</p> <p>OUTPUT 2: IMPROVED PRODUCTIVITY, COMPETITIVENESS AND DIVERSIFICATION OF MSMEs.</p> <p>Baseline: Majority of Liberian owned businesses are informal with limited business management skills, limited access to finance and business opportunities</p> <p>Indicators:</p>	<p>YEARLY TARGETS</p> <p>2013 Targets 2.1</p> <ul style="list-style-type: none"> 25 % increase in business training services for local entrepreneurs Matching Grant Scheme established and operational and providing funding for MSME capacity building At least 1,000 Liberian business owners/managers 	RESPONSIBLE PARTY	INPUTS	2013	2014	2015	2016	2017	
	<p>Activity 2.1: Provision of business development and skills training for MSMEs</p> <p>2.1.1 Support membership and business registration drive at decentralized level to reduce former sector and promote decent employment.</p> <p>2.1.2 Support establishment of Matching Grant Scheme for capacity building of MSMEs</p> <p>2.1.3 Provide entrepreneurship and business management training for entrepreneurs in areas of</p>	LIBA	Equipment Meeting costs Travel costs Training costs	347,000	450,000	200,000	150,000	100,000	TOTAL 1,247,000

<ul style="list-style-type: none"> • Increase in number of businesses registered • No. of businesses owners and managers benefitting from training and business improvement • No. of business engaged in government concessionaires procurement 	<p>trained entrepreneurship and business management</p> <p>2013 Targets 2.2</p> <ul style="list-style-type: none"> • Business linkages established between at least 2 concessionaires and local businesses • Local Content Policy developed through a participatory and inclusive process <p>2013 Targets 2.3</p> <ul style="list-style-type: none"> • Among other stakeholders, at least 75% of YEAP beneficiaries access financial services 	<p>Employee Customer Service and Business Management Training</p> <p>2.1.4 Establishment of a Business Incubator at LIBA to support entrepreneurship development and innovation with focus on the vulnerable local businesses.</p> <p>2.1.5 Institutionalise linkages with the IICPSD and private sector-led TVET organizations for training of trainers for technical and vocational education.</p> <p>2.1.6 Initiate and support roll-out of the Youth Enterprise Advancement Project (YEAP) in partnership with the MOC MSME Division and LIBA</p>	<p>LIBA</p> <p>Activity 2.2: Promote inclusive market development through business linkages and value chain development</p> <p>2.2.1 Baseline studies with the MAP Project for identifying gaps to inform local formulation of local content policy</p> <p>2.2.2 UN Global Compact in Liberia to promote Corporate Social Responsibility and business linkages</p> <p>2.2.3 Develop and support business models to improve the farmers capacity and value chain to promote the commercialisation of agriculture</p>	<p>Equipment Meeting costs Travel costs Training costs</p>
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	through the roll-out of CAADP in Liberia.										
<p>2.2.4 Improving linkages between SMEs and potential clients, strengthening value chains, and increasing exposure to markets through networking and increasing access to supply chains</p> <p>2.2.5 Develop rating system and score cards for SMEs.</p> <p>2.2.6 Support for supplier and supply chain development through established framework for accessing bids, RFQs bidder feedback and local supplier partnership</p>											
<p>Activity 2.3: Enhancing access to finance and inclusive financial services</p> <p>2.3.1 Link beneficiaries of YEAP and Matching Grant Scheme to financial services (VSLAs, Credit and Savings Unions, or other appropriate mechanisms so as to access credit, savings, and insurance, cash transfer) via the UNCDF /CBL Liberia Inclusive Financial Sector (LIFs Phase II)</p> <p>2.3.2 Implement Financial Literacy Initiative in collaboration with UNDP-IICPSD VSLA, and other appropriate mechanisms</p> <p>2.3.3 Support to partnership development with Government to work with MNCs and banks to</p>	CBL	<p>Equipment Meeting costs Travel costs Training costs</p>									

	<p>businesses benefitting from the business linkages programme</p> <ul style="list-style-type: none"> At least 50 indigenous businesses engaged in concessions/government supply chain 	<p>business linkages and value chain development</p> <p>2.2.1 Support implementation of the Youth Enterprise Advancement Project (YEAP)</p> <p>2.2.2 Develop Local Procurement Strategies for the Extractive Sector in collaboration with IICPSD and Michigan University</p> <p>2.2.3 Develop Inclusive Sustainable Procurement Strategy to promote local businesses participation in government procurement and supply chain of concessionaires.</p> <p>2.2.4 Support to strengthening capacity for quality standard in linkage program and services</p>	<p>costs</p> <p>Travel costs</p> <p>Training costs</p>																																																																							
	<p>2014 Targets 2.3</p> <ul style="list-style-type: none"> Increased access to finance by YEAP beneficiaries Impact invest promoted using the Turkish model 	<p>2014 Activity 2.3: Enhancing access to finance and inclusive financial services</p> <p>2.3.1 Link beneficiaries of EAP and Matching Grant Scheme to financial services (credit, savings, and insurance, cash transfer) under the UNCDF /CBL Liberia Inclusive Financial Sector (LIFS Phase II)</p> <p>2.3.2 Implement Financial Literacy Initiative in collaboration with VISA and others as appropriate</p> <p>2.3.3 Promote Impact Investments in Liberia using the Turkish Technology Development Foundation model to provide funding for innovative businesses</p>	<p>Equipment</p> <p>Meeting costs</p> <p>Travel costs</p> <p>Training costs</p>	CBL																																																																						

	2.3.4 CBL staff training and attachment programs to acquire relevant skills in financial economics and related programmes										
2015 – 2017⁵ Target 1.1	Activity 1.1 Provision of business development and skills training for MSMEs 1.1.1 Provide entrepreneurship and business management training for business owners and managers 1.1.2 Support the operations of the Business Incubator to promote entrepreneurship development and innovation. 1.1.3 Support implementation of National TVET Strategy to provide technical skills and improve labour productivity of Liberian Businesses 1.1.4 Facilitate capacity for export promotion and import substitution in the agric-food sector through improving farmers capacity	LIBA	Equipment Meeting costs Travel costs Training costs								
2015 – 2017 Target 1.2	Activity 2.2 Promote inclusive market development through business linkages and value chain development 2.2.1 Institutionalize Enterprise Advancement Project (EAP) 2.2.3 Support implementation of Local Procurement and	MOCI	Equipment Meeting costs Travel costs Training costs								

⁵ Due conduct of existing studies which allow for review of program within it implementation phases, year 2015 to 2017 maintain output and activities for the period will be based on decision of project board. This will closely consider current results.

<p>2015 - 2017 Target 1.3</p>	<p>Inclusive Procurement Sustainable Strategy to promote local businesses participation in government procurement and supply chain of concessionaires.</p> <p>2.2.4 Document lessons learnt and scale up Local Procurement Strategies.</p> <p>Support to capacity, skills and technology for the roll-out of commodities for export as stipulated in the National Export strategy.</p>					<p>NIC</p> <p>Activity 2.3: Enhancing access to finance and inclusive financial services</p> <p>2.3.1 Link beneficiaries of EAP and Matching Grant Scheme to financial services(credit, savings, and insurance, cash transfer) under the UNCDF /CBL Liberia Inclusive Financial Sector (LICFs Phase II) and build impact investment scheme</p> <p>2.3.2 Adopt and incorporate Financial Literacy Initiative in the National Inclusive Financial Service Initiative.</p>	<p>Equipment Meeting costs Travel costs Training costs</p>		
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INTENDED OUTPUT	YEARLY TARGETS	INDICATIVE ACTIVITIES	RESPONSIBLE PARTY	UNDP INPUTS	2013	2014	2015	2016	2017	TOTAL
<p>Output 3 ENHANCED CAPACITY FOR THE GOVERNANCE OF THE EXTRACTIVE INDUSTRY</p> <p>3.1 Baseline Limited co-ordination, capacity and linkages in Natural resource management and inclusiveness Indicators</p> <ul style="list-style-type: none"> • Clear institutional mandates and co-ordination mechanism for the extractive industry established • Enhanced knowledge of the public of revenues from the extractive industry and its use for the common good. • Public hearing of LEITI reports in the catchment area of concessionaires institutionalised • Business linkages established between concessionaires and local Liberian businesses 	<p>2013 Target 3.1 Functional Review of agencies involved in concessions / contract negotiation and award completed.</p> <p>Co-ordination mechanism for concessions negotiations and awards rationalised and publicized.</p>	<p>2013 Activity 3.1: Enhance co-ordination of the concessions process 3.3.1 Conduct a functional review and develop clear mandates, structures and functions of key actors in the extractive industry. 3.3.2 Support implementation of the recommendations of the functional review 3.3.3 Strengthen capacity for the monitoring of concession agreements. 3.3.4 Provide the Government of Liberia with technical assistance to draft new regulations to ensure community involvement and equitable distribution of benefits from PUPs 3.3.5 Provide support to the NIC towards the establishment of a Concession Review/Evaluation Directorate</p> <p>1. Ensures that contractual agreements are being faithfully carried out and executed in a timely fashion 2. Allows the Government to measure the progress It is making and to measure MNC activity in a more accurate manner 3. Gives the Government</p>	NCB	Equipment Meeting costs Travel costs Training costs Consultancy Fees	257,000	100,000	150,000	100,000	100,000	707,000

		<p>"teeth", giving it a way to deal with MNCs that are not abiding by the contractual agreements</p>									
		<p>2013 Target 3.2</p> <ul style="list-style-type: none"> Public hearing of LEITI Reports in all countries Reconciled revenues from the Extractive Industry published in national newspapers Strengthen operational capacity of LEITI to track 				<p>2013 Activity 3.2: Activity 2: Increase advocacy and participation of the citizenry in the management of extractives</p> <p>3.2.1 Strengthen capacity of LEITI Technical Unit for Industrial analysis and for the technical review of EITI Reports</p> <p>3.2.2 Institutionalize public hearings on LEITI reports throughout Liberia and advocacy for best practices in the extractive sectors</p> <p>3.2.3 provide support for the adoption of new EITI standard for enhanced transparency through ownership disclosure</p> <p>3.2.4 Strengthen capacity of NBC to fully conduct social analysis of existing concessions</p> <p>3.2.5 Development of an IT solution to track concession inclusiveness through clear indicators.</p>	LEITI				

	<p>1.5 Provide support to the NIC towards the establishment of a Concessions Development/Evaluation Directorate</p> <p>Activity 2: Increase voice and participation of the citizenry in the management of extractives</p> <p>2.1 Strengthen capacity of LEITI for the technical review of EITI Reports</p> <p>2.2 Public advocacy and information sharing on revenues from the extractive industries</p> <p>2.3 Institutionalize public hearings on LEITI reports throughout Liberia.</p> <p>Activity 3: Support to Artisanal Mining,</p> <p>3.1 promote legalization of artisanal miners and support training and sensitisation of artisanal miners</p> <p>3.2 Support implementation and monitor use of "Stabilization Fund" to support business linkages, training and alternative livelihoods initiatives in communities in the catchment area of concessions.</p>									
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PROGRAMME COSTS							
	YEAR 2013	YEAR 2014	YEAR 2015	YEAR 2016	YEAR 2017	TOTAL	
OUTPUT 1	397,000	450,000	350,000	290,000	230,000	1,717,000	
OUTPUT 2	347,000	450,000	200,000	150,000	100,000	1,247,000	
OUTPUT 3	257,000	100,000	150,000	100,000	100,000	707,000	
SUB TOTAL	1,001,000	1,000,000	600,000	450,000	350,000	3,401,000	
M&E (5%)	50,050	50,000	30,000	22,500	17,500	170,050	
PROJECT MANAGEMENT & SUPPORT COSTS (15%)		150,000	90,000	52,500	52,500	495,150	
TOTAL	1,201,200	1,200,000	720,500	525,000	420,000	4,066,700	
TOTAL PROGRAMME COSTS						4,066,700	

Doing Business Ranking	1.5 Provision of technical support for the collation of inputs, feedback and quality assurance.					Meeting Costs Travel Cost	15,000
<ul style="list-style-type: none"> Increase in FDI 		x	x	NIC	IICPSD/U NDP		
<ul style="list-style-type: none"> National Private Sector Development Strategy formulated and approved by stakeholders and 1 PSDS Coordinator hired 	1.5 Identify and provide support for the training and capacity building of PSDS implementation coordinator and staff	x	x	NIC	GoL- Parrallel funding	Meeting Costs Training Cost	20,000
<ul style="list-style-type: none"> 4 thematic working groups established 							
<ul style="list-style-type: none"> 5 regional thematic working groups established and functional 	1.6 Draft and enact Liberia competition law and support institutional arrangement for the reform functioning of the consumer Protection Unit and enhance consumer education, protection and awareness \					Local Consultants Meeting Costs Travel Cost	22,000
<ul style="list-style-type: none"> Baseline study for the establishment of the National Standard Board Conducted. 	<i>(Support a 3 man 4days lesson learn tour to Botswana) 1 Consultant hire for 3 month to conduct study for competition law</i>	x	x	MOCI	UNDP		
<ul style="list-style-type: none"> 2013 Target 1.2 Liberia's position in Ease of Doing Business ranking improved by 3points PPP Unit established and fully functional Investment and joint venture profiling developed 1 Investment promotion and 	1.7 Provide support for the conduct of investment mapping throughout Liberia,(1 consultant hire for 2 months)	x	x	NIC	UNDP/IICPSD	Local Consultants Meeting Costs Travel Cost	10,000

<p>lesson learn tour conducted</p> <ul style="list-style-type: none"> UN Global Compact launched in Liberia. <p>2013 TARGET 1.3</p> <ul style="list-style-type: none"> Industrial Sector Support Programme developed and operational. Special Economic Zones Law passed by the legislature. Industrial SWOT conducted Invested promotion in SEZs coordinated and promoted. <p>Related CP outcome: Inclusive and sustainable economic transformation informed by evidence-based macro-economic policy promoting access to livelihood, innovative and competitive private sector and efficient natural resource management</p>	<p>1.8 Develop framework for the establishment of the National Standard Board (1 Consultant hire for 5 months) and support to equipments for the standard laboratory</p> <p>1.1 Support to purchase of logistics for the operation of the PSD Project Unit at NIC including purchase of 1 vehicle</p>			<p>MOCI</p> <p>NIC</p>	<p>UNDP/GOL Parallel Funding</p> <p>UNDP/GOL Parallel Funding</p>	<p>Local Consultants Meeting Costs</p> <p>Equipment cost</p>	<p>25,000</p> <p>55,000</p>
<p>Activity 2: Trade and investments promotion</p>							
	<p>2.1 Review and finalization of PPP Guidelines and formulation of a National PPP Policy</p>	<p>x</p> <p>x</p> <p>x</p>	<p>NIC</p>	<p>UNDP/GOL Parallel funding</p>	<p>Local Consultants Meeting Costs</p>	<p>10,000</p>	
	<p>2.2 Support 1 investment promotion tours to best practice countries under the aegis of south—south co-operation (Turkey &/or Poland) for securing investment in the SEZs</p>	<p>x</p>	<p>NIC</p>	<p>UNDP/IICPSD/ Turkey Aid Agency</p>	<p>Travel Cost</p>	<p>10,000</p>	
	<p>2.3 Support to trade related capacity assessment through the Enhanced Integrated Framework Secretariat.</p>	<p>x</p>	<p>MOCI</p>	<p>UNDP/BDP</p>	<p>Local Consultants Meeting Costs</p>	<p>12,000</p>	
	<p>2.3 Support to the CSR, LIBA and LCC for the launch of UN Global compact in Liberia.</p>	<p>x</p>	<p>NIC</p>	<p>UNDP</p>		<p>16,000</p>	

	2.4 Launch of Liberia Annual PPP Dialogue with selected theme annually beginning with Agric-Investment Forum/Round Table in Collaboration AFIM		X	NIC	UNDP/AFIM	Meeting & Equipment Cost	15,000
Activity 3: Formulation and implementation of an Industrial Sector Support Programme							
3.1	Conduct detailed industrial sector analysis to identify key competitive sectors for targeted action and support.	x	x	MOCI	UNDP/GOL Parallel funding	Consultants Meeting costs Travel	12,000
3.2	Development of a Management Information System to track and report on the implementation of the ISSP. Capacity for development of industrial data bank		x	MOCI/UN DP	GoL Parallel Funding/UNDP	Consultants Meeting costs Equipment Cost	25,000
3.4	Support to the establishment and functioning of Industrial Coordination Committee (ICC). (2 coordination and stakeholders meeting supported)	x		MOCI/UN DP	UNDP	Meeting & Training Cost	7,000

	3.5 .Support to the strengthening of the bureau of industry through provision operational logistics	X	X	X		UNDP/MO CI	UNDP Parallel funding	/GoL	Training Cost Equipment Cost	15,000
	3.6 Support to the conduct of an industrial SWOT by the Bureau of Industry.					UNDP/MO CI	UNDP Parallel funding	/GoL	Consultants Meeting costs	26,000
Activity Result 4										
Facilitation of South-South exchange knowledge transfer with focus on development diplomacy:										
	4.1 Continuation of support to the Ministry of Foreign Affairs with a stock taking/review of the development diplomat programme with the view to tweaking it to reflect the imbedding of economic consulates			X	X	MFA	UNDP		Consultants Meeting costs	10,000
	4.2 Partnership with South Korea on e-procurement/e-governance/ICT for development			X	X	UNDP/MT C	UNDP		Consultants Meeting costs	5,000
	4.3 Partnership with UNDP India on Youth skills development and knowledge exchange			X	X	UNDP/MY S	UNDP		Consultants Meeting costs	10,000

	<p>Activity 5: Support to the promotion of intra-regional trade customs integration and harmonization</p> <p>5.1 Hold stakeholders forum for the review of CET type A and B Tariff towards validation of the harmonization plan for migration to the ECOWAS CET</p> <p>5.2 Hold one policy research study and related policy dialogue (on the result) on the barriers to intra trade in the MRU basin</p>	X	X	X	MOCI	UNDP	Consultants Meeting costs	10,000
<p>Output 2: Improved productivity and competitiveness of local enterprises</p> <p>Baseline: Majority of Liberian owned businesses are informal with limited business management skills, limited access to finance and business opportunities</p>	<p>Activity 2.2 Promote inclusive market development through business linkages and value chain development</p> <p>Support membership and business registration drive at decentralized level</p> <p>Support establishment of Impact Investment Scheme for capacity building of MSMEs</p>	x	x	x	MOCI	UNDP	Meeting costs Travel	15,000
		x	x	x	NIC	UNDP /GoL Parallel funding	Consultants	20,000

Indicators:										Contractual	115,000
<ul style="list-style-type: none"> • Increase in number of businesses registered 	1.1	Establishment of a Business Incubator to support entrepreneurship development and innovation.	x	x		LIBA	UNDP/GoL/USAID	Services-Company Travel Meeting costs			
<ul style="list-style-type: none"> • No of businesses owners and managers benefitting from training and business improvement 	1.2	Institutionalise linkages with the Turkish Technology Development Foundation (TTGV) and Conduct Vocational Training Adequacy and Performance Analysis Study and support the development of the National TVET Strategy	x	x	MYS	UNDP	Travel			10,000	
<p>2013 Targets 2.1</p> <ul style="list-style-type: none"> o 25 % increase in business training services for local entrepreneurs 											
<ul style="list-style-type: none"> • Matching Grant Scheme established and operational and providing funding for MSME capacity building 											
<ul style="list-style-type: none"> • At least 1,000 Liberian business owners/managers trained in entrepreneurship and business management 	2.1	Initiate and support roll-out of the Youth Agriculture and Enterprise Project YEAP)	x	x	MOCI	UNDP	Local Consultants			20,000	
<p>2013 Targets 2.2</p> <ul style="list-style-type: none"> • Business linkages established between at least 2 concessionaires and local businesses 	2.2	Develop a National Local Content Policy	x		NIC	UNDP/GoL Parallel Funding	Local Consultants Travel Meeting Costs			45,000	
<p>Activity Result 2.2</p> <p>Promote inclusive market development through business linkages and value chain development</p>											

<ul style="list-style-type: none"> Local Content Policy developed through a participatory and inclusive process 2013 Targets 2.3 <ul style="list-style-type: none"> Among other stakeholders, at least 75% of YEAP beneficiaries access financial services 	<p>2.1 Baseline studies with the MAP Project for identifying gaps to inform formulation of local content policy</p> <p>2.2 UN Global Compact in Liberia to promote Corporate Social Responsibility and business linkages</p> <p>2.3 Develop and support business models to improve the cassava and fish value chain promote the commercialisation of cassava and Fish. (30 clay oven project piloted)</p> <p>2.3.2 Support farmers on follow up activities of the Agric-investment Forum/Round Table</p>	X	NIC	UNDP /IICPSD	30,000
		X	LIBA	UNDP	10,000
		X	MOA	UNDP/GoL Parallel funding	20,000
			UNDP/AFI M	UNDP/AFI M/ GoL Parallel funding	30,000
Activity 2.3 Enhancing access to finance and inclusive financial services					
	2.3.1 Implement Financial Literacy Initiative in collaboration with VSLA in the counties	x	CBL	UNDP/GoL Parallel funding	37,000
Output 3: Enhanced Capacity for the Governance of the Extractive					
Activity Result 3: Enhance co-ordination of activities in the concessions value chain.					

Industry	1.1	Conduct a functional review and develop clear mandates, structures and functions of key actors in the extractive industry							Consultants	15,000
<ul style="list-style-type: none"> Baseline: Fragments and uncoordinated policies and program for private sector development.. Indicators <ul style="list-style-type: none"> National Private Sector Development Strategy developed through a participatory process. GoL/Donor co-ordinating mechanism for private sector development institutionalized. Liberia's position in World Bank Ease of Doing Business Ranking Percentage increase in FDI Industrial Sector Support Programme formulated and implemented 	1.1	Conduct a functional review and develop clear mandates, structures and functions of key actors in the extractive industry	X	X					UNDP	
	1.2	Strengthen capacity of the National Concessions Bureau for the monitoring of concession agreements through 2 training workshops and persons out country training in short courses related to concession and natural resource management.	X	X					UNDP/GoL Parallel Funding	30,000
	1.3		X	X					Training Equipment	
Activity Result 2: Increase advocacy and participation of the citizenry in the management of extractives										
<ul style="list-style-type: none"> 2013 Target 3.1 Functional Review of agencies involved in concessions / contract negotiation and award completed. Co-ordination mechanism for concessions negotiations and awards rationalised and 	3.2.1	Strengthen capacity of LEITI Technical Unit for Industrial analysis and for the technical review of EITI Reports (Support 2 persons for a 3 month course to UK and Switzerland and support logistics and ToT for the Technical Unit.	X	X					UNDP	50,000
	3.2.2	Institutionalize public hearings on LEITI reports throughout Liberia and advocacy for best practices in the extractive sectors	X	X					Publications	25,000

	3.4 Establishment of a "Stabilization Fund" to support business linkages, training and alternative livelihoods initiatives in communities in the catchment area of concessions. (1 stakeholders meeting)			x	MoF	UNDP/GoL Parallel funding	Capital Grant Consultants Travel	50,000.00	
Activity 4: Provide technical and advisory support for enhanced natural resources governance facilitation with focus on revenue management as well as on coordination negotiation in the concessions/contract in the oil sector and the strengthening of Tax administration through adoption of VAT									
	4.1 Provide one TA (national) for Natural Resources Tax Unit at the Ministry of Finance				MoF			12,000	
	4.2 Continuation of support to the Ministry of Justice and NBC for strengthening coordination and negotiation monitoring on NRM (as part of Private Sector and Natural Resource governance programme			x	x	UNDP/GoL Parallel funding		12,000	
	4.3 Support transition study from GST to VAT				MoF			9,000	
Sub-total								1,001,000	
M&E								50,050	

IV. IMPLEMENTATION AND MANAGEMENT ARRANGEMENTS

The project will be implemented under the national implementation modality with the National Investment Commission as Implementing Partner and other Responsible Parties/ Agencies. The NIC Project Implementation Unit will manage and co-ordinate the activities of this programme with technical advice and project assurance from UNDP. NIC will report to UNDP and the MoPEA on the production of outputs, achievement of objectives and the use of resources provided by UNDP. Accordingly, the NIC will follow national systems and procedures and in reference to the national implementation guidelines on accounting, financial reporting and auditing and shall be responsible for maintaining records on all implementation actions, including financial records to the extent possible that they do not contravene UNDP financial rules and regulations.

UNDP will support the implementation of this programme, particularly in the areas for strengthening national implementation support capacity within the country office. It will provide support services in the recruitment of staff and in the training and monitoring. It will work closely with the NIC to ensure policy direction, guidance and technical support to the project. In line with UNDP's Executive Board decision 98/2 "all costs associated with the delivery of other resources funded programme at country level are to be fully covered through cost recovery mechanisms". In this regards, General Management Service fee of approximately 7% if applicable will be charged on non-core resources mobilized in the implementation of this programme and 3% applicable to actual cost of direct implementation Support Services⁶.

A Project Board comprising the Ministry of Planning and Economic Affairs as chair; UNDP as co-chair and, National Investment Commission, Ministry of Commerce & Industry, LEITI, National Bureau of Concession and Liberia Business Association as members will be established. Other stakeholders may be added as the project evolves.

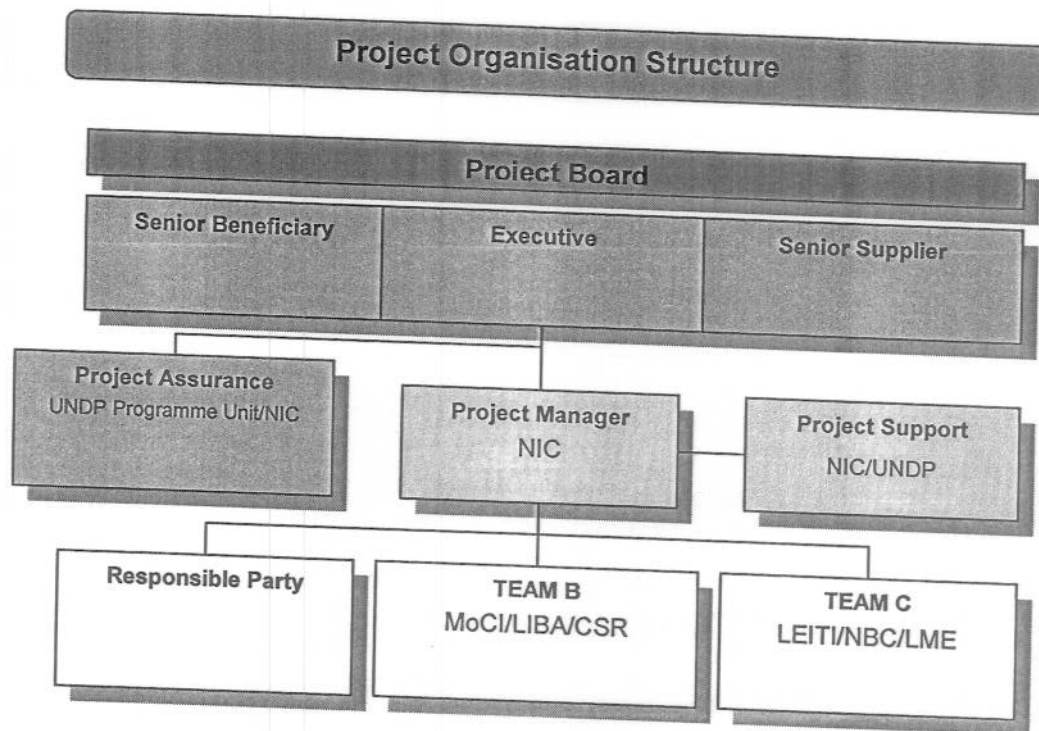
Definitions and Accountabilities of Implementing Partner and Responsible Party

As stated in Financial Regulation 27.02 of the UNDP Financial Regulations and Rules, an implementing partner is "the entity to which the Administrator has entrusted the implementation of UNDP assistance specified in a signed document along with the assumption of full responsibility and accountability for the effective use of UNDP resources and the delivery of outputs as set forth in such document." By signing a project document, an implementing partner enters into an agreement with UNDP to manage the project and achieve the results defined in the relevant documents. The accountability of an implementing partner is to:

- Report, fairly and accurately, on project progress against agreed work plans in accordance with the reporting schedule and formats included in the project agreement;
- Maintain documentation and evidence that describes the proper and prudent use of project resources in conformity with the project agreement and in accordance with applicable regulations and procedures

This documentation will be available on request to project monitors (project assurance role) and designated auditors.

⁶ Refer to Letter of Agreement (LOA) between MOPEA and UNDP on provision of Support Services



As stated in the Financial Regulation 17.01 of the UNDP Financial Regulations and Rules, an implementing partner may enter into agreements with other organizations and entities, known as responsible partners, who may provide goods and services to the project, carry out project activities and produce project outputs. Responsible parties are accountable directly to the implementing partner.

A Responsible Party is defined as an entity that has been selected to act on behalf of the implementing partner on the basis of a written agreement or contract to purchase good or provide services using the project budget. In addition, the responsible party may manage the use of these goods and services to carry out project activities and produce outputs. All responsible parties are directly accountable to the implementing partner in accordance with the terms of their agreement or contract with the implementing partner. Implementing partners use responsible parties in order to take advantage of their specialized skills, to mitigate risk and relieve administrative burdens.

Implementing Agency Capacity Assessment

The National Investment Commission (NIC) of Liberia is the agency established by law to encourage and promote foreign direct investment as well as oversee the implementation of the Liberia Investment Act. Firstly created by law in 1979, the NIC's core responsibilities include evolving and coordinating private sector policies that are aimed at spurring broad-based domestic entrepreneurship and private sector development.

Financial Disbursement and Reporting

Financial Accountability: The Implementing Partner shall be responsible for ensuring that the allocated resources for the Annual Work Plan are utilized effectively in funding the envisaged activities. It shall have a tracking system that it will maintain records and controls for the purpose of ensuring the accuracy and reliability of the Annual Work Plan's financial information. The tracking system in place shall ensure that envisaged disbursements are within the approved

budgets. The tracking system shall track the disbursements and the commitments besides capturing expenditure records through direct payments and support services made by UNDP on behalf of the Implementing Partner.

Cash Transfer (NEX Advance) modality: UNDP country office will provide quarterly NEX Advances to the National Investment Commission (NIC) according to the AWP activities, from which funds NIC will incur its expenditures. At the end of each quarter (calendar), replenishment of advances will be granted by the UNDP upon submission of the financial report of the prior quarter expenditures. The harmonized financial tool i.e. the Funding Authorization and Certificate of Expenditure (FACE) will be used as the financial reporting and request instrument. *UNDP financial rules and regulations will apply on NEX Advance management, i.e. 80% of all previous outstanding NEX Advance/s made to the IP under all UNDP programmes/projects must be accounted for with supporting documents before the next NEX Advance is made to the IP.* Alternatively, where the IP has not been accessed and is declared potentially as "HIGH RISK" UNDP will make direct payments on behalf of the Implementing Partner, pending the completion of the assessment.

Efforts will be taken by the UNDP Country Office to avoid the occurrence of similar problems from the past whereby the IPs were unable to report the expenditures incurred from the Cash Advances, resulting in un-liquidated advances that remained long outstanding in the UNDP books and became subject of critical comments from both external and internal audit. Effective Quality Control will be placed for payments of Advances. Any advance that is not liquidated two weeks following the submission deadline will result in the suspension of the Advance modality application to the IP and payments will be effected on the basis of direct payment requests until such time that the outstanding advance is liquidated and the corresponding financial report is submitted.

Direct payments: As agreed, UNDP country office shall make direct payments to other parties for services procured by the Implementing Partner in accordance with the Annual Work Plan. In the instance of direct payment, funds will be disbursed to vendors or third parties for obligations incurred by the Implementing Partner on the basis of requests signed by the designated official of the NIC.

Direct payments will be made to vendors or third parties for obligations incurred by UNDP in support of activities agreed with Implementing Partner. The Chairman of the NIC or a designated official will sign the request for direct payment. For UNDP to procure the goods and services included in the AWP, Implementing Partner will draft the technical specifications for goods and the terms of reference for the services to be procured. Documentation of payment by the Country Office must be made available to the Implementing Partner. A register for such requests shall be maintained to facilitate follow-up.

Direct Agency Implementation: UNDP conducts expenditure from requisition through to disbursement with no cash being transferred to the implementing partner. However, the implementing partner has full programmatic control and so full control over expenditures – refer to Letter of Agreement between UNDP and the Government of Liberia for the Provision of Support Services.

Cost recovery: The cost of the support services provided by UNDP CO will be recovered from the project based on the Letter of Agreement signed between the MoPEA and UNDP on the provision of support services, copy of the Letter of Agreement attached as annex.

Financial Reporting: UNDP at the end of the month will submit to the Implementing Partner a detailed expenditure report, supporting documents can be availed on request when necessary. The Implementing Partner should verify the Expenditures/disbursements and revert to UNDP for any correction to be made. On quarterly basis, UNDP will submit to the Implementing Partner the Combined Delivery Report (CDR) for verification and signature as a true record of quarterly expenditure report.

Fiduciary Compliance: In managing the Annual Work Plan resources, the Implementing Partner has fiduciary and compliance responsibilities to UNDP. It also has compliance responsibility for UNDP's reporting procedures.

Procurement of Goods and Services: Liberia's Government established rules and procedures governing procurement may be used when Government procures, as long as it does not contravene UNDP's rules and procedures. However, UNDP must be informed of procurement processes within the Implementing Partner and when necessary UNDP must be represented in procurement committees that are held to evaluate quotations and bid offers.

Ownership of equipment, supplies and other properties financed from the UNDP funding shall be considered as UNDP's, unless title is transferred on purchase. Matters relating to the transfer of ownership by UNDP shall be determined in accordance with the relevant policies and procedures of UNDP.

V: MONITORING & EVALUATION

Monitoring is a continuous function that aims primarily at providing management and main stakeholders of a country programme or a project with early indications of the progress, or lack thereof, towards delivering intended results. Effective monitoring is not demonstrated by merely producing reports in a prescribed format at set intervals. As a minimum, on annual basis, the following monitoring activities must be carried out in accordance with the programming policies and procedures outlined in the UNDP User Guide:

- On quarterly basis, project progress reports shall be submitted to MPEA through UNDP.
- An Issue Log shall be activated in Atlas and updated to facilitate tracking and resolution of potential problems or requests for change.
- A risk log shall be activated in Atlas and regularly updated by reviewing the external environment that may affect the AWP implementation.
- A Monitoring Schedule Plan shall be activated in Atlas and updated to track key management actions/events
- An annual review shall be conducted during the fourth quarter of the year or soon after, to assess the performance of the AWP and appraise the Annual Work Plan (AWP) for the following year.
- A representative from the UNDP office should visit each project at least once a year. Field visits serve the purpose of results validation and provide latest information on progress for annual report preparation. Field visits should be documented through brief and action-oriented reports, submitted within the week of return to the office.

VI: AUDIT CLAUSE

Audit is an integral part of sound financial and administrative management, and part of the UNDP's accountability system. Audit services cover the overall management of the project's implementation, monitoring and oversight. The audit of projects nationally implemented by

Government or by non-governmental organizations will be more of a financial nature that is ultimately meant to have the auditors express their opinion on:

- The annual expenditure (Combined Delivery ;
- The assets and equipment;
- The cash position of a given project.

To this effect, the audit work should include the review of work plans, progress reports, project resources, project budget, project expenditure, project delivery, recruitment, operational and financial closing of projects (if applicable) and disposal or transfer of assets. As part of its assurance responsibilities, UNDP will conduct spot checks on the assets and documentation on the use of project resources.

6.1. Annual Audit

Annual audits will be conducted by the legally recognized auditor of the Government, or by a private audit firms engaged by UNDP in consultation with Government Coordinating Agent in accordance with the established procedures set out in the Programming and Finance manuals.

6.2. Quality Management for Project Activities

Replicate the table for each activity result of the project to provide information on monitoring actions based on quality criteria. To be completed during the process of "Defining a Project" if the information is available. This table shall be further refined during the process "Initiating a Project".

OUTPUT 1:		
Activity 1 (Atlas Activity ID)		Start Date: End Date:
Purpose	<i>What is the purpose of the activity?</i>	
Description	<i>Planned actions to produce the activity result.</i>	
Quality Criteria <i>How/with what indicators the quality of the activity result will be measured?</i>	Quality Method <i>Means of verification. What method will be used to determine if quality criteria has been met?</i>	Date of Assessment <i>When will the assessment of quality be performed?</i>

VII. Legal Context

If the country has signed the Standard Basic Assistance Agreement (SBAA), the following standard text must be quoted:

This programme document shall be the instrument referred to as such in Article 1 of the Standard Basic Assistance Agreement (SBAA) between the Government of Liberia and UNDP, signed on 27 April, 1977.

Consistent with the Article III of the SBAA, the responsibility for the safety and security of the executing agency and its personnel and property, and of UNDP's property in the executing agency's custody, rests with the executing agency. The executing agency shall:

- a) Put in place an appropriate security plan and maintain the security plan, taking into account the security situation in the country where the project is being carried;
- b) Assume all risks and liabilities related to the executing agency's security, and the full implementation of the security plan.

UNDP reserves the right to verify whether such a plan is in place, and to suggest modifications to the plan when necessary. Failure to maintain and implement an appropriate security plan as required hereunder shall be deemed a breach of this agreement.

The executing agency agrees to undertake all reasonable efforts to ensure that none of the UNDP funds received pursuant to the Project Document are used to provide support to individuals or entities associated with terrorism and that the recipients of any amounts provided by UNDP hereunder do not appear on the list maintained by the Security Council Committee established pursuant to resolution 1267 (1999). The list can be accessed via <http://www.un.org/Docs/sc/committees/1267/1267ListEng.htm>. This provision must be included in all sub-contracts or sub-agreements entered into under this Project Document.

ANNEXES

ANNEX 2: Project staff cost

ANNEX 3: Project staff TORs (attached)

Risk Analysis - Use the standard Risk Log template. Please refer to the Deliverable Description of the Risk Log for instructions

Agreements - Any additional agreements, such as cost sharing agreements, project cooperation agreements signed with NGOs⁷ (where the NGO is designated as the "executing entity") should be attached.

Terms of Reference - TOR for key project personnel should be developed and attached

Capacity Assessment - Results of capacity assessments of Implementing Partner (including HACT Micro Assessment)

Special Clauses - In case of government cost-sharing through the project which is not within the Country Programme Document (CPD), the following clauses should be included:

⁷ For GEF projects, the agreement with any NGO pre-selected to be the main contractor should include the rationale for having pre-selected that NGO.

1. The schedule of payments and UNDP bank account details.
 2. The value of the payment, if made in a currency other than United States dollars, shall be determined by applying the United Nations operational rate of exchange in effect on the date of payment. Should there be a change in the United Nations operational rate of exchange prior to the full utilization by the UNDP of the payment, the value of the balance of funds still held at that time will be adjusted accordingly. If, in such a case, a loss in the value of the balance of funds is recorded, UNDP shall inform the Government with a view to determining whether any further financing could be provided by the Government. Should such further financing not be available, the assistance to be provided to the project may be reduced, suspended or terminated by UNDP.
 3. The above schedule of payments takes into account the requirement that the payments shall be made in advance of the implementation of planned activities. It may be amended to be consistent with the progress of project delivery.
 4. UNDP shall receive and administer the payment in accordance with the regulations, rules and directives of UNDP.
 5. All financial accounts and statements shall be expressed in United States dollars.
 6. If unforeseen increases in expenditures or commitments are expected or realized (whether owing to inflationary factors, fluctuation in exchange rates or unforeseen contingencies), UNDP shall submit to the government on a timely basis a supplementary estimate showing the further financing that will be necessary. The Government shall use its best endeavours to obtain the additional funds required.
 7. If the payments referred above are not received in accordance with the payment schedule, or if the additional financing required in accordance with paragraph []above is not forthcoming from the Government or other sources, the assistance to be provided to the project under this Agreement may be reduced, suspended or terminated by UNDP.
 8. Any interest income attributable to the contribution shall be credited to UNDP Account and shall be utilized in accordance with established UNDP procedures.
- In accordance with the decisions and directives of UNDP's Executive Board:

The contribution shall be charged:


- (a) [7%]cost recovery for the provision of general management support (GMS) by UNDP headquarters and country offices
 - (b) Direct cost for implementation support services (ISS) provided by UNDP to executing entity/implementing partner.
9. Ownership of equipment, supplies and other properties financed from the contribution shall vest in UNDP. Matters relating to the transfer of ownership by UNDP shall be determined in accordance with the relevant policies and procedures of UNDP.
 10. The contribution shall be subject exclusively to the internal and external auditing procedures provided for in the financial regulations, rules and directives of UNDP."
-

Blanket Letter of Agreement between UNDP and the Government of
Liberia for the Provision of Support Services under the 2013-2017
GOL/UNDP Country Programme Programmes/Projects

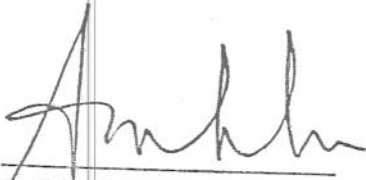
Dear Hon. Konneh,

1. Reference is made to consultations between Officials of the Government of *Liberia* (hereinafter referred to as "the Government") and Officials of UNDP with respect to the provision of support services by the UNDP country office for nationally managed programmes and projects. UNDP and the Government hereby agree that the UNDP country office may provide such support services at the request of the Government through its institution designated in the following programme support documents:-
 - Support to Electoral Reform Programme;
 - Decentralization and Support to the Legislature ; Programme
 - Support to Constitutional Reform Programme;
 - Justice, Security and Rule of Law Programme;
 - Peace Consolidation and National Reconciliation Programme;
 - Statistics, National Accounts and Aid Management Programme;
 - Private Sector Development Programme;
 - Energy and Environment Programme;
 - Promoting integrity, Oversight, accountability Programme;
 - Support to Government of Liberia for National Implementation Project; as described below.
2. The UNDP country office may provide support services for assistance with reporting requirements and direct payment. In providing such support services, the UNDP country office shall ensure that the capacity of the Government-designated institution is strengthened to enable it to carry out such activities directly. The costs incurred by the UNDP country office in providing such support services shall be recovered from the administrative budget of the office.
3. The UNDP country office will provide as agreed within the respective programmes, and at the request of the designated Implementing Partners, the following support services for the activities of the programmes:
 - a. Identification and /or recruitment of project personnel and consultants
 - b. Identification and facilitation of training activities
 - c. Procurement of goods and services.
 - d. Backstopping and initiating, defining, running and closing of projects
 - e. Conducting M&E activities, as while as facilitating Implementing Partners (P) capacity assessments and audits.

Yours sincerely,

 28/2/13

Signed on behalf of UNDP
Dominic sam
Country Director



26/04/2013

For the Government
Hon. Amara Konneh
Acting Minister
Ministry of Planning and Economic Affairs

Attachment

DESCRIPTION OF UNDP COUNTRY OFFICE SUPPORT SERVICES

1. Reference is made to consultations between Ministry of Planning and Economic Affairs (MoPEA), the institution designated by the Government of Liberia and officials of UNDP with respect to the provision of support services by the UNDP country office for the nationally managed programmes under the 2013 – 2017 GOL/UNDP Country Programme. The analysis of these activities covers the amount of time and human resources undertaken to process these transactions. A charge of 3% on expenditures incurred would justify processing of implementing partners transactions according to the UNDP Global policy on cost recovery. This fee, the Implementing Support Services (ISS) from UNDP programming guidelines, forms part of programme/project implementation and its an integral part of programme/project costs.

2. In accordance with the provisions of the letter of agreement signed on 28 February 2013 and the programme support document 10 programmes, the UNDP country office shall provide support services for the Programme as described below.

Support Services	Schedule for the Provision of the Support Services	Cost to UNDP of providing such Support Services	Amount and Method of Reimbursement of UNDP
1. Identification and /or recruitment of project personnel and consultants including payments, disbursements and other related transactions	As agreed in the Annual Workplan (AWP)s from inception to closure of the project	Implementation Support Services (ISS)	3% of expenditures incurred
2. Identification and facilitation of training activities, conferences, and workshops including fellowships	As agreed in the Annual Workplan (AWP)s from inception to closure of the project	Implementation Support Services (ISS)	
3. Procurement of goods and services and disposal/sale of equipment	As agreed in the Annual Workplan (AWP)s from inception to closure of the project	Implementation Support Services (ISS)	
4. Travel, visa requests, ticketing, shipment, clearance, vehicle registration and accreditation	As agreed in the Annual Workplan (AWP)s from inception to closure of the project	Implementation Support Services (ISS)	

3. Description of Functions and Responsibilities involved:

The management of programmes is under national implementation modality, meaning that the programmes are managed and implemented by the Government Line Ministries and Agencies as the Implementing Partners.

3.1 Managerial Function and Responsibilities of the Implementing Partners:

- 3.1.1 Ensure expected results from the project are achieved.
- 3.1.2 Ensure that the outputs are produced through effective process management and use of UNDP funds.
- 3.1.3 Submit quarterly progress reports to UNDP.
- 3.1.4 Ensure provision of in-kind contribution at Central Government.
- 3.1.5 In collaboration with UNDP arrange and manage Quarterly Board and Annual programme review meetings.
- 3.1.6 Maintain an up-to-date inventory of equipment acquired and disposed of.

3.2 Financial Functions and Responsibilities of the Implementing Partners

- 3.2.3 Verify that disbursements do not exceed the available funds or the amount allocated to each approved Activity.
- 3.2.2 Review and approve of Combined Delivery Reports (CDR) submitted quarterly by UNDP.
- 3.2.3 Ensure audit of the programme is done at least once during implementation

3.3 Managerial Functions and Responsibilities of UNDP:

- 3.3.4 Arrange review meetings chaired by the Minister, Ministry of Planning and Economic Affairs or his/her representative.
- 3.3.2 Prepare review meeting report within two weeks of the meeting.
- 3.3.3 Monitor progress of the project
- 3.3.4 Arrange for outcome/programme evaluation in consultation with MoPEA

3.4 Financial Functions and Responsibilities of UNDP:

- 3.4.1 Process direct payments related to project expenditure in accordance with the programme/AWPs activities
- 3.4.2 Provide Government partners with financial up-dates, including the CDRs on quarterly basis.
- 3.4.3 Monitor budget and ensure that it is kept up-to-date.
- 3.4.4 Prepare and sign annual mandatory budget revisions in close consultation with Government.