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## **LIBERIA TRADE POLICY AND CUSTOMS (LTPC)**

### **QUARTERLY REPORT**

January 1 – March 31, 2013

CONTRACT NUMBER: EEM-I-00-07-00005

TASK ORDER NUMBER: TO 11

DELOITTE CONSULTING, LLP

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# CHIEF OF PARTY REPORT

## Summary of reporting period activities

Q7 has seen further positive traction on all fronts and in all components of the project.

During the quarter LTPC returned from the Christmas break, relaxed and ready to move on with the project and the New Year. With our counterparts' busy travel schedules in January, the LTPC team had focused on ground work and task completion was underway on a number of fronts. There was a number of achievements through our Human and Institutional Capacity Development cross-cutting component and the WTO accession activities within MoCI.

We welcomed the continued assistance of Mark Eghrari our STTA IPR advisor. During the quarter we were also joined by Arturs Madzulis, our STTA Brokers advisor, and Ian Laycock, our STTA Training and Customs Subject Matter Expert. Mark departed during January; but Arturs and Ian will continue with LTPC through part of Q8. Of note during the quarter:

- Draft versions of the 8 training modules for the BCE phase 1 induction training are now prepared. LTPC is on track for the delivery of the training to the 50 new staff, which is currently completing their BCE selection and onboarding process. This training has been prepared in conjunction with the BCE Director of training and the 8 counterpart training teams. Prior to the delivery of the induction training further TOT will take place during April to ensure the BCE trainers are well prepared to deliver the modules.
- Draft mapping of the phase II induction training for BCE is also underway.
- The draft training modules for the Brokers have started and will be completed in Q8. It was agreed that the Brokers Association will carry out the training for those that require it and BCE will monitor and authenticate exam papers. Not all persons currently operating as Brokers will be required to undergo training and BCE and LTPC have undertaken an exercise to identify those persons who were previously trained and who hold a genuine license. Those who hold no such proofs will need to complete the required 5 modules and take the exam. Previously licensed and trained brokers will be re-licensed and will form the start of the new data-base and hard copy filing system. All Brokers will now be required to take out an Insurance Bond against which BCE can claim in the event of an offence.
- All groundwork for the HRIS has been completed in both the MoCI and BCE. LTPC has identified a suitable expert and, once approved, LTPC will work in conjunction with counterparts to ensure a user-friendly and sustainable database is implemented.
- After the identification of suitable office accommodation within MoCI and refurbishment by MoCI, LTPC consultants are now embedded with MoCI staff in the new and expanded HR department. The Minister was extremely pleased with this turn of events, as it enables continuous skills transfer to MoCI HR staff. During the quarter LTPC carried out a reorganization of all hard-copy HR files into lockable and secure file cabinets, thereby curtailing the practice of open access to staff files and the unauthorized removable of documentation. The exercise highlighted gaps in many staff files and 2 MoCI staff have been assigned to the follow-up action required to complete the files.
- In February LTPC team organized and facilitated a Senior Management Retreat for MoCI. The Minister and all Deputy and Assistant Ministers attended and we are pleased to report success. Moving the management away from the distraction of the Ministry worked well and during the retreat LTPC was able to pare down a perceived 42 'top priorities' to just 6 top program areas and two cross-cutting support areas. LTPC will now work with MoCI to support progress in the areas identified.
- LTPC advisors continued to drive the WTO initiative and during the quarter were instrumental in drafting the MoU between GoL and SIDA. The official start date for the program is now the 23<sup>rd</sup> of April. LTPC prepared a status report for the SIDA program that

outlines recommended next steps and we foresee a smooth transition of responsibility. Until this happens, LTPC team agreed to assist MoCI in the preparation of a presentation to cabinet on WTO accession.

- The LTPC CCN LTTA training advisor Pewee Reed started his work with the MoCI and easily integrated himself with the Ministry and LTPC. It is envisioned that Pewee will remain with MoCI beyond the program end. As part of LTPC sustainability building approach, our advisors will support Pewee and ensure he has appropriate tools to carry forward the MoCI training vision. The first advisory board meeting will be convened within MoCI, aiming to incorporate the training and capacity building activities in the Ministry's strategy. Pewee will be leading this effort.

All these developments get the project up to a good start at the beginning of the year. The travel plans of our counterparts seem to have slowed and we look forward to a productive next quarter.

## ACTIVITIES PLANNED DURING THIS QUARTER

LTPC team has made further positive progression of the key activities and continued consolidation of activities carried out during the previous quarters. Activities included the following logistical and technical elements:

- **Personnel mobilization:** The following project personnel are deployed on the project on a full time basis and it is anticipated they will remain with the project until its conclusion in August 2013:
  - Mr. Glenn Mackenzie-Frazer, Chief of Party (COP) - Deloitte
  - Philip Pleiwon, Deputy Chief of Party (DCOP) – IBI International
  - Rufus Chamberlain, CCN Operations/Security Manager – RSM
  - Fanta Conde-Barclay, CCN IPR Advisor -- Deloitte
  - Edwin Martin, CCN Trade Facilitation and Integration Advisor – IBI International
  - Katie Fahrland, Trade Liberalization Advisor – Deloitte
  - Robert Letchford, HR & Training Advisor -- Deloitte
  - Chirag Rajpuria. HR & Training Advisor -- Deloitte
  - **Home office management team**
    - Dr. Stephen Lewarne, Engagement Principal
    - Ms. Alyona Polomoshnova, Engagement Manager
    - Mr. Remy Olsen, Home Office Project Associate

In order to consolidate project momentum further STTA personnel were also deployed during Q7.

- Brian Foster, HR & Training Advisor -- Deloitte
- Mark Eghrari, IPR advisor – Deloitte
- Ian Laycock SME Customs/Training
- Pewee Reed CCN Training coordinator
- Arturs Madzulis Brokers Expert

### *STTA Deployment Plan for Q8:*

Area	Name	LOE	Approx. Deployment Date
• P&MD Advisor	Bill Thibodeau	20 days	April
• Database Expert	Guillaume Foutry	60 days	April
• Outreach advisor	Kate Head	12 days	April
• Standards Lab.	TBD	TBD	May
• TOT Trainer	Diana Osinski	14 Days	April

- **Project operations and local offices set-up:** The LTPC project team have continued to use every possible opportunity to work hand-in hand with key project counterparts, including deployment of project advisors on counterpart's premises to the extent possible. The project team has co-located work space with our key counterparts, Ministry of Finance Customs Headquarters and the Ministry of Commerce & Industry. Working space is also available in the IP office, located within the MOCI. The project continues to maintain a small remote project office with reliable Internet connection, printing equipment and power generation equipment, in order to ensure productive use of the project team's work time and minimizing the impediment of the currently unreliable infrastructure.

The preceding activities are the general logistical activities and specific activities related to the project SOW by component and are within the project plan framework.

## **SEVENTH QUARTER IMPLEMENTATION RESULTS**

### **COMPONENT 1: TRADE LIBERALIZATION IN LIBERIA**

- The Ministry of Finance (MOF) Bureau of Customs and Excise (BCE or Customs) continues to undertake the exercise to align the customs tariff structure with the World Customs Organization's Harmonized System for Tariff Classification Convention. Lack of a completely harmonized system inhibits the gathering, production and comparative analysis of timely and accurate national trade statistics. The current lack of trade data and poor transparency in the existing national customs tariff classification system undermines trader voluntary compliance and permits discretionary practices by customs officials. These factors discourage trading and drive up overall costs of doing business.
- The Deloitte team has worked with the GOL to correct these weaknesses in the Customs tariff structure and its administration at border posts, where, according to MOCI officials, the majority of illegal and substandard activity reportedly takes place. These activities will move Liberia towards achieving its vision for simplifying tariff policies and reducing non-tariff trade barriers to stimulate expanded trade flows and economic expansion.

#### ***Expected Result 1 – Tariff Simplification, Harmonization, Implementation, and Reduction of Nontariff Barriers***

##### *Activity 1: Incorporate ECOWAS standards into GOL's draft National Trade Policy*

The current draft has now been updated; but after review by Deloitte and MOCI, the policy in general is not adequate and appears to contain plagiarized sections from the National Trade Policy of Sierra Leone. The issues have been brought to the attention of the Minister and at this time a decision is being taken as to whether to attempt to salvage the current draft or to review the whole situation with a view to a complete new draft. The MOCI are committed to completing the National Trade Policy document and LTTPC will continue providing support.

##### *Activity 2: Rationalize and harmonize tariff structures with ECOWAS*

The responsibility for the harmonization and rationalization of the tariff structure remains with the Ministry of Finance. Harmonization has been completed and a trade sensitization program will begin in early Q8 with full support from LTTPC. Even when accepted by the GoL it will be a number of months before the CET will actually come into effect and the whole process of review and acceptance by all ECOWAS members needs to take place. As previously reported the WTO are supportive of the structure of the new Liberian tariff and their positive feedback will spur the MoF to continue with their implementation efforts.

The government of Liberia have not made any decision on the adoption of the ETLs. Discussions continue within GoL and LTTPC has ensured that the study carried out by L-MEP has been highlighted as a source of pertinent material in the decision making process. LTTPC will continue to provide GoL with advice as required; however the decision remains with GoL.

##### *Activity 3: Train Customs and Trade Officials*

#### **Bureau of Customs and Excise (BCE)**

During Q7 a number of HICD activities were undertaken at the BCE and MOCI by the LTTPC team and we have included the following training activities and implementation activities under this heading:

- **Phase 1 Induction Training Program**

As a result of the working group formed within BCE after the initial Train-of-Trainers (ToT) program in Q6, 8 teams of trainers were formed to prepare the Phase 1 Induction Training Program and to be

mentored by both current LTTPC consultants and a Customs Subject Matter Expert in the development of the required training materials and curriculum. This system of mentoring has worked extremely well and created a high level of ownership and sustainability of the training by BCE. The trainers guide, the participants guide, all 8 modules along with presentation slide decks are almost completed and on track for the training of the 50 new recruits due in April. We understand that the initial figure of 50 recruits may be increased and BCE will take over the reins for round two if this proves to be the case.

▪ **Senior Management retreat MoCI**

In February LTTPC organized and facilitated a two day Senior Management Retreat. This was purposely held outside the capital, in order that there would be minimum distractions, maximum concentration and full engagement by the participants. This was a highly successful and pivotal event and the main areas of note are:

- A focus on perceived priorities, paring the list down from 42 to 6
  - Prepare and deliver a presentation to Cabinet on access and next steps for WTO accession.
  - Ensure proper enforcement of the Liberian Investment Code
  - Create and adopt a new export strategy
  - Achieve accreditation for the National Standards Laboratory
  - Review and redraft the National Trade Policy
  - Carry out a reform of the Consumer protection inspectorate.

(A further two crosscutting priorities were also identified; but are of a more overarching nature and longer duration. Staff Development and IT and Infrastructure development).

- Team building and informal interaction between Ministers.
- An agreement reached to form a training advisory board within the MoCI, which will for the first time tie training and capacity building to the Ministry's strategic goals.
- Agreement on the National IP office organizational structure, which was reviewed in conjunction with three invited IPR specialists.
- Identification of follow-up leadership interventions, to include:
  - LTTPC consultants to concentrate on the number one priority identified; the preparation of a presentation on access to the WTO by MoCI for the Cabinet.
  - Creation of new TOR's for Minister level jobs in MoCI
  - Creation of a staff communications strategy.
  - Facilitation of a review of the Ministry's mission statement once the new Minister is confirmed and his team is in place.



*Minister of Commerce and Industry, Miata Beysolow, (center), during the Senior Management Retreat. The two day event was both enjoyable and fruitful.*

- **CET Sensitization and Information workshop**

All the foundations for this workshop have now been laid in place for the event and this will go ahead at the very start of Q8. Over 60 GoL and private sector stakeholders are expected and we anticipate a favorable response. BCE are aware that they need to interact more fully with trading partners and other GoL departments and this kind of event is a great step forward in sharing the facilitation and integration message.

- **Training of operational BCE Officers**

In the early part of Q7 LTPC completed our series of training workshops focusing on three topics: Introduction and adoption of Standard Operating Procedures, (developed by LTPC), Introduction and use of the HS Tariff and a basic enforcement guide for IPR.

LTPC held our final event in Zwedru for 9 regional officers. This brings the total to 63 officers and 5 locations. As with the previous training the officers were delighted that this event was available to them and more to the point BCE is spreading the word of change around the country. This was a true partnership effort with input from both LTPC personnel and BCE trainers. LTPC believe that BCE will now carry forward the training model to ensure that decisions and changes which take place centrally are translated and implemented regionally



*Training participants during one of the LTPC/BCE regional training events held in Zwedru. Director IPR Jerry Diah, introduces trainees to IPR enforcement methods at borders.*

#### Activity 7: Develop NTB elimination action program

The first meeting of the National Trade Facilitation Forum (NTFF) was planned to take place in Q7, however this has still not happen due to the inordinate amount of travel by Ministers and Key players during the quarter. It is critical for the Forum's success for the first meeting to include those at the highest level. May has now been agreed to be the best time for the meeting and LTPC team will follow developments closely. The NTFF technical working group, of which LTPC is a member, and who will support the Forum, does meet on a regular basis and this technical group will be well placed to advise the Forum when it comes into full play.

Once started, the NTFF will reach beyond the LTPC project end and will act as a focal point for all donors, trade bodies and government to discuss trade related concerns and issues.

#### Activity 8: Import Permit Declarations and Pre-Shipment Inspection.

As stated in previous reports, LTPC has monitored the issue of IPD's and EPD's. Progress has been achieved and there has been a marked reduction in the number of commodities that require permits. Currently IPD's are required for 27 products a reduction from 32 commodities. All products required an EPD and this has now been reduced to only 4 products. LTPC facilitated the publication of the commodity lists and the MoCI publicly announced the reductions through radio broadcasts. The reductions were reported to the WB, EU and IMF by LTPC. Further reductions are planned for IPD's and discussions are in progress between MoCI and GoL.

LTPC advisors worked closely with both MOF and MoCI to facilitate the installation of the Automated Customs Clearance System (ASYCUDA) in the MoCI. This has now been achieved. UNCTAD will carry out the required training and programming. There is intent even for those goods which still require a permit that this system will allow issuing permits automatically.

The new 3 year contract with the incumbent company BIVAC is still not agreed upon, and LTPC advisors are actively engaged with BCE to ensure that an adequate PSI exit strategy is adhered to.

It should be re-iterated at this point, that the amount of training required to enable GOL/BCE to carry out valuation functions at import is formidable. Liberia is not currently in a position to verify values with exporting nations and the current infrastructure will not support it.

#### Activity 9: Administrative and regulatory reform in health and safety

The DCOP Philip Pleiwon continues to consult with MoCI over technical assistance to the Standards Laboratory. We have arrived at a conclusion with MoCI counterparts that what is required and of

paramount importance is the accreditation of the Standards laboratory and we will now work with MoCI to produce a roadmap to accreditation. We had identified a suitable CCN candidate; however during the recent cabinet changes our candidate was appointed as the Deputy Minister of Commerce. We are currently reviewing our position and will address the issue in earnest during Q8. Our preference is still to use a CCN advisor, who would be employed by the Ministry after LTPC closes; but this may not be possible due to the shortage of suitable candidates in-country.

#### Activity 11: Trade statistics and data analysis

Access and use of ASYCUDA at MOCI will begin in Q8, (April).

LTPC continue to assist Minister Marvie within MoCI to implement the plan for improved trade related research, data collection and analysis. The fledgling ECI, (Essential Commodities Index), developed by LTPC is now running with MoCI staff populating the database with information. Our ECI consultant will return in Q8 to complete the task and publish the first reports. LTPC will ensure that ASYCUDA is installed in the MoCI in the early part of Q8, giving the MoCI access to real time import and export data for any commodity during any given period.

#### Activity 12: Activity Plan for the Price and Marketing Division of the MOCI

LTPC deployed a STTA Advisor Bill Thibodeau (IBI International) who completed his assignment during Q6. An Essential Commodities Index (ECI) was created and assigned PAMD staff were trained to input data to ensure that the Index remains relevant.

It has been established by both MoCI and LTPC that the level of skills required to maintain the database is not available through the current staff. The MoCI have appointed new personnel with basic computer skills to play this role. This staff is undergoing training and the LTPC STTA will return during Q8 to carry out further training and to ensure that the database is current and produce the first statistical reports.

LTPC also maintain contact with MIT and the possibility of an agreement with GoL to host the database in 'cloud' form remains available.

**Figure 1: Activities under Expected Result 1 – Tariff Simplification, Harmonization, Implementation, and Reduction of Nontariff Barriers**

The table below summarizes the status of planned activities under Expected Result 1 as it compares to the work plan.

#	Activity	Work Plan Start	Work Plan Completion	FY2011	FY2012				FY2013				Comments
				Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
1	Incorporate ECOWAS standards into GOL's draft National Trade Policy	Sept 2011	Dec 2011	started	ongoing	Continuing. Draft policy in review							
2	Rationalize and harmonize tariff structures with ECOWAS	Oct 2011	Mar 2011	X	X	started	ongoing	ongoing	ongoing	ongoing	ongoing	ongoing	HS Tariff submitted to WTO. Tariff implementation 1 <sup>st</sup> March 2013
3	Train Customs and Trade Officials	Aug 2011	Aug 2013	X	started	ongoing	Continual OJT, phase 1 ToT completed Tariff, IPR and SOP completed						
4	Conduct a media awareness campaign	Oct 2011	Mar 2012	X	started	ongoing	Awareness materials generated on IPDs and EPDs. Outreach conducted on the new LBR reduction in fees and procedures.						
5	Deliver ECOWAS CET training with GOL	Oct 2011	April 2012	X	X	X	X	X	ongoing	ongoing	ongoing	ongoing	Training and research commenced and ongoing for the remainder of the project. CET workshop in April
6	Identifying non-tariff barriers to trade	Sept 2011	Dec 2011	X	stta	stta	X	stta	X	X	X	X	Completed
7	Develop NTB elimination action program	Jan 2012	June 2012	X	stta	stta	ongoing	stta	ongoing	X	X	X	Completed. To be implemented through NTFB
8	Import Permit Declarations and Pre-shipment Inspection	Oct 2011	Dec 2011	X	started	ongoing	ongoing	ongoing	ongoing	X	X	X	Completed. Re-launch through media, of goods lists exempted from IPD. New pre-shipment contract

														signed
9	Administrative and regulatory reform in health and safety	Oct 2011	April 2012	X	X	X	start ed	ongo ing	ongo ing	ongo ing	ongo ing			Q8 and Q8 will see further progress, through CCN inputs
10	GAP analysis in ECOWAS protocol implementation	Sept 2011	Nov 2011	X	ongo ing	ongo ing	ongo ing	ongo ing	com plete d	X	X	X		A full comparison was not required. Only the ETLs remains an issue. The fiscal impact study completed in Q4 is in the hands of GoL who continue their negotiations with ECOWAS
11	Trade statistics and data analysis	Sept 2011	June 2012	start ed	ongo ing	ongo ing	ongo ing	ongo ing	ongo ing	ongo ing	ongo ing			ASYCUDA use in MOCI April
12	Activity Plan for the Price and Marketing Division of the MOCI	Oct 2011	April 2012	X	Start ed	ongo ing	ongo ing	com plete d	X	X	X	X		Plan completed

## ***Expected Result 2 – Move Liberia toward WTO Accession***

- Following a presentation to the WTO led by Liberia’s representative, Liberia was granted the observer status at the WTO. Under MoCI’s leadership, the Integrated Framework (IF) initiative, which the GoL launched to spearhead the WTO accession process, developed an accession plan. We will provide MoCI and the IF coordination unit with technical assistance to facilitate the implementation of the accession plan.

### **Activity 2: Establish and provide assistance to a WTO Accession Team**

The WTO technical accession team is scheduled to meet once every week. During Q7 this was not happening as scheduled, due to the absence of team members engaged in travel for overseas training and conferences. It picked up again toward the end of the quarter and is back on track. The meetings take place on Friday afternoons at 2pm and are held in the office of Assistant Minister Marvie in the MoCI building. (Meetings held during Q 7- January 11<sup>th</sup>, February 8<sup>th</sup> and 15<sup>th</sup>, March 1<sup>st</sup>, 8<sup>th</sup> and 28<sup>th</sup>).

The anticipated arrival of the SIDA funded program did not occur during Q7. LTPC had laid the foundation for their arrival and prepared for a smooth hand over of responsibilities as drivers of WTO accession. Unfortunately GoL had not ratified the agreement with SIDA and the grand arrival and start of the project will now take place on the 23<sup>rd</sup> of April.

### **Activity 5: Prepare Liberia’s Goods and Services Offer**

The project has distributed the format and questions to the Ministries concerned and continues to work on collating the information required to assist with the preparation of Liberia’s goods and services offer. Whilst awaiting the approval of GoL, SIDA sent an expert to commence work on the Goods offer. LTPC advisors worked with the SIDA expert and prepared a draft action plan for the completion of the Goods offer.

### **Activity 6: Research and draft legislation for ECOWAS and WTO compliance**

There is no change in this section and the statement below remains extant.

An example ‘legislative action plan’ has been provided to MOCI and discussions held with the Liberian Law Reform Commission. The project has concluded that this body would be best suited to carry out this task as they have perhaps the best access to the most complete law library in Liberia. We have continued to work with MOCI in the drafting of a finalized action plan and provided a list of laws, by subject area), which should be given priority in the review process. LTPC will continue to monitor the finalized action plan during the coming months; however our Swedish colleagues will be in Liberia for 5 years working solely on Liberia’s accession to the WTO.

### **Activity 7: Provide training on ECOWAS and WTO protocols**

This is an ongoing activity for the duration of the project. As stated previously LTPC continues with our HICD cross-cutting activities in support of the key project objectives. Training needs will be met through these activities which will teach the necessary training skills and provide delivery ownership to counterparts.

- **Reorganizing and upgrading the HR Division Office of MoCI**

This is another crosscutting result and seems to sit well under this section of the report.

The HR office within MoCI was a rather dilapidated and over partitioned space badly laid out and ill equipped. LTPC persuaded the Ministry to remove the partitions giving better circulation for air conditioning and creating a more professional working atmosphere. LTPC also persuaded the Ministry to give access to a further adjoining office. This office now houses the Director HR and more importantly the new lockable and well-ordered hard copy personnel files. This office has a bolt-able metal door and limits access to the personnel files which previously were housed in broken down cabinets and cardboard boxes.

A campaign was launched to identify and fill important gaps in the hard copy file information and this activity now has two file-clerks dedicated to the task. LTPC provided plastic file covers for the existing files and under the project we will be providing further equipment to the HR division during Q8. Creating order in the hard copy environment has laid the foundation for the HRIS which will be created during Q8.



*Out with the old.....*



*.....in with the new !*

**Figure 2: Activities under Expected Result 2 – Move Liberia toward WTO Accession**

The table below summarizes the status of planned activities under Expected Result 2 as it compares to the work plan.

#	Activity	Work Plan Start	Work Plan Completion	FY2011	FY2012				FY2013				Comments
				Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
1	Finalize and submit the Memorandum of Foreign Trade Regime	June 2011	Sept 2011	Completed	Completed	X	X	X	X	X	X	X	Submitted
2	Establish and provide assistance to a WTO Accession Team	Aug 2011	Dec 2011	Started	ongoing	stta	ongoing	ongoing	ongoing	X	X	X	Training in Sweden completed. Swedish Program to commence April 23 <sup>rd</sup> 2013. Completed
3	Respond to WTO MFTR Requests for Clarification	Oct 2011	Aug 2013	Started	started	stta	ongoing	completed	X	X	X	X	Completed and submission made to WTO
4	Prepare the WTO first Working Party meeting	Oct 2011	Aug 2013	X	X	stta	ongoing	completed	X	X	X	X	The first working party meeting took place in Geneva on the 11 <sup>th</sup> of July 2012
5	Prepare Liberia's Goods and Services Offer	Oct 2011	Aug 2013	X	started	stta	ongoing	ongoing	ongoing	ongoing	ongoing		On track
6	Research and draft legislation for ECOWAS and WTO compliance	Aug 2011	Mar 2012	X	X	stta	ongoing	ongoing	ongoing	ongoing	X	X	Legislative action plan submitted to GoL. New Customs Code completed. New IPR legislation completed
7	Provide training on ECOWAS and WTO protocols	Sept 2011	Aug 2013	X	X	stta	ongoing	ongoing	ongoing	ongoing	ongoing		Ongoing WTO training; but not for ECOWAS

## **COMPONENT 2: TRADE FACILITATION AND INTEGRATION**

- Deloitte's strategy to achieve Trade Facilitation and integration expected result is based on the objective of building institutional capacity in the key functions of cargo inspection, tariff classification and customs valuation to allow Customs to gradually phase out PSI over the next 3 to 5 years. We worked to modernize the customs legal framework; simplify and harmonize customs procedures and controls in line with international best practices; maximize the use of IT systems; and strengthen customs verification and enforcement through the application of risk management techniques, post-clearance audit controls, and non-intrusive inspection technology. These reforms will support ECOWAS regional integration and WTO membership requirements.

### ***Expected Result 3 – Improve customs procedures so as to reduce delays and costs to traders for complying with customs requirements***

#### **Activity 1: Simplify and streamline customs procedures and processes**

LTPC continues to provide reform advice and address the needs of the BCE in line with the workplan and we continue to address and discuss new issues as they arise. As previously stated, this is a life of project activity. We continue to await the appointment of a permanent Commissioner.

#### **Activity 2: Assist in finalizing the new customs code**

This statement is still extant although it now appears we may not see the new code brought into force during 2013. As stated in previous reports the new Customs Code was finalized and checked for compliance with the Revised Kyoto Convention, WTO and ECOWAS requirements. The WB carried out this work and the new code is compliant. The code continues to await ratification by GoL and is not likely to be passed into law in 2013.

#### **Sub-Activity 3.1: Customs Standard Operating Procedures Manual**

The Standard Operating Procedures Manual has continued to be adopted by BCE who is conducting an internal awareness campaign. During Q6 & Q7 regional training on the adoption of SOP's was completed by LTPC and counterparts from BCE. This is further proof of the commitment of BCE to bring the SOP's on line nationally. Outreach to trade is still an issue and during Q8 LTPC will work with BCE to ensure awareness and uniformity

#### **Activity 5: Improve and strengthen cooperation and consultation between customs, customs brokers, importers, exporters and other stakeholders.**

As previously stated, the first meeting of the NTFF was delayed. The inaugural meeting will now take place during Q8.

#### **Sub-Activity 5.2: Assist Customs in implementing a robust Customs broker testing and licensing regime.**

The report has been completed and finalized. Implementation was again delayed during Q7. The implementation has now begun and will be completed during Q8. During the licensing exercise STTA Advisor Arturs Madzulis is assisting BCE in the smooth implementation of the program and the setting up a record keeping system. He is also developing the training program and testing regime for those brokers who have not qualified for automatic re-licensing.

**Figure 3: Activities under Expected Result 3 – Improve customs procedures so as to reduce delays and costs to traders for complying with customs requirements**

The table below summarizes the status of planned activities under Expected Result 3 as it compares to the work plan.

#	Activity	Work Plan Start	Work Plan Completion	FY2011	FY2012				FY2013				Comments
				Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
1	Simplify and streamline customs procedures and processes	Sept 2011	Aug 2013	Started	ongoing	ongoing	ongoing	ongoing	ongoing	ongoing	ongoing		Ongoing for the project duration
1.1	Develop a cargo release time study	Oct 2011	Dec 2011	X	started	stta	X	completed	X	X	X	X	Completed
1.2	Analyze timeframes for all types of cargo	Oct 2011	Dec 2011	X	started	stta	ongoing	completed	X	X	X	X	Completed. To be used in conjunction with the NTB study during project life
1.3	Propose alternative solutions and develop a detailed action plan to streamline each regime	Oct 2011	Dec 2011	X	started	ongoing	ongoing	ongoing	ongoing	ongoing	ongoing		To be implemented during Q8. First consultative meeting delayed until May
1.4	Introduce automated risk management techniques	Oct 2011	Aug 2013	X	X	X	X	X	X	X	X	X	Automated risk management techniques in use through the ASYCUDA system
2	Assist in finalizing the new customs code	Sept 2011	Jan 2012	Completed	X	X	X	X	X	X	X	X	Code completed and awaiting adoption by the GOL
3	Assist the GOL in drafting and implementing regulations and administrative instructions	Sept 2011	June 2012	Started	2 x stta	X	X	completed	X	X	X	X	Standard operating procedures completed. Implementing regulations completed
4	Assist the GOL in ensuring regulations are in compliance with WTO	Sept 2011	Nov 2011	Started	stta	X	X	complete	X	X	X	X	New code compliant. Regulations compliant

	requirements													
4.1	Undertake a diagnostic study to benchmark Liberia's WTO Compliance	Sept 2011	Aug 2012	Started	ongoing			Liberia thus far compliant						
4.2	Prepare an appropriate action plan on compliance for consideration by the NTFF	Oct 2011	June 2012	X	ongoing			Action plan developed; will be implemented through the NTFF						
5	Improve and strengthen cooperation and consultation between customs, customs brokers, importers, exporters and other stakeholders	Aug 2011	Aug 2013	ongoing			Ongoing assistance. Project life							
5.1	Set up a Stakeholder Consultative Committee	Aug 2011	Oct 2011	ongoing	X	X		Committee NTFF set up completed, awaiting first meeting in May 2013. Technical working group meeting on a regular basis						
5.2	Assist Customs in implementing a robust Customs broker testing and licensing regime	Sept 2011	Dec 2011	Started	stta	ongoing	ongoing	ongoing	ongoing	ongoing	ongoing			Brokers program completed. Re-licensing planning completed. Licensing began in Q7 and will be completed in Q8
6	Conduct training programs on Customs Valuation	Oct 2011	Mar 2012	X	X	X	X	X	X	X	X	X		Until the new legislation is adopted, valuation training will be preemptive. However in conjunction with other donors, LTFC will continue to monitor the situation
7	Training at LIPA and Customs	Aug 2011	Aug 2013	ongoing			Initial consultation with LIPA. Ongoing program activity							

## **COMPONENT 3: STRENGTHEN PROTECTION OF INTELLECTUAL PROPERTY RIGHTS**

- In Liberia, the benefits of improved IPR protection are clear to economists and more sophisticated businessmen and entrepreneurs, but far less so to the population at large. With its intent to join the WTO and to comply with other IP-related international agreements, Liberia must comply with tighter rules and standards in order to qualify, which will have a clear, positive impact on the Liberian economy in the long run. Greater IPR protection encourages innovation and entrepreneurship, should businessmen and innovators become sufficiently aware of the processes and benefits involved through education and outreach. The Liberian population as a whole will benefit from the increased economic activity as well as reduced dangers from cheap, counterfeit products that threaten its health and safety. LTTPC advisors have been working with the GoL to make public awareness a centerpiece of its offering.

### ***Expected Result 4 – Increase knowledge and capacity of GOL on Protection of Intellectual Property Rights***

*Activity 1: Develop and implement an IP policy framework*

Our LTTPC CCN IPR Advisor Fanta Conde-Barclay continues assisting in the development of the draft IP Policy Framework. Fanta works with both the Copyright office and the Trademark registration office in Monrovia and is coordinating training and outreach with representatives from WIPO. LTTPC will monitor the Framework to its conclusion and implementation.

*Activity 2: Prioritize recommendations from WIPO’s assessment of Liberia’s IPR regime*

Recommendations have been prioritized. An action plan for implementation over the coming quarters continues to be developed and this activity continues to be driven by our CCN LTTPC advisor in a collaborative effort with MOCI. The recent Management retreat for Senior MoCI Management specifically tackled the issue of IPR and its reform in Liberia. The retreat has galvanized the MoCI into action and we will continue to push the initiative.

*Activity 3: Strengthen IPR protection unit within the Bureau of Customs*

LTTPC has begun conducting basic training on IP concepts for the Bureau of Customs. This training was completed early in Q7 and will be followed by training on TRIPS Border Protection Measures. The new BCE IPR Director will also work with LTTPC to pass the message to the trading community, with the first outreach event planned as part of the CET sensitization effort early in Q8.

*Activity 4: Support Automation for LIPO and the copyright office and train the Coordination Unit*

LTTPC will move into this area during the remainder of the project; however during Q7 agreement was reached with MoCI on the structure of the National IP office and any automation effort will be focused on a single office concept.

*Activity 5: Create a training program and Liberia-specific materials/training on IPR*

As stated in previous reports, Liberia-specific IPR materials have already been developed, and more will continue to be developed throughout the duration of the project. STTA Advisor Kate Head will join LTTPC for a short time during Q8 and her focus will be on IPR outreach to artist organizations and trade bodies.

- Our LTTPC CCN IPR Advisor continues to work with the Law Reform Commission to finalize the ‘Liberia Intellectual Property Act 2012.’

*Activity 7: Implement a permanent MOCI training program*

LTTPC has been in consultation with the Judiciary to ascertain the best approach to their specific needs. During November/December the LTTPC STTA Advisor assisted in the development of workshop style event for Judges and Lawyers. It is intended that the workshop will take place during Q8. Our LTTPC CCN Advisor Fanta Conde-Barclay is now working with WIPO to ensure maximum

impact and a collaborative effort. The LTPC HICD element will be completing the delivery of ToT training events during Q8, allowing MOCI to roll out IPR training to staff assigned to IPR issues.

**Figure 4: Expected Result 4 – Increase knowledge and capacity of GOL on Protection of Intellectual Property Rights**

The table below summarizes the status of planned activities under Expected Result 4 as it compares to the work plan.

#	Activity	Work Plan Start	Work Plan Completion	FY2011	FY2012					FY2013				Comments
				Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
1	Develop and implement an IP policy framework	Aug 2011	Dec 2011	X	X	stta	ongoing	ongoing	ongoing	ongoing	ongoing		Policy development in progress	
2	Prioritize recommendations from WIPO's assessment of Liberia's IPR regime	Oct 2011	Nov 2011	X	X	stta	ongoing	X	X	X	X	X	Completed. GoL with LTPC assistance continue to discuss implementation	
3	Strengthen IPR protection unit within the Bureau of Customs	Aug 2011	Mar 2012	X	X	stta	ongoing	ongoing	ongoing	X	X	X	Training materials developed for delivery in conjunction with the newly appointed BCE IP Director. Completed	
4	Support Automation for LIPO and the copyright office and train the Coordination Unit	Sept 2011	Feb 2012	X	started	ongoing	ongoing	ongoing	ongoing	ongoing	ongoing		Ongoing support through MOCI of all automation	
4.1	Automation	Sept 2011	Feb 2012	X	ongoing		Ongoing support through MOCI of all automation. Price Index development completed. ASYCUDA to be running early in Q8. Computers provided through LTPC in both areas							
4.2	IP Coordination Unit	Sept 2011	Feb 2012	X	X	stta	ongoing	ongoing	ongoing	ongoing	ongoing		Coordination of IP is in place through the IPR office located within the MOCI. This office continues to be supported through LTPC's LTTA CCN IPR Advisor	
5	Create a training program and Liberia-	Sept	May	X	X	stta	ongoing	ongoing	ongoing	ongoing	ongoing		Some training material developed and delivered. Further development	

	specific materials/training on IPR	2011	2012				ing	ing	ing	ing	ing		and delivery in progress
5.1	Train Customs Officials	Sept 2011	May 2012	X	X	X	X	ongoing	ongoing	ongoing	x	x	Materials developed. Delivery completed in 5 locations. ^# front line officers trained. Completed
5.2	Prepare training programs for GOL Ministries	Sept 2011	May 2012	X	X	stta	ongoing	ongoing	ongoing	ongoing	ongoing		Some modules developed. Further modules throughout the life of the project
5.3	Develop informational materials for entrepreneurs/inventors	Sept 2012	Mar 2012	X	X	stta	ongoing	ongoing	ongoing	ongoing	ongoing		Materials in development. Outreach in Q8
5.4	Work with Artists/Organizations to improve IPR protections	Sept 2012	Aug 2012	X	X	stta	ongoing	ongoing	ongoing	ongoing	ongoing		Materials in development. Outreach in Q8
5.5	Increase Public Awareness	Sept 2012	May 2012	X	X	stta	ongoing	ongoing	ongoing	ongoing	ongoing		Start outreach with new Minister in Q8
6	Strengthen judicial understanding and enforcement	Jan 2012	Aug 2013	X	X	stta	ongoing	ongoing	ongoing	ongoing	ongoing		Judicial consultations carried out. Still awaiting new legislation
7	Implement a permanent MOCI training program	Oct 2011	May 2012	X	X	stta	ongoing	ongoing	ongoing	ongoing	ongoing		Further action in the coming months through HICD
8	Conduct public outreach	Jan 2012	Aug 2013	X	X	X	X	X	X	X	ongoing		Will start in Q8

## CROSS-CUTTING COMPONENT 4 – HUMAN INSTITUTIONAL CAPACITY AND DEVELOPMENT (HICD) IN MOCI AND MOF, BCE

While the progress on Cross-cutting HICD activities was described in detail in the sections for Expected Results 1 – 4, the Figure below provides a concise snapshot of the progress of each activity.

**Figure 5: Cross cutting activities – Human institutional capacity and Development (HICD) in MoCI and MoF, BCE**

The table below summarizes the status of planned activities under Cross Cutting Activities as it compares to the work plan.

#	Activity	Work Plan Start	Work Plan Completion	FY2011	FY2012					FY2013				Comments
				Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4		
1.1	Implement Functioning HRIS - BCE	Nov 2012	Aug 2013	X	X	X	X	X	X	X	started	ongoing		Process mapping started in Q6, design completed in Q7 and roll out and training will occur in Q8
1.2	Build In-house Training Capacity - BCE	Nov 2012	Aug 2013	X	X	X	X	X	X	X	ongoing	ongoing		Activities continued throughout Q7 and will be completed in Q8
2.1	National Intellectual Property Organizational Design - MoCI	Nov 2012	Aug 2013	X	X	X	X	X	X	X	started	ongoing		Draft outline for the National IP office, with draft job descriptions by function was developed and presented to MoCI. Activities will continue in Q8
2.2	Implement Functioning HRIS - MoCI	Nov 2012	Aug 2013	X	X	X	X	X	X	X	started	ongoing		Process mapping started in Q6, design completed in Q7 and roll out and training will occur in Q8
2.3	Conduct Public Outreach (supplemental to Activity 8, Expected Result 4) - MoCI	Nov 2012	Aug 2013	X	X	X	X	X	X	X	X	ongoing		Will occur in Q8

## SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

- There are still two project related, outstanding pieces of legislation under review by the Law Reform Commission. The process is slow and the legislation can have an impact on implementation. LTPC continues to assist and to consult at Ministerial level to drive the ratification of this legislation.
- The LTPC HICD activities and associated training have been moving ahead rapidly and LTPC is well on target to carry out the remainder of the Tot and the first large scale induction training program for BCE great cooperation from BCE and the appointment of a new Director of training is a real asset.
- A great deal of effort went into the organization of the Senior Management Retreat for the MoCI. The event has paid real dividends and will affect all work-streams within the Ministry in a positive fashion.
- LTPC is moving forward in all work streams; however, a debilitating factor has been and continues to be the lack of infrastructure and equipment within GoL Ministries. The basic computing and communication needs are sadly lacking and have a detrimental and profound effect on reform and Governmental moral. This has been alleviated to some extent by the agreement of USAID that LTPC can purchase a limited amount of equipment in targeted areas.

## STATUS OF OVERALL PROJECT PROGRESS AND PERFORMANCE ON THE MONITORING PLAN

### Q7 RESULTS (BASED ON THE COMPONENT OBJECTIVES)

#### High level results

Indicator	2010 Baseline	Target value (Project duration)	Q7 Value	Notes
Liberia's performance on the Heritage Foundation "Trade Freedom" index	53.8	65	61.4	NTB elimination and other trade initiatives

#### Result indicators

##### *Component 1, Result 1 – Tariff Simplification, Harmonization, Implementation and Reduction of Nontariff Barriers*

Indicator	2010 Baseline	Target value Y2	Q7 Value	Notes
Number of public awareness campaigns launched as part of a NTB Reduction Initiative	n/a	2	0	No campaigns launched in Q7

##### *Component 1, Result 2 – Move Liberia toward WTO Accession*

There are no applicable quarterly indicators under Component 1 Result 2 to report.

##### *Component 2, Result 3: Improve Customs Procedures*

Indicator	2010 Baseline	Target value (Project duration)	Q7 Value	Notes
Reduction in days required for imports	15	-10%	11	Documented through TRS study reduction in Q4
Reduction in days required for exports	17	-10%	15	This activity will continue during project life
Reduction in number of documents required for import	9	1	8	No requirement for an IPD on selected imports
Trainings conducted for customs agents, officials, brokers and traders	--	8	8	These activities will continue in Q8
Number of customs agents, officials, brokers and traders trained	--	150	149	These activities will continue in Q8

**Component 3, Result 4: Increase knowledge and capacity of GOL on protection of intellectual property rights**

Indicator	2010 Baseline	Target value (Project duration)	Q7 Value	Notes
Number of parties trained on intellectual property rights protection	--	20	5	Activities will continue in Q8
Number of IPR-related public outreach events	--	2	0	Activities will commence in Q8
Customs staff trained on new IPR enforcement guidelines and procedures	--	TOT program developed	63	Activities will continue in Q8
Number of project-facilitated discussions between Liberian business groups and the Customs Bureau	--	4	1	Further discussions planned in the coming months through the NTFF

**Improved gender equality**

Indicator	2010 Baseline	Target value (Project duration)	Q7 Value	Notes
Number of women participating in public-private sector dialogues on trade and WTO	N/A	10% participation in all events	10 Govt. delegates attended WTO planning in Sweden. 2 were women 10 delegates attended the WTO in Geneva. 3 were women	20%, 1 <sup>st</sup> event. 30%, 2 <sup>nd</sup> event

## **DISCREPANCIES (IF ANY) BETWEEN THE IMPLEMENTATION PLAN AND QUARTERLY REPORTS**

The project is on track for the completion of all tasks however we continue to alter timelines where it makes sense to do so and to re-prioritize activities based on GOL's needs.

Further changes may be required and some tasks timeline may be affected by the events outside of LTPC project's scope. For example, the adoption of a new law or procedure can have an impact on other project activities.

We continue to be adaptive to the needs of GOL and to try not to duplicate work being carried out by other donor organizations. Will and direction of Government plays a key role!