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LIBERIA TRADE POLICY AND CUSTOMS (LTPC)

QUARTERLY REPORT

October 1, 2011 – December 31, 2011

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

Q2 has seen positive motion on all fronts and in all components of the project. During Q2 we mobilized a robust team of STTA advisors in order to ensure progress and the embedding of reform. Our COP and DCOP have continued to build on their relationships with counterparts, who now feel confident to ask for all any advice required.

Relationships with other donors have also been further strengthened and of note is the working relationship with the EU in the MOF/BCE. A recent development in the area of WTO accession has allowed us to form a working relationship with the proposed SIDA funded, long term WTO accession program. Rather than duplicate effort we have been able to delineate the roles of each project and focus on the immediate needs of the GOL. The IMF and WB continue to work in a collegial manner; but we will be working on getting everyone at the same table at the same time!

Our STTA advisors were deployed in both the MOCI and the MOF/BCE. Specific tasks were highlighted in each of the Ministries and we are happy to report the following:

- After the completion of the new Customs Code it was imperative that the implementing regulations were completed, before the enactment of the law. The regulations were completed during the quarter and have been reviewed by the MOF. Once the law is enacted, we will bring back the STTA consultant to assist with the implementation and refining of the regulations. There will always be teething problems; but both the law and regulations are compliant with the WTO and Revised Kyoto Convention.
- The ‘Standard Operating Procedures Manual’ has been completed and reviewed by the MOF/BCE. We were pleased to witness what a collaborative effort this was, with continual consultation between the advisor and the counterparts. Fact sheets for the trade and public have also been prepared for distribution and as an added bonus we completed a review of the MOF website needs and functionality, in order to ensure a publication platform for all the reforms taking place.
- A full review of the broker licensing regime has been completed and the report contains a roadmap for implementation and proposed training modules for brokers. The report is awaiting a complete review by MOF, as there are still a number of ‘bones of contention’ to be ironed out in order that there is a smooth transition to the new licensing regime, without alienating the broker community. Early in Q3 we will finalize the implementation timetable and may bring back our STTA advisor to carry out the test examinations for the first batch of newly licensed brokers.
- The survey to identify NTB’s has been completed and the final report will require review by the MOCI and the MOF/BCE. Once this review has been completed the NTB elimination action plan will be put in place for implementation over the project life.
- The TRS survey was also carried out and we are only waiting for the completion of a number of transactions which were monitored, in order to complete the report and identify bottlenecks in the system and assist MOF/BCE to address them.
- Great progress was made in the MOCI with the WTO accession. The technical negotiating team has been identified and we have made good progress on responding to requests for clarification received after Liberia’s submission of their MFTR. Awareness training on WTO accession was delivered through a number of seminars and we are hot on the heels of the information required to complete Liberia’s goods and services offer.
- The IPR STTA advisor has made good progress in developing training and awareness materials for the MOCI and we continue to expand in the IPR field. The ultimate aim being a permanent GOL IPR training program. Weekly IPR workshops are now in place for selected MOCI officials and leaders of Liberian trade associations.

The above mentioned project activities are specific and will have an impact on the coming months; but it should be mentioned that the team interact and deal with all the project long term goals on a day-to-day basis.

During Q2 we continued to encountered problems with staffing our LTTA CCN positions. It was not possible to complete their recruitment during Q3; however we are confident that in January 2012 at least two of the three will be onboard. To finish on a high note we did recruit a new operations manager and he has proven to be extremely adept.

ACTIVITIES PLANNED DURING THIS QUARTER

During the first three months of the program we focused our activities on setting the foundation for an effective LTTPC program execution. Q2 has seen positive progression of the key activities and has included the following logistical and technical elements:

- **Personnel mobilization:** Over the course of Q2 the following project personnel were deployed on the project:
 - Mr. Glenn Mackenzie-Frazer, Chief of Party (COP)
 - Philip Pleiwon, Deputy Chief of Party (DCOP) – IBI International
 - Rufus Chamberlain, CCN Operations Manager – RSM, (joined in October)
 - Julie Leaf, STTA Standard Operating Procedures Advisor
 - Ian Laycock, STTA Customs and Trade Advisor
 - Jan Forest, STTA Legal Drafting Advisor
 - Mark Eghrari, STTA IPR Advisor
 - Home office management team
 - Mr. Stephen Lewarne, Engagement Principal
 - Ms. Alyona Polomoshnova, Engagement Manager
 - Three LTTPC CCN professionals are in the process of being deployed and are expected to start their work in January 2012.

In order to consolidate project momentum further STTA personnel will also be deployed during Q3 and dates and duration are currently under review. Envisaged are the following deployments.

STTA Deployment Plan for Q3:

Area	Name	LOE	Approx. Deployment Date
• WTO Advisor	Ben Irvin	30 days	January 16
• IPR Advisor	Mark Eghrari	60 days	March 1
• Brokers Advisor	Arturs Madzulis	15 days	February 20
• Legal Advisor	Jan Forest	10 days	March 1
• Customs Advisor	Bert Cunningham	15 days	February 15

- **Project operations and local offices set-up:** The LTTPC 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 now has co-located work space with our key counterparts, Ministry of Finance Customs Headquarters and the Ministry of Commerce & Industry. Working space has also been provided in the IP office, located within the MOCI. The project also 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 activities above are the general logistical activities and specific activities related to the project SOW by component followed the work plan accepted by USAID at the beginning of the project.

SECOND QUARTER IMPLEMENTATION RESULTS

COMPONENT 1: TRADE LIBERALIZATION IN LIBERIA

- The Ministry of Finance (MOF) Bureau of Customs and Excise (Customs) is currently undertaking an 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 will work 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 DCOP, Philip Pleiwon who is based at the Ministry of Commerce and Industry has been working in conjunction with MOCI officials, in the preparation of activities for the achievement of this task. Unfortunately Parliamentary and Presidential elections in recent weeks have claimed the full attention of counterparts and partners. Progress has been made and it is anticipated that results will be achieved in the first month of the third quarter. It is anticipated that after the January inauguration ceremony there will be no hesitation in finalizing the policy as reform will definitely be the flavor of the day.

Activity 2: Rationalize and harmonize tariff structures with ECOWAS

The responsibility for the harmonization and rationalization of the tariff structure has now been squarely transferred to the Ministry of Finance. The MOCI will have an input before any final acceptance; but the leg work falls to the MOF. Good progress has been made and harmonization with the international HS code is taking place concurrently, (ECOWAS has the same structure). Harmonizing the tariff rates is another matter and Liberia will require/has requested, a fiscal impact study. (this activity relates to activity 10 and the adoption of the ETLs).

Activity 3: Train Customs and Trade Officials

No official classroom style training has taken place during Q2; however the OJT training is moving forward through the close proximity of both long term and short-term advisors and their interaction with counterparts. As we move into Q3 a more formal structure to the training will be developed, as the needs arise through the implementation of various initiatives carried out during Q2.

Activity 6: Identifying non-tariff barriers to trade

The NTB Survey and information gathering exercise has been completed. Discussions were held at Ministerial level, with trade partners and with selected business entities. Feedback was excellent and it appeared that all involved were looking for a vehicle to express both praise and frustration. Many of the areas of concern could be considered obvious; but others are of a more sensitive, less obvious nature. The report is being finalized in consultation with counterparts and will lead into the formation of the NTB elimination plan, which will be driven through the Trade Consultative Committee.

During the course of the survey a formal two day feedback workshop was held with invited members of the GOL and the trade community. This proved to be a positive experience and a great vehicle for sharing perspectives and perceptions.

Activity 7: Develop NTB elimination action program

This activity flows from activity 6 and after the finalization of the report all players identified in the NTB report will be asked, through the Trade Consultative Committee, to contribute to the overall reduction/prioritization/implementation strategy.

Activity 8: Import Permit Declarations and Pre-shipment Inspection.

The project researched the background to this issue and through discussion with MOF and MOCI, is pleased to report progress has been made in the area of IPD's. There had been a number of areas of confusion and a lack of information circulated to the Trade Community. Radio announcements were made jointly by the MOF and the MOCI during December, clearly outlining the IPD requirements and the list of goods which still require the issue of an IPD. This is a step in the right direction and LTPC will continue to follow the progress and reduction in IPD's issued. The issuing agency, MOCI, also needs to ensure that the message is clear for their staff responsible for the issuing of IPD's. Further trade information is required and the development of the MOF and MOCI websites, through the project will, offer a good platform to deliver the GOL message.

The PSI contract remains a bone of contention. The GOL is determined that the new PSI contract will be signed. Currently the incumbent company is running on a month to month extension basis and the new contract awarded through open GOL tender remains unsigned. There have been a number of reviews of the proposed new contract and the conclusion remains the same from all; there is not a solid enough exit strategy built in. LTPC will continue to follow progress and will work to formulate an exit strategy in conjunction with GOL. It should be stated that the amount of training required to enable GOL/BCE to carry out valuation functions at import is vast. Liberia is not in a position to verify values with exporting nations and the current infrastructure will not support it. Anticipated improvements in internet, the signing of regional and international trade agreements and the move toward the WTO will all place Liberia in a better position to take on the role now carried out through PSI.

Activity 9: Administrative and regulatory reform in health and safety

There has been no progress in this area in Q2. It is our understanding that the new 'Standards Laboratory' is currently not fully functional due to power constraints and our initial findings show that no decision has yet been taken on which set of standards to follow. In Q3 the project will make follow up investigations on laboratory operating timelines and adoption of standards.

Activity 10: GAP analysis in ECOWAS protocol implementation

Based on work carried out by the EU and IMF, the only ECOWAS protocol not currently being implemented by Liberia is the ECOWAS Trade Liberation Scheme (ETLS). This is largely due to the revenue loss implications for Liberia. Under this protocol countries are compensated for up to 15 years for the potential revenue loss as a result of implementing the protocol. Liberia is now requesting a revenue impact analysis for submission to ECOWAS. We are in discussion with the MOF, MOCI and other partners to ensure an independent 'revenue impact analysis' is completed during the third quarter. ECOWAS will then be expected to provide its plans for financing Liberia's revenue loss, (if any), which will lead to Liberia's implementation of the ETLS. Liberia's hesitation in adopting the ETLS is understandable. Recent events in Sierra Leone, where ECOWAS have not provided the promised subsidies have given Liberia pause for thought.

Activity 11: Trade statistics and data analysis

Currently one terminal and link to the ASYCUDA system has been provided to MOCI. The MOCI is requesting further training in data extraction from the system and Customs have agreed through the ASYCUDA implementers UNCTAD, to provide this training. This has a follow on effect as MOCI have agreed to further reductions in the requirement for an import permit once they are able to access import data through ASYCUDA. LTPC will continue to follow and influence progress, which could eventually also lead to the stopping of the requirement for an export permit.

As the roll out of ASYCUDA continues throughout the country, the availability of more accurate trade data will follow. The abolishing of the requirement for these permits will increase our ‘trading across borders’ ranking in the WB Doing Business report through the reduction in the number of days required for import. Access and full use of ASYCUDA at MOCI is expected to begin in the third quarter, (although the terminal was actually installed before the project started). One major stumbling block which must and is being considered is the internet connectivity at the MOCI. The current link will not sustain the use of ASYCUDA and the required data extraction. The project is currently considering the provision of internet to speed the process. As we will be providing internet access to the Price and Marketing Division, it makes sense to install two dedicated lines to one link.

Our DCOP is also currently working with the MOCI to develop a plan for improved trade related research, data collection, and analysis, in key departments of the Ministry. The data collection currently appears fragmented and duplicated.

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

The project is in the process of completing the activity plan which will include a new structure for the Division, we expect results early in Q3 after our plan has been reviewed with counterparts.

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	ongoing							On track
2	Rationalize and harmonize tariff structures with ECOWAS	Oct 2011	Mar 2011	X		started							Structures on track
3	Train Customs and Trade Officials	Aug 2011	Aug 2013	X	started	started							No formal classroom training; however continual OJT
4	Conduct a media awareness campaign	Oct 2011	Mar 2012	X	started	ongoing							Awareness materials being generated on IPDs and EPDs
5	Deliver ECOWAS CET training with GOL	Oct 2011	April 2012	X	X	X							X
6	Identifying non-tariff barriers to trade	Sept 2011	Dec 2011	X	stta	stta	X	X	X	X	X	X	Completed
7	Develop NTB elimination action program	Jan 2012	June 2012	X	stta	stta							Plan to follow after acceptance of identification report Q3
8	Import Permit Declarations and Pre-Shipment Inspection	Oct 2011	Dec 2011	X	started	ongoing							Re-launch through media of goods lists exempted from IPD, (December)
9	Administrative and regulatory reform in health and safety	Oct 2011	April 2012	X	X	X							X
10	GAP analysis in ECOWAS protocol	Sept	Nov	X	ongo	ongo							A full comparison will not be required. Only the ETLs remains a

	implementation	2011	2011		ing	ing							problem.
11	Trade statistics and data analysis	Sept 2011	June 2012	start ed	ongo ing	ongo ing							ASYCUDA use in MOCI. Internet connection and training Q3
12	Activity Plan for the Price and Marketing Division of the MOCI	Oct 2011	April 2012	X	Start ed	ongo ing							DCOP working with MOCI officials to develop plan. Completion Q3 2012

Expected Result 2 – Move Liberia toward WTO Accession

- Following a presentation to the WTO led by Liberia's representative, Liberia was granted 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 1: Finalize and submit the Memorandum of Foreign Trade Regime

The MFTR was submitted by Liberia and responses to the MFTR have been received from the EU and the US.

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

The WTO accession office is still based at the EIF offices. The project has encouraged and seen, during the last quarter, more active participation from MOCI. Efforts are being made to move the accession offices to MOCI under the supervision of the Assistant Minister. The technical negotiation team has now been established, with representatives from the relevant Ministries and agencies selected. The structure for the team was provided through the project and we continue to offer full support. During Q2 the project provided STTA technical support and the advisor held a weekly workshop, each Monday morning, for six weeks, to familiarize the MOCI staff with WTO requirements and next steps. A series of meetings with other Ministries was also carried out to promote participation in the accession process and allay fears of the unknown.

Activity 3: Respond to WTO MFTR Requests for Clarification

Throughout Q2 the project has assisted the MOCI, as the lead Ministry, to gather the information required and to draft the appropriate responses to the requests for clarification. This is no easy task and many of the responses are many faceted and require information from different GOL sources. Significant headway has been made and skills transfer has paid a large part. It is the intention of the project to continue with this assistance in Q3 and we will be using the same STTA advisor, who has formed a bond of trust with the MOCI and whose opinion they regard highly.

Activity 4: Prepare the WTO first Working Party meeting

Activities 2 and 3 are both designed to assist in the preparation for the first working party meeting, which best guess puts at around July/August 2012. It is intended that once the date is finalized, the STTA advisor will return to Liberia for a 2 week period prior to the meeting in order to prepare the negotiating team. It should be said at this point that the Swedish Government is currently preparing a long-term project of assistance to Liberia, specifically to assist with WTO accession. The assistance will take the form of two full time advisors over a five year period. The project has already met with the Swedish Trade Ministry, in order to ensure that there is no duplication and we believe that the two projects will complement each other. LTPC will take Liberia to their first working party meeting, by which time the Swedish project, will be fully functional and able to take over the reins, with LTPC offering backup assistance to the MOCI.

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.

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

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 will continue to work with MOCI in the drafting of a finalized action plan and provide a list of laws, By subject area), which should be given priority in the review process.

Activity 7: Provide training on ECOWAS and WTO protocols

This is an ongoing activity for the first 15 months of the project and beyond. No official training was delivered during Q2, however as ECOWAS protocols get further aligned and understanding of WTO increased through current activities, Q3/4 should see a gradual increase in required training activities. This will initially be for selected officials from GOL and will expand to a wider audience as required.

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							Team in place. Training scheduled in Sweden on 20 Feb 2012	
3	Respond to WTO MFTR Requests for Clarification	Oct 2011	Aug 2013	Started	started	stta							On track	
4	Prepare the WTO first Working Party meeting	Oct 2011	Aug 2013	X	X	stta							On track	
5	Prepare Liberia's Goods and Services Offer	Oct 2011	Aug 2013	X	started	stta							On track	
6	Research and draft legislation for ECOWAS and WTO compliance	Aug 2011	Mar 2012	X	X	stta							Saw research for WTO but not ECOWAS	
7	Provide training on ECOWAS and WTO protocols	Sept 2011	Aug 2013	X	X	stta							Saw progress for WTO but not ECOWAS	

COMPONENT 2: TRADE FACILITATION AND INTEGRATION

- Deloitte's strategy to achieve this 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 will also 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 give reform advice and to address the needs of the BCE in line with the work-plan and as required for fresh issues which arise. As we have previously stated this is a life of project activity.

Sub-Activity 1.1: Develop a cargo release time study.

The survey methodology was developed during Q1 and during Q2 STTA was provided to carry out the study. The final report is currently being completed and will be discussed with counterparts. The results will link with our NTB survey and allow BCE to highlight bottle necks and establish a time reduction policy to assist with the facilitation of trade.

Activity 2: Assist in finalizing the new customs code

The new Customs Code has been finalized and checked for compliance with the Revised Kyoto Convention, WTO and ECOWAS requirements. The WB carried out this work and we are assured the new code is compliant. The code awaits ratification through GOL and will not now be passed into law until the start of 2012, when the new GOL has settled into place. Much is dependent on the adoption of the new law and LTPC is confident that early in the new year we will see its adoption with a minimum of fuss.

Activity 3: Assist the GOL in drafting and implementing regulations and administrative instructions

Through the use of STTA the implementing regulations have been completed and discussed with BCE. The final draft has been submitted to MOF for review and some of the new regulations may be implemented prior to the adoption of the new legislation as they are compliant with current legislation; but offer enhanced control which can be immediately beneficial. It is still hoped that the new legislation will be passed in early 2012.

Sub-Activity 3.1: Customs Standard Operating Procedures Manual

The Standard Operating Procedures Manual has now been completed and reviewed. This was a substantial body of work and will greatly enhance the standardization of procedures and processes throughout Liberia. In the future, what happens at the Freeport will happen in Ganta. This gives confidence to the trade and to future investors, who often rely on tight deadlines and the ability to accurately predict costs. BCE have sensibly decided to roll out the procedures in selected priority in order that officers are not overwhelmed and training can keep pace with change.

Further to the Standard Operating Procedures Manual, 'Fact Sheets' have been developed for the trade, to ensure that all concerned are aware of the changes and can adapt and keep pace.

Activity 4: Assist the GOL in ensuring regulations are in compliance with WTO requirements.

Both legislation and regulations are compliant with current WTO requirements and the revised Kyoto Convention.

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

Liberia has in place a consultative trade committee, which has members from the Brokers Association, MOCI, MOF and the donor community. LTPC feels it is unnecessary to implement any new committee, (NTTFC), and after discussion with counterparts it has been decided that we will continue to support the current trade committee, expand its current remit and ensure more regular meetings are held. This approach also has the support of other trade involved donors and makes absolute sense.

Sub-Activity 5.1: Set up a Stakeholder Consultative Committee.

As stated in the previous point, the current committee will remain in force. Sad to say that no meeting was held in Q2, mostly due to the preoccupation with National elections. With the finalization of the NTB report Q3 will be the ideal time to promote the committee and for MOF/GOL to use it to push forward with reform.

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

The report has been completed and lays out the way forward for BCE. This was a highly consultative process and there remain a number of outstanding issues to be resolved before the re-licensing process begins. This will not be popular with some and BCE must ensure we have a road map firmly established before we proceed. LTPC will continue to support BCE in this endeavor and may bring back the STTA advisor to carry out and mentor the first official broker examinations. Sufficient training for brokers continues to be a problem and this issue must also be resolved. BCE does not have the resources to carry out the training and LTPC is currently looking at training delivered through the National Brokers Association, to gauge whether it meets the standards required for all new brokers.

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 for the project duration
1.1	Develop a cargo release time study	Oct 2011	Dec 2011	X	started	stta	X	X	X	X	X	X	Completed
1.2	Analyze timeframes for all types of cargo	Oct 2011	Dec 2011	X	started	stta							Completed. Awaiting final report.
1.3	Propose alternative solutions and develop a detailed action plan to streamline each regime	Oct 2011	Dec 2011	X	started	ongoing							Awaiting survey final report. Q3
1.4	Introduce automated risk management techniques	Oct 2011	Aug 2013	X	X	X							X
2	Assist in finalizing the new customs code	Sept 2011	Jan 2012	Completed	X	X							Code completed and awaiting adoption by the new GOL
3	Assist the GOL in drafting and implementing regulations and administrative instructions	Sept 2011	June 2012	Started	2 x stta								Standard operating procedures completed. Implementing regulations completed
4	Assist the GOL in ensuring regulations are in compliance with WTO requirements	Sept 2011	Nov 2011	Started	stta								New code compliant. Regulations compliant
4.1	Undertake a diagnostic study to	Sept	Aug	Start	ongo								Liberia thus far compliant.

	benchmark Liberia's WTO Compliance	2011	2012	ed	ing								
4.2	Prepare an appropriate action plan on compliance for consideration by the NTTFC	Oct 2011	June 2012	X	ongoing	ongoing							Any action plan developed will not be implemented through the NTTFC. As discussed in the report the current trade committee will be the vehicle
5	Improve and strengthen cooperation and consultation between customs, customs brokers, importers, exporters and other stakeholders	Aug 2011	Aug 2013	ongoing	ongoing								Ongoing assistance. Project life
5.1	Set up a Stakeholder Consultative Committee	Aug 2011	Oct 2011	ongoing	ongoing								Committee in place continued work on making it a more robust decision making body
5.2	Assist Customs in implementing a robust Customs broker testing and licensing regime	Sept 2011	Dec 2011	Started	stta								Brokers program completed. Re-licensing to begin Q3
6	Conduct training programs on Customs Valuation	Oct 2011	Mar 2012	X	X								Until the new legislation is adopted, valuation training will be pre-emptive.
7	Training at LIPA and Customs	Aug 2011	Aug 2013	ongoing	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. Deloitte will work 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 IP advisor has now been in-country for the past two months and the IP Policy Framework is currently under development.

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

An assessment has been carried out by the IPR advisor and the report is in discussion and finalization stage with counterparts. Once finalized an action plan for implementation over the coming months can then be developed.

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

No training has been conducted for the Bureau of Customs in Q2. **The IPR advisor** has developed draft questions and discussion topics for assessment. It is important to complete the recruitment of our local LT TA CCN IPR advisor in order to consult with our STTA advisor and develop a finalized assessment. A survey of the needs within the Bureau of Customs can then be carried out. At the beginning of the third quarter we plan to conduct training on IP concepts for the Bureau of Customs to be followed by training on TRIPS Boarder Measures.

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

No activity has been carried out in Q2

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

Liberia specific materials have already been developed, and more will continue to be developed throughout the duration of the project. These materials will be shared with government agencies, public interest groups, trade associations and the US Embassy in order to help reach business people and individuals who can benefit from the materials. These include:

- Development of plans for computer-based training that can be implemented throughout a wide range of government agencies..
- A number of informational materials for distribution have been developed and will continue to be developed throughout the duration of the project. The idea is to reach the widest possible audience and we must take care to pitch information at the correct level for each target group.
- Discussions with artists and organizations have already commenced, but we all await passage of the draft laws in order to develop effective strategies for IPR protection. Approval of the draft laws is a priority.

- Public awareness is on the increase and there have recently been a number of guest radio appearances, (during prime time), by the MOCI's IP consultant, Mr. Roland Morris, the aim being to increase awareness of IPR and what it means for the Liberian community.

The project has carried out 2 specific seminars on IP for selected employees of the MOCI and leaders of business associations. These are now a weekly fixture and are carried out each Thursday morning. Attendance has been good and the seminars, each of which deals with a specific IP topic, will be carried forward into Q3.

Activity 7: Implement a permanent MOCI training program

This activity is currently in its fledgling stage and we are currently considering interactive computer based training materials to give a basic understanding to all MOCI staff. More specialized training will need to be developed for those assigned to IPR issues within the MOCI.

The basic interactive training can also be used for other Ministries and if properly adapted there is no reason it could not be rolled out to trade bodies and the public.

All activities have been delayed in this component; however Q2 has seen meaningful achievement and a renewed interest from the MOCI.

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								Policy development in progress completion in Q3
2	Prioritize recommendations from WIPO's assessment of Liberia's IPR regime	Oct 2011	Nov 2011	X	X	stta	X	X	X	X	X	X	X	Completed
3	Strengthen IPR protection unit within the Bureau of Customs	Aug 2011	Mar 2012	X	X	stta								Training materials in development for delivery in early Q3
4	Support Automation for LIPO and the copyright office and train the Coordination Unit	Sept 2011	Feb 2012	X	start ed	ongo ing								Ongoing support through MOCI of all automation
4.1	Automation	Sept 2011	Feb 2012	X	ongo ing	ongo ing								Ongoing support through MOCI of all automation
4.2	IP Coordination Unit	Sept 2011	Feb 2012	X	X	stta								Coordination of IP is in place through the IPR office located within the MOCI. This office is now supported through a LPTC stta advisor
5	Create a training program and Liberia-specific materials/training on IPR	Sept 2011	May 2012	X	X	stta								Some training material developed and delivered. Further development in progress
5.1	Train Customs Officials	Sept 2011	May 2012	X	X	X								Delayed to Q3
5.2	Prepare training programs for GOL	Sept	May	X	X	stta								Some modules developed. Further

	Ministries	2011	2011										modules in Q3
5.3	Develop informational materials for entrepreneurs/inventors	Sept 2012	Mar 2012	X	X	stta							Materials in development
5.4	Work with Artists/Organizations to improve IPR protections	Sept 2012	Aug 2012	X	X	stta							Materials in development
5.5	Increase Public Awareness	Sept 2012	May 2012	X	X	stta							Materials in development
6	Strengthen judicial understanding and enforcement	Jan 2012	Aug 2013	X	X	stta							Work will commence in Q3
7	Implement a permanent MOCI training program	Oct 2011	May 2012	X	X	stta							X
8	Conduct public outreach	Jan 2012	Aug 2013	X	X	X							X

SIGNIFICANT EVENTS DURING THE REPORTING PERIOD

- As stated at the beginning of the report the difficulty in recruiting CCN professional staff has continued to be a frustration. We have off set the problem through the use of an increased amount of STTA in Q2 and find ourselves in good shape going into Q3 and the New Year. Once we have our CCN staff many of the time consuming research and information gathering tasks, will become more easily achieved and we will be able to drive forward in other areas.
- During Q2 we have continued to receive requests for assistance outside the project remit. It appears that both the MOCI and MOF respond to any suggestion, which then becomes their burning priority. There also appears to be a fixation with publicity campaigns. There is a need for outreach; however reforms must be implemented before we start to advertise them. The project will continue to seek to focus and complete tasks, before moving on to the next flavor of the month. We are of course open to discussion; but are very aware of the finite budget and the need to prioritize inputs.
- An observation and a debilitating factor is the lack of infrastructure and equipment within GOL Ministries. The basic computing and communication needs are sadly lacking and can have a detrimental effect on reform and governmental moral.

STATUS OF OVERALL PROJECT PROGRESS AND PERFORMANCE ON THE MONITORING PLAN

Q2 RESULTS (BASED ON THE COMPONENT OBJECTIVES)

High level results

Indicator	2010 Baseline	Target value Y1 (15 months)	Q2 Value	Notes
Liberia's performance on the Heritage Foundation "Trade Freedom" index	53.8 (2009)	65	53.8	NTB elimination

Result indicators

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

Indicator	2010 Baseline	Target value Y1 (15 months)	Q2 Value	Notes
Number of public awareness campaigns launched as part of a NTB Reduction Initiative	n/a	2	0	No campaigns launched in Q2

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 Y1 (15 months)	Q2 Value	Notes
Reduction in days required for imports	15	-10%	0	No documented reduction in Q2
Reduction in days required for exports	17	-10%	0	No documented reduction in Q2
Reduction in number of documents required for import	9	1	0	No reduction Q2
Trainings conducted for customs agents, officials, brokers and traders	--	8	0	These activities will commence in Q3
Number of customs agents, officials, brokers and traders trained	--	150	0	These activities will commence in Q3

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

Indicator	2010 Baseline	Target value Y1 (15 months)	Q2 Value	Notes
Number of parties trained on intellectual property rights	--	20	2 seminars	Activities will continue in Q3

protection				
Number of IPR-related public outreach events	--	2	0	Activities will commence in Q3
Customs staff trained on new IPR enforcement guidelines and procedures	--	TOT program developed	The TOT program development was postponed until Q3	Activities will commence in Q3
Number of project-facilitated discussions between Liberian business groups and the Customs Bureau	TBD	4	1	Further discussions 2012

Improved gender equality

Indicator	2010 Baseline	Target value Y1 (15 months)	Q2 Value	Notes
Number of women participating in public-private sector dialogues on trade and WTO	N/A	10% participation in all events	TBD	

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

The project is online for the completion of all tasks however we have had to alter some timelines where it makes sense to do so and re-prioritize to meet the needs of GOL. Some things simply need to be done in a logical order and many vary slightly from the original project proposal.

Time lines have been altered and transmitted to USAID/MCC and the project will continue to monitor progress and report any further changes which may be necessary.