

SUMMARY

Annual Action Programme 2017 in favour of Liberia for good governance, education, civil society and technical cooperation to be financed from the 11th European Development Fund

1. Identification

EDF allocation	11 th European Development Fund (EDF)
Total cost	EUR 51 640 000 of EU contribution
Basic act	Council Regulation (EU) 2015/322 of 2 March 2015 on the implementation of the 11th European Development Fund

2. Liberia background

Although Liberia has enjoyed relative peace and stability since the end of the civil war in 2003, the **country remains fragile** on the environmental, economic, security, political and societal dimensions of the Organisation for Economic Co-operation and Development (OECD) fragility framework. Most notably are the economic dimension of fragility due the country's weak economic fundamentals, low-skilled human capital and high vulnerability to exogenous shocks, as well as the political dimension due to issues of capacity, corruption and concentration of power.

Liberia remains one of the poorest countries in the world with one of the lowest levels of human development (ranking 177 out of 188 countries), weak state capacity, and highly dependent on aid. The incidence of poverty at the national level fell to 54% in 2014 from 64% in 2007 due mainly to the decline in rural poverty. The overall drop in poverty reflects economic growth, lower inflation and government's income support to the poor and vulnerable. Although exact estimates of poverty levels await the completion of the 2016 household survey, projections show that the impact of the Ebola crisis reversed the post-war trend of decreasing poverty.

Liberia has a very youthful population, with approximately 63% of the total population under the age of 25. Inequality, as measured by the Gini coefficient, was marginally lower in 2014 than in 2010, but remains higher in urban areas compared to rural areas. This risk factor to society is aggravated by a large youth population with lack of education, training and opportunities beyond the informal economy.

The **presidential and legislative elections of October 2017** will be a milestone in Liberia's post-war transition, as they will represent the first transition since the end of the civil war and will take place with a significantly reduced presence of the United Nations Mission in Liberia (UNMIL), whose mandate was extended until March 2018. The new administration will face important challenges that have not been fully addressed during the current administration.

3. Summary of the measure

3.1. Background

EU **budget support** primarily needs to ensure the stability of the financial flows necessary to restore fiscal balances, to maintain the pace of public investment and make the state more

resilient. There is a need to ensure financial support particularly at the time of (1) serious fiscal and forex constraints in the wake of a stronger than expected impact of commodity price shock, (2) the end of the Ebola outbreak-related external support and projects, (3) the decline in terms of domestic revenue caused by a stagnant economy due to low commodity prices and lack of diversification of the economy, (4) the depreciation and erosion of forex reserves in a double currency regime. In fact, the fiscal space of the Government of Liberia is limited to secure public investment in basic services to support development.

Young people under the age of 36 represent 79% of the total population. Youth constitutes half of the labour workforce, and their share is expected to grow in the years to come. Yet, youth is the most marginalised labour force in the country. Only over half of the youth population is employed. 91% of youth work is in non-wage or salary positions, and 80% are in vulnerable employment. The majority of youth employed are self-employed, mostly in the informal sector. Agriculture is by far the largest youth employment sector. Only 24% of paid jobs are held by women. Young Liberians generally lack employable skills and are ill-equipped to access economic opportunities. Only a small proportion of Liberian youth participates in vocational education or training. The lack of qualified youth particularly with technical skills is creating a bottleneck in the supply of labour in the professional occupations sought by employers. Nearly half of young workers are undereducated for the work they do and do not hold the level of qualifications required for the job. Delivery of **Technical and Vocational Education and Training (TVET)** is fragmented, unregulated and uncoordinated; and TVET provision is dominated by private providers. Overall, the TVET sector presents serious shortcomings in terms of quality and relevance, access and equity, funding and governance, including: outdated and limited equipment, lack of adequately trained and incentivized trainers, lack of an accreditation system and standardized curricula; weak linkages between TVET and the productive sectors of the economy; low management capacity and central and local levels; lack of gender sensitive measures; lack of coordination between TVET stakeholders; lack of defined pathways into and from TVET; and insufficient financing both domestic and external.

Civil society in Liberia is diverse and fragmented, consisting of over 1500 formal organisations registered under the umbrella of the National Civil Society Council of Liberia (NCSCCL), and countless informal organisations. Despite proliferation and the sustained efforts to address key capacity challenges, the civil society capacity remains generally weak, and Civil Society Organisations (CSO) face a multiplicity of operational and institutional challenges that inhibit them in effectively carrying out their missions and activities. The civil society internal governance continues to be a key area of concern, with a strong impact on the credibility and legitimacy of the Liberian civil society fabric to represent and defend citizens' rights. Due to the challenging funding environment where most CSOs depend on intentional funds, CSOs compete on a rather limited and donor-driven arena for mostly small projects – or activity-oriented funds. This competition, the establishment of many new CSOs that do not seek coordination with other civil society actors, and the lack of knowledge of what other actors actually do and achieve, create an atmosphere of mistrust. Lack of professional staff due to limited funding is another key area of concern. CSOs cannot provide regular salaries for staff and the high dependence on donor funds result in periods of little or no revenue between grants.

The implementation of the 11th EDF National Indicative Programme for Liberia is halfway through. The **lack of capacity** of Liberian counterparts at all levels of government as well as civil society continues to be a challenge for the implementation of EU cooperation.

3.2. Cooperation related policy of Liberia

The **national development strategy, Liberia's Agenda for Transformation (AfT)** 2013-2017 is a comprehensive medium-term strategy launched in 2013 to lead Liberia to middle income status by 2030. The AfT has two key objectives: (1) to create wealth and (2) to increase inclusiveness for a more equal and just society. In order to achieve these objectives, the five year plan sets key priorities under five pillars: (I) Peace, security and rule of law, (II) Infrastructure and economic transformation, (III) Human development, (IV) Governance and Public Institutions, and (V) Cross-cutting issues. The Government of Liberia has shown a high level of commitment in implementing the AfT, but remains hampered by the weak institutional capacity and policy framework to coordinate and follow-up on implementation. A mid-term review of the AfT was published in the first quarter of 2017, and while it found advances in a number of sectors it also showed that there were still big challenges in terms of achieving the objectives of the AfT, as well as more specifically in monitoring and financing its implementation.

The end of the AfT will coincide with the end of the current administration. Trying to avoid a potential gap in development planning during the transition, the Government of Liberia has already initiated the process of **formulating a successor development strategy**. Firstly, it has formulated a national roadmap to domesticate the Sustainable Development Goals (SDGs), which will serve as the basis for the successor strategy. The roadmap identifies activities of the AfT which have not been completed and foresees a stakeholder dialogue for bottom-up prioritisation guided by the SDGs. Likewise the Government of Liberia has drawn up a map of the goals in the SDGs in comparison to the existing AfT objectives, and has made some initial consultations within ministries and agencies. While the process has started, its continuation will depend on the new administration.

The **National TVET Policy and Operational Plan** (2015) is based on 10 pillars aiming to revitalise the Liberian TVET system through better governance, strengthened quality and relevance, and the promotion of competitive workforce in strategic sectors, the policy promotes access to quality skills training, stimulating economic growth, creating sustainable employment and reducing poverty.

There is **no legal framework governing CSO activity**. A Memorandum of Understanding between the Government of Liberia and CSOs signed in 2016 is the main Government of Liberia policy framework. Although the operating environment is relatively favourable, as no affirmative restrictions exist and CSOs can develop and operate rather freely, there is no protection for CSOs under Liberian law.

3.3. Coherence with the programming documents

The EU's allocation to Liberia under multiannual **National Indicative Programme** (NIP) for the period 2014-2020 is EUR 279 million of which EUR 107 million are for good governance and EUR 32 million for education of which EUR 20 million for TVET. The 11th EDF support in the Governance Sector has so far been delivered largely through Budget Support. The NIP foresees EUR 4 million for measures in favour of civil society and a total of EUR 3 million for a Technical Cooperation Facility (TCF).

3.4. Identified actions

The overall objective of **Moving Liberia Forward** is to assist the Government of Liberia in eradicating poverty, promoting sustainable and inclusive growth, and consolidating and improving democratic and economic governance. The specific objectives are to produce the following outcomes: (1) Improved confidence of the population in the performance of the

Government of Liberia, particularly as regards governance, public finance management (PFM), the budget process and service delivery. In this regard, improvements are made in the perception of corruption; (2) Increased use of goods and services provided by the public sector and enhanced resulting benefits. In this regard the Government of Liberia's ability to achieve short-term policy objectives is strengthened and a new mid-term national development strategy is developed, implemented and monitored. Transparency and accountability of public service delivery and public investment is increased; (3) Increased private sector production and investment deriving from trust in a stable macroeconomic policy, efficient public investment and better regulation.

The overall objective of **Youth Rising** is to enable youth to respond to economic growth opportunities by increasing their employability and entrepreneurship potential through strengthening the TVET sector. Specific objectives are (1) to improve the quality, relevance and modernisation of TVET, by strengthening links with the private sector, and by improving the governance, planning, management, and delivery capacity at governmental and TVET provider levels, and (2) to promote equitable and gender-balanced access to TVET in target providers.

The general objective of the **Civil Society Initiative (CSI) in Liberia** is to contribute Liberia's AfT objectives of wealth creation and increased inclusiveness for more equal and just society. More specifically, the programme would aim at strengthening the capacity of CSOs to become credible governance actors, and deepen their engagement in the domestic public policy cycle, in line with the commitments under the United Nations 2030 Agenda for Sustainable Development.

The overall objective of the **TCF** is to facilitate and support the cooperation between the EU and Liberia, notably the successful implementation of programmes and projects under the 11th EDF NIP. The project purpose is the identification and implementation of specific interventions that will support key actors in Liberia to improve programme implementation and awareness of general development, trade issues, as well as EU policies in these areas.

3.5. Expected results

The direct outputs of **Moving Liberia Forward** are (a) Sufficient financial allocation to ensure the provision of basic services and public investment; (b) Maintained size and share of budget available for capital expenditure and other discretionary spending compared to budget required for recurrent spending; (c) Increased size and share of external assistance funds made available on-budget such that external assistance as a whole is better harmonised and aligned to government policies and systems; (d) Policy dialogue is coordinated and improved in terms of regularity and quality and overall conducive for implementation of Government of Liberia strategies.

Through **Youth Rising** the EU will pursue the following outputs: (1.1) Key Government of Liberia entities are endowed with a robust technical base to support the effective governance, planning, management, oversight and delivery of TVET; (1.2) Selected TVET providers are staffed with instructors, administrators and principals with upgraded skills, and are modernised (including systems, infrastructure, and equipment) to deliver demand-driven training programmes in key strategic sectors for the economy; (1.3) Increased private sector involvement in the TVET system, including in curriculum development, and TVET delivery; (2.1) Enrolment and retention rates of female and vulnerable youth including people with disabilities are increased; (2.2) Access to quality TVET in South-East rural areas of Liberia is improved.

The expected outputs of **CSI Liberia** are (1) Improved internal control systems of CSOs/ NCSCS; (2) Strengthened knowledge of, skills in and engagement on advocacy, policy

dialog, public sector reforms and public accountability; and (3) Improved networking and coordination skills of Liberian civil society.

The **TCF** is relevant for the United Nations 2030 Agenda for Sustainable Development. It contributes primarily to the progressive achievement of SDG 17 Partnerships for the goals to strengthen the means of implementation and revitalise the global partnership for sustainable development, but also promotes progress towards Goal 16 of Peace, Justice and Strong Institutions.

3.6. Past EU assistance and lessons learnt

Lessons learnt from the **ongoing State-Building Contract** are that more attention is required to be directed towards the low organisational and individual capacities in the Ministry of Finance and Development Planning (MFDP) and Ministries & Agencies (M&As) to ensure the expected impact of the PFM reform strategy in the next years. Likewise, if indicators are in an area outside of the NIP focal sectors capacity on the side of the EU Delegation to track their performance and conduct policy dialogue to push reform process remains limited. In order to have a fruitful policy dialogue and holistic approach it is recommended to include indicators only in the areas where the Delegation has an effective added-value through its active engagement in the NIP focal sectors.

The EU has not had any significant prior involvement in **TVET** in Liberia, however, lessons learned from other projects have informed the action, including by: (i) integrating ancillary services to alleviate constraints preventing the successful labour integration of vulnerable youth, including access to capital and equipment; (ii) supporting TVET institutions to develop their own strategies for long-term sustainability and capacities to implement them; (iii) planning an early local market analysis to inform programme design; (iv) involving private sector to guide the development of competency standards, inform the design of curricula and training material, and establish priority professional profiles helps to maximise the chances of private sector's commitment to the programme; (v) ensuring that revised curricula combines technical skills with core life-skills, entrepreneurship, literacy and numeracy skills; (vi) ensuring strong monitoring and timely follow up of programmes and agreements to avoid mismanagement of resources; (vii) keeping infrastructure development and procurement of equipment to the minimum indispensable, and ensuring that capacity development and maintenance plans are in place; and (viii) using communication and visibility actions to promote a positive image of TVET among target beneficiaries and the general population.

A number of lessons emerge from past EU engagement, and that of other donors having substantially invested in Liberian civil society development: (1) Several strategic and relevant civil society support initiatives existed prior to the outbreak of the Ebola crisis but had to be put to a halt due to the emergency situation. The priority therefore today is that of resuming “the path of sustainable and inclusive development”, transitioning from the emergency crisis; (2) The involvement of CSOs in public financial management processes through the IPFMRP enhanced CSOs' interests of getting engaged in this area. It proved that with adequate training and means, CSOs are able to hold decision-makers accountable. However the current IPFMRP set up (within the MFDP, only two people focusing mainly on grants distribution) is not proving efficient; (3) There is a need to rethink donor support models to CSOs to reinforce the CSOs' ownership and financial sustainability. Donor support to CSOs has been for the most part project-based, service-provision oriented, channelled through intermediary organisation (INGOs) and to a great extent driven by donor agendas; (4) Adapted support is required for networks and platforms, which have difficulties in raising funds and often compete with their members for funding at the risk of becoming project implementing bodies rather than serving their members and the network. A limited number of networks, such as WONGOSOL (Women's NGO Secretariat of Liberia), have gained trust among donors.

Furthermore, financial sustainability of Liberian CSOs also requires enhancing local fundraising approaches and initiatives; (5) Capacity development requires an integrated approach, focusing not just on the individual technical skills of the civil society staff and those of the organisations, but also on their interactions and the environment in which CSOs operate. CSOs need to be strengthened according to a strategic and long-term approach. (6) There is a need to acknowledge and duly address the prevailing gap between the CSOs based in Monrovia and those registered in other parts of the country. There is a need of strengthening local linkages between the organizations based in Monrovia and in rural areas.

The ongoing TCF under the 11th EDF ends in July 2018. Lessons learnt from the ongoing and previous TCF are: (a) Institutional capacity development continues to be a core element in reinforcing the implementation of EU projects and programmes in Liberia. Continued capacity constraints of public sector counterparts creates the need for technical support to facilitate the management and implementation of the NIP; (b) The TCF is mainly a facility for technical assistance and less so for training and capacity building, as this is mostly done in the context of sector programmes; (c) TCF needs to be more flexible as regards the possibility of using it to promote relations between the EU and Liberia generally, and specifically EU visibility in Liberia; (d) Cross-cutting issues, notably gender, need to be better streamlined into EU cooperation in Liberia in general, and specifically there is need to push for a change of institutional culture in the institution as per the Gender Action Plan (GAP).

3.7. Complementary actions/donor coordination

Complementary exists between the four actions and with other EU support:

Row supports column?	Moving Liberia forward	Youth Rising	CSI Liberia	TCF	Other EU programs
Moving Liberia forward		X	X		Technical assistance for customs, Support to external audit
Youth rising			X		
CSI Liberia	X	X			EU Road Map for engagement with CSOs, support to Government of Liberia through 11 th EDF focal sectors, projects under EU CSOs – LA, EIDHR and FOOD (Pro-Resilience Action) thematic budget lines.
TCF	X	X	X		EU support project to the National Authorising Officer

The main development partners operating in Liberia are the World Bank, the African Development Bank, USA, China, Sweden and the EU. UN agencies also play a crucial role in supporting government efforts. Complementary actions by other donors include

- World Bank: budget support, Integrated Public Financial Management Reform Programme I to be succeeded by IPFMRP II, Youth Opportunities Project with informal TVET component.

- African Development Bank: budget support (between cycles), Youth Employment and Entrepreneurship Project on youth entrepreneurship development and job readiness.
- International Monetary Fund (IMF): ad hoc budget support, multi-donor project with technical assistance and training in PFM, Strengthening Core Budget Functions in Fragile States.
- UNESCO: support to the development of National TVET policy, Operational Plan and the draft TVET legislation as well as pedagogy training for vocational instructors.
- UNIDO and Japan: established a modern facility for heavy equipment and machinery to provide hands-on and classroom based learning.
- USAID: Revenue Generation for Governance and Growth, Local Empowerment for Government Inclusion & Transparency, Liberia Accountability and Voice Initiative, Public Sector Modernisation Project, development of programmes in Community Colleges and TVET schools on technical skills delivery, contributor to IPFMRP I.
- GIZ: Regional resource governance in fragile states of West Africa focussing on mineral resources, programme for capacity development in road maintenance for which it is seeking to integrate the curriculum in a national TVET framework.
- Sweden: support to CSOs with view to strengthening demand for accountability at the legislature; contributor to IPFMRP I
- Norway: budget support

Cooperation between development partners is close. A range of sector-oriented and thematic donor groups exists that regularly discuss progress and problems in their respective areas, for instance coordination meetings in the Education (Education Sector Development Committee), in public financial management (Donor Coordination Group, Steering Committee) and a Budget Support Working Group. The Aid Management Unit at the MFDP is leading the efforts in coordinating donor support. The NAO is also situated in the MFDP and so activities foreseen will be aligned to other donor support to the Government of Liberia.

4. Communication and visibility

For **Moving Liberia forward** the EU Delegation will directly procure communication and visibility services to the tune of EUR 100 000.

For **Youth Rising** one or more procurement contracts for a total budget of EUR 200 000 shall be concluded in indirect management by NAO under a competitive negotiated procedure for the implementation of communications, visibility and outreach activities. Activities may include public information, outreach and visibility measures at national and local levels in the region of the targeted TVET centres and educational based activities at school level.

For **CSI Liberia** the communication and visibility activities will be the responsibility of the implementing partners (namely the INGO or the consortium of NGOs awarded with the grant) and therefore a budget for a Communication and Visibility Plan will be allocated in the grant.

5. Cost and financing

Below table indicates the amount allocated to each proposed project.

Youth Rising - EU Support to Technical and Vocational Education and Training (TVET) for Young People in Liberia	EUR 20 000 000
Measures in support of Civil Society	EUR 4 000 000
European Union State Building Contract with Liberia: Moving Liberia forward – Improving service delivery and public investment	EUR 27 000 000
Technical Cooperation Facility II	EUR 640 000
Total EU contribution	EUR 51 640 000

The Committee is invited to give its opinion on the attached Annual Action Programme 2017 in favour of Liberia for good governance, education, civil society, and technical cooperation.



EN

This action is funded by the European Union

ANNEX 1

of the Commission Decision on the Annual Action Programme 2017 in favour of the Republic of Liberia to be financed from the 11th European Development Fund

Action Document for: European Union State Building Contract with Liberia : Moving Liberia forward – Improving service delivery and public investment

1. Title/basic act/ CRIS number	European Union State Building Contract with Liberia: Moving Liberia forward – Improving service delivery and public investment CRIS number: LR/FED/040-045 financed under the 11 th European Development Fund (EDF)	
2. Zone benefiting from the action/location	West Africa, Liberia	
3. Programming document	National Indicative Programme (NIP) ¹ for the period 2014-2020 for Liberia	
4. Sector of concentration/ thematic area	Sector Specific objective	DEV. Aid ² : YES
5. Amounts concerned	Total estimated cost: EUR 57 000 000 Total amount of EDF contribution EUR 27 000 000 of which: EUR 24 000 000 00 for budget support and EUR 3 000 000 for complementary support. This action is co-financed in joint co-financing by: the World Bank and the African Development Bank for an amount of EUR 30 000 000	
6. Aid	Budget Support	

¹ Commission Decision on the adoption of National Indicative Programme for the Republic of Liberia (2014-2020) C(2015) 1267 of 26.2.2015.

² Official Development Aid is administered with the promotion of the economic development and welfare of developing countries as its main objective.

modality(ies) and implementation modality(ies)	Direct management: <ul style="list-style-type: none"> Budget Support: State Building Contract Procurement of Services Indirect management: <ul style="list-style-type: none"> complementary support measures with World Bank 			
7 a) DAC code(s)	General Budget Support – code A01			
b) Main Delivery Channel	Main Channel 10000 - PUBLIC SECTOR INSTITUTIONS			
8. Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	X
	Aid to environment	X	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women In Development)	<input type="checkbox"/>	X	<input type="checkbox"/>
	Trade Development	X	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	X	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Main objective
	Biological diversity	X	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	X	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	X	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	X	<input type="checkbox"/>	<input type="checkbox"/>
9. Global Public Goods and Challenges (GPGC) thematic flagship	Non-applicable			
10. Sustainable Development Goals (SDGs)	Main SDG 16: Promote just, peaceful and inclusive societies. Secondary SDG 1: End poverty in all its forms everywhere.			

SUMMARY

The proposed EU budget support operation for Liberia is a follow-up to the State Building Contract I to be implemented from January 2018 to December 2020 under a new State Building Contract II with an additional envelope of EUR 27 million. The overall objective is to assist the Government of the Republic of Liberia in eradicating poverty, promoting sustainable and inclusive growth, and consolidating and improving democratic and economic governance.

The specific objectives are to produce the following outcomes: Improved confidence of the population in the performance of the Government, particularly as regards governance, Public Finance Management (PFM), the budget process and service delivery. In this regard,

improvements are made in the perception of corruption. Increased use of goods and services provided by the public sector and enhanced resulting benefits. In this regard the Government's ability to achieve short-term policy objectives is strengthened and a new mid-term national development strategy is developed, implemented and monitored. Transparency and accountability of public service delivery and public investment is increased. Increased private sector production and investment.

EUR 24 million is foreseen under budget support fixed and variable tranches and EUR 3 million are foreseen for complementary support. A continuous monitoring and solid policy dialogue will form the core of the budget support related activities. Capacity development will form a major component of the complementary support programme. Actions will further promote the business environment development, improved revenue mobilisation, create conditions for a more coordinated programme-based budgeting across priority sectors, fight against corruption, and will mainstream gender equality in programme outcomes.

1 CONTEXT

1.1 Sector/Country/Regional context/Thematic area

The strategic objectives set out in the current national development strategy, the Agenda for Transformation (AfT) reflect the commitment of the government of Liberia in eradicating poverty and reducing inequality aligned to the objectives of the European Union (EU) prescribed in the National Indicative Programme (NIP) 2014-2020.

The preparation of the SBC II support programme for Liberia 2018-2020 coincides with the end of the current Agenda for Transformation (AfT) 2012-2017 and towards starting up of a new national development strategy in partnership with a new Administration and other donor agencies.

Although Liberia has enjoyed relative peace and stability since the end of the civil war in 2003, the country remains fragile on the environmental, economic, security, political and societal dimensions of the 2016 Organisation for Economic Co-operation and Development (OECD) fragility framework. Most notably are the economic dimension of fragility due the country's weak economic fundamentals, low-skilled human capital and high vulnerability to exogenous shocks, as well as the political dimension due to issues of capacity, corruption and concentration of power meaning Liberia remains a long way from a genuine democracy where government responds to the needs and expectations of the people.

The presidential and legislative elections of October 2017 will be a milestone in Liberia's post-war transition, as they will represent the first transition since the end of the civil war and will take place with a significantly reduced presence of the United Nations Mission In Liberia (UNMIL), whose mandate in December 2016 was extended for a final period until 30 March 2018. The new administration will face important challenges that have not been fully addressed during the Johnson-Sirleaf administration: With the end of the AfT, the new government will be responsible for the preparation of a new national development strategy that addresses many of the issues important for Liberians, such as corruption, a weak education system and reconciliation, which will be huge tasks. At the same time, budget shortfalls can limit a new government's possibilities for delivering.

Liberia suffered three consecutive years of flat growth caused by the Ebola crisis and the substantial drop of commodity prices ending in 2016 which has hit Liberia particularly hard, as the country remains highly dependent on export income from natural resources. The International Monetary Fund's (IMF's) debt sustainability analysis rates Liberia as moderate bordering high with a general Government gross debt of 41 % of gross domestic product (GDP) in 2016.

Local businesses struggle with electricity, transportation costs and transaction costs which are aggravated by a lack of transparency and corruption. Ranked 174th out of 190 countries in the 2017 'Doing Business' Report³, Liberia's business climate constitutes a disincentive/high risk environment for foreign investors.

Liberia remains one of the poorest countries in the world with one of the lowest levels of human development (ranking 177 out of 188 countries), weak state capacity, and a high level of dependence on international donors. The incidence of poverty at the national level fell to 54 % in 2014 from 64 % in 2007, due mainly to the decline in rural poverty. The overall drop in poverty reflects economic growth, lower inflation and the government's income support to the poor and vulnerable. Although exact estimates of poverty levels await the completion of the 2016 household survey, projections show that the impact of the Ebola crisis reversed the post-war trend of decreasing poverty.

Liberia has a young age structure, with approximately 63 % of the total population under the age of 25. Inequality, as measured by the Gini coefficient, was marginally lower in 2014 than in 2010, but remains higher in urban areas compared to rural areas. This risk factor to society is aggravated by a large youth population with lack of education and opportunities beyond the informal economy.

Liberia is one of the lowest ranked countries in the United Nations Development Programme (UNDP) Gender Inequality index in 2016. Women remain disadvantaged relative to men across a range of measures related to employment, health, education, and political participation. Gender based violence remains a persistent problem in the country.

Over the last years, the national budget has been gradually developed around eleven sectors and has grown rapidly and largely in disproportion to the institutional capacities of the state. Fundamental issues⁴ in the budget procedure lead to lack of coordination and delays, as well as lack of transparency and realism in budget appropriations.

Liberia continues to struggle with high levels of corruption. Liberia's score in Transparency International's Corruption Perception Index has remained unchanged for the last three years. The Liberia Anti-Corruption Commission (LACC) has limited powers, leverage and impact and is under-resourced with only six investigators who are capable of conducting 3-5

³ Doing Business 2017 Report 'Equal Opportunity for All', The World Bank Group.
www.doingbusiness.org/reports/global-reports/doing-business-2017

⁴ E.g. the Legislature introducing unrealistic revenue increases during the budget approval process and rejecting proposed tax measures on the revenue side and the lack of policy-based budgeting in general.

corruption investigations each year. Few of its investigations proceed to prosecution because the Ministry of Justice concludes that insufficient evidence has been presented.

Basic objectives, priority areas and expected results in support of state building in Liberia will be defined at this stage in dialogue with the current Government. The newly elected Government can subsequently confirm the set priorities for policy dialogue. At that time, the definition of tangible and verifiable indicators and related targets for variable tranches might have to be revised following possible change in priorities.

1.1.1. Public policy Assessment and EU policy framework

EU policies guiding this action are the New Consensus on Development and the "Collect More, Spend Better" initiative. The New Consensus on Development is the EU response to the 2030 Agenda for Sustainable Development and highlights the importance of national development paths and the responsibilities of national governments in implementing the 2030 agenda. It also stresses the importance of generating domestically additional resources for sustainable development in partner countries. The EU initiative "Collect More, Spend Better" also promotes effective and efficient resource mobilisation and use.

The national development strategy paper, Liberia's Agenda for Transformation (AfT) 2013-2017 is a comprehensive medium-term strategy launched in 2013 to lead Liberia to middle income status by 2030. The AfT has two key objectives: (1) to create wealth and (2) to increase inclusiveness for a more equal and just society. In order to achieve these objectives, the five year plan sets key priorities under five pillars, which are consistent with identified current challenges for Liberia: (I) Peace, security and rule of law, (II) Infrastructure and economic transformation, (III) Human development, (IV) Governance and Public Institutions, and (V) Cross-cutting issues.

The Government of Liberia has shown a high level of commitment in implementing the national development plan, but remains hampered by the weak institutional capacity and policy framework to coordinate and follow-up on implementation. To implement the plan Liberia has moved forward with and adopted a number of good quality policies, strategies and work plans in a number of sectors. However, there has not always been coherence between the AfT and these sector plans, in particular as regards funding priorities and indicators. The Ebola outbreak and price falls in the main export commodities led to a reprioritisation of the AfT actions up to the elections of October 2017. A mid-term review of the AfT was published in the first quarter of 2017, and while it found advances in a number of sectors, it also showed that there were still big challenges in terms of achieving the objectives of the AfT, as well as more specifically in monitoring and financing its implementation.

The AfT will coincide with the end of the current administration. Trying to avoid a potential gap in development planning during the transition, the Government has already initiated the process of formulating a successor strategy. Firstly, it has formulated a national roadmap to domesticate the SDGs, which will serve as the basis for the AfT successor strategy. The roadmap identifies activities of the AfT which have not been completed and foresees a stakeholder dialogue for bottom-up prioritisation guided by the SDGs. Likewise the Government has drawn up a map of the goals in the SDGs in comparison to the existing AfT objectives, and has made some initial consultations within government ministries and

agencies. While the process has started its continuation will depend on the new administration.

The institutional capacity across government will only improve gradually, but some lessons have been learnt from the AfT mid-term review and a Monitoring and Evaluation Unit has been established in the Ministry of Finance and Development Planning (MFDP).

1.1.2. Stakeholder analysis

The MFDP, the Liberia Revenue Authority (LRA), and the Public Procurement and Concessions Commission (PPCC) are the key institutions of the State Building Contract II for Liberia under both budget support and complementary measures.

The MFDP is responsible for the formulation and implementation of fiscal and economic development policies for the promotion of sound and efficient management of financial resources of the government. The MFDP plays a leading role in the budget process and, while its capacity has been strengthened in tandem with PFM reforms in Liberia, it still needs strengthening to fully fulfil its mandate. The PFM eligibility assessment below and in annex go into more detail, but in general the MFDP still has difficulties leaving its silo and cooperating proactively with line ministries and PFM agencies. For example, policy-based budgeting is still a challenge for the government, because Ministries & Agencies (M&As) have low capabilities to pro-actively participate in the budget preparation and the Medium-Term Expenditure Framework (MTEF) is, in practice, not functioning. Likewise, there is low capacity to appraise public investment projects.

The LRA is responsible for administering and collecting taxes and customs duties in the country. It confronts shortages of capacity and skilled staff and needs to overhaul its tax policy framework to adequately address its technical, administrative and audit capacities to mobilise more tax revenues. The 2016 Tax Administration Diagnostic Assessment Tool (TADAT) identified the following key weaknesses of the LRA: (i) unreliable and inaccurate tax registration database; (ii) incomplete and inaccurate taxpayer accounts arising from significant delays in posting deposits in the revenue account and payments to the taxpayer ledger; (iii) weak internal and external oversight of LRA and its IT system; (iv) high use of manual operations and poor document management; (v) little to no analysis of internal or external data or monitoring of performance. In addition, the tax administration operations are complicated by use of standard operating procedures (SOPs) that are still in draft form.

The PPCC manages procurement reforms, maintains the procurement system and oversees the way in which government does business with the private sector. PPCC has gained credibility as guardian of the regulatory framework for procurement; however there are still Ministries and Agencies that think they could go around the rules by using derogative provisions. The PPCC does not as yet have sufficient capacities to carry out procurement audits. So far the PPCC has developed a framework that sets out a detailed approach to resolving the existing capacity challenge and how quality procurement audits will be conducted in the future. In the meantime, the PPCC relies on the General Auditing Commission (GAC) to audit procurement activities as, for example, at the Ministry of Public Works.

Other key institutions potentially benefitting from the proposed budget support programme are the Internal Audit Agency, the General Auditing Commission, the Legislature (legislative oversight committee on public accounts and audit (PAAC), Ways and Means

Committee, Legislative Budget Office), the Liberia Anti-Corruption and Concession Commission, the Ministry of Justice, the Judiciary, the Civil Service Agency and the Ministry of Education. These stakeholders vary greatly in the strength of their mandate, their institutional capacity and leadership. All of them are duty bearers with a responsibility to uphold civic and gender rights and to prevent their violation.

1.1.3. Priority areas for support/problem analysis

Budget support provided by the European Union primarily aims to ensure fiscal balances, so that the state can assume its core functions and maintain the pace of public investment. Under the pressure of public investment needs for the Public Sector Investment Plan (PSIP) which exceed domestic revenue forecasts and in a context of considerable drop of Official Development Assistance (ODA) after the Ebola crisis, public debt and the current account deteriorated. The dependency of commodity exports for revenue in foreign exchange and the structural lack of diversification of the economy put at risk macro-economic stability of the dual currency economy, which relies heavily on foreign exchange for its functioning; a non-conducive business climate is hindering the development of the private sector and hence the needed diversification.

There is a need to ensure financial support particularly at the time of (1) serious fiscal and forex constraints in the wake of a stronger than expected impact of commodity price shock, (2) the end of the Ebola outbreak-related external support and projects, (3) the decline in terms of domestic revenue caused by a stagnant economy due to low commodity prices and lack of diversification of the economy, (4) the depreciation and erosion of forex reserves in a double currency regime.

In fact, the fiscal space of the government is very limited to secure public investment in basic services to support the development process. The implementation of the Agenda for Transformation has been quite a challenge for the government, even if one takes into account the interruptions of the Ebola health crisis. A major challenge has been to properly monitor and evaluate the progress instead of reporting on activities. If the government does not adopt a successor development policy, donors will push for resource allocation by line ministries for different sectors with limited coherence and respect of the overall resources available. Likewise, budget support can create more ownership in the implementation of the development strategy than if donors finance initiatives aligned with the strategy as was the case under the AfT.

The Public Financial Management (PFM) sector needs particular attention; it suffered severe decline during the civil war as transparency and accountability in the use of public resources became almost non-existent. With assistance from Development Partners, the government embarked on a major legislative and institutional reform which begun with enactment of the PFM Act and other legislation in 2009 to strengthen transparency and accountability of public officials. Despite major efforts in PFM systems, the country is still facing poor service delivery, also in sectors supported by the EU National Indicative Programme 2014-2020, such as education, agriculture and energy.

The proposed State Building Contract (SBC) for Liberia takes stock on the lessons and experience of the predecessor EU budget support programmes and the Integrated Public Finance Management Reform Programme (IPFMRP) I.

The proposed SBC needs to ensure that the government, in line with its mandate, can complete its functions, continue ongoing reforms (e.g. PFM) and preserve spending for basic services including health, education, security and rule of law and expand state functions.

Compared to the ongoing SBC, the proposed budget support programme has partly shifted its approach and it now focuses on supporting government actions and initiatives geared towards domestic revenue mobilisation and business climate, budget credibility for service delivery, improved controls and prevention of corruption and improve transparency. Transparency and accountability will be key areas of the dialogue with the government, emphasising that the government's obligations are first and foremost to the Liberian citizens and civil society and only secondly to donors. Only if the government improves on both service delivery and transparency will the Liberian population stop considering the government prone to vested interests and nepotism (rather than working to the benefit of the country) and the widespread perception of impunity of corruption.

Institutional and capacity building issues in PFM that are critical for ensuring good governance and operational functioning of the state of Liberia will be built through the IPFMRP II focussing on (1) Enhancing domestic resource mobilisation sources and international tax systems (2) Stabilizing and strengthening PFM financial controls and accountability, (3) Deepening service delivery and PFM in selected sectors, and (4) Programme governance & management.

1.2. Other areas of assessment:

1.2.1. Fundamental values

Liberia has made great progress in the area of human rights and democracy since the end of the civil conflict in 2003, as was acknowledged during its Second Universal Periodic Review in 2015. It is a multi-party democracy and successive Presidential and legislative elections have been judged generally free and fair. The current government has made clear its commitment to human rights and over the last decade, significant efforts have been made to set up the institutional frameworks needed to monitor, promote and enforce human rights and good governance. There is no evidence of systematic, state-sponsored human rights violations. Liberia's Constitution respects fundamental freedoms (association, expression, religion) and these are generally respected.

The government is committed to addressing some of the serious challenges that remain. Sexual and gender based violence is widespread, harmful traditional practices like Female Genital Mutilation (FGM), trial by ordeal and ritual killings persist, and prisons overcrowded with pre-trial detainees are a symptom of wider problems in the justice system. No Liberian has ever been tried for crimes committed in Liberia during the civil conflict and alleged war criminals continue to play a prominent role in society.

1.2.2. Macroeconomic policy

A stability-oriented macroeconomic framework addresses key imbalances as confirmed in the assessment of macroeconomic eligibility for the disbursement that took place in June 2016. The structural lack of diversification of the economy, low banking profitability and low access to finance have been identified as challenges. Structural imbalances are compounded by weakening of the Liberian Dollar and inflationary pressures in 2016/17, low central bank reserves, as well as gaps in the FY15/16 and FY16/17 budgets. Continuous dialogue with the Government of Liberia, under the leadership of the IMF, will focus on the

maintenance of foreign exchange reserves and an effective monetary policy to address pressures on the Liberian dollar and on the inflation rate.

The Government of Liberia has taken a strong stance to reduce the revenue shortfall by cutting expenditures through a number of measures, and efforts to increase the tax base through the recently created LRA.

In financial year (FY) 15/16 the country received USD 85 million in the form of budget support compared to an actual budget of USD 559 million. After Ebola frontloading, the IMF (International Monetary Fund) projects a downturn in aid support and with the African Development Bank (AfDB), EU, IMF and World Bank programmes coming to an end this year the new government cannot rely on major macroeconomic/budget support programmes.

1.2.3. Public Financial Management (PFM)

Liberia is making satisfactory progress in improving its PFM systems as confirmed in the Delegation's Annual Monitoring Report on PFM Reform dated May 2017. The relevance of the Government of Liberia's 2013 PFM Reform Strategy in addressing systemic weaknesses was confirmed by the 2016 Public Expenditure and Financial Accountability Assessment (PEFA). The Ministry of Finance and Development Planning (MFDP) has started drafting a successor PFM strategy, which will be adopted and come into force later in 2017, which has the following key themes: (i) robust legal and regulatory framework; (ii) credible budget to support service delivery; (iii) revenue mobilisation; (iv) robust and linked systems and processes; (v) comprehensive and transparent financial reporting; (vi) strengthened external scrutiny and, lastly, the cross thematic area of capacity building. The credibility of the outgoing and incoming PFM Reform Strategies are also assessed positively, given that they bring together Ministries and Agencies across Liberian institutions and harness and coordinate a significant amount of donor support for increasing accountability.

1.2.4. Transparency and oversight of the budget

The executive's budget proposal was published on 16 May 2016 on the government's specific budget webpage⁵ just after it had been submitted to the legislature. However, the National Budget Law FY 2016/17 was only published six months into the fiscal year (5 December 2016). Part of the delay can be attributed to a paralysis in the legislature which only approved the budget on 20 September 2016. The latest published Open Budget Index (OBI 2015) shows a slight deterioration from the 2012 to the 2015 assessment. The reason for the decline was that the Government of Liberia had failed to publish the Pre-Budget Statement and the Citizens Budget in a timely manner as well as to produce and publish the Year-End Report. However, the 2016 OBI update notes that draft budget, enacted budget, year-end report and citizens' budget were all published.

⁵ <https://www.mfdp.gov.lr/index.php/the-budget#>

2. RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
Overall <u>developmental risk</u> as the Government is struggling to align its resources and focus its energies to its priorities in the context of scarce resources and multiple priorities.	H	Intensive policy dialogue. Political and understandable targets under the indicators. EU will strive to obtain co-chair of relevant component of next development strategy.
<u>Fiduciary risks</u> due to weak public financial management and weak capacity to prepare a realistic budget aligned to priorities, together with operational procurement and cash plans is at the root of many of the subsequent challenges in the execution of the budget.	H	Contribution to strengthening PFM will specifically be addressed through the support measures, as well as other projects, such as support to the General Auditing Commission (GAC).
<u>Developmental/ effectiveness and human rights risks</u> as deployment of personnel and deconcentration of services advance in the context of weak internal accountability and management controls.	H	Strong focus on controls, accountability and transparency through the budget support indicators and the complementary measures.
<u>Reputational risk</u> as lack of understanding of the concept of general budget support leads to tensions between Ministers regarding the 'distribution' of EU funds.	L	National Authorising Officer (NAO) and MFDP/Budget Department to engage with Ministries and Agencies, and provision of training and awareness, for instance through NAO support project.
Core PFM processes and systems targeted in the budget support programme do not integrate well to IFMIS, thereby causing malfunctioning of the internal control framework across M&As and County Treasuries.	M	Implementation of Integrated Financial Management Information System (IFMIS) audit recommendations IPFMRP investments into integrating IT systems.
Lack of gender sensitive approach increase gender inequalities and doesn't allow equal participation for women. Lack of gender awareness, lack of	H	Include gender analysis and gender disaggregated data when designing the indicators; use the gender analysis of the budget process and public sector reform to inform the policy dialogue;

political will to mainstream gender and lack of gender responsive budgeting.		apply a gender sensitive approach in the design and implementation of the complementary measures.
Assumptions		
Main assumptions are as follows:		
(1) Smooth/stable political transition after 2017 presidential elections (2) the incoming/ new Government of Liberia will be strongly committed to the public financial management reform programme and establishing modern and effective management and control procedures in order to enhance accountability, transparency, effectiveness and efficiency in the use of public resources; (3) MFDP senior management fully buy-in to and take full ownership; (4) MFDP will ensure sustainability and continuity by putting in place measures to enable PFM players take responsibility.		

3. LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1. Lessons learnt

More attention is required to be directed towards the low organisational and individual capacities in the MFDP and Ministries & Agencies (M&As) to ensure the expected impact of the PFM reform strategy in the next years. Likewise, if indicators are in an area outside of the NIP focal sectors capacity on the side of the EU Delegation to track their performance and conduct policy dialogue to push reform, process remains limited. In order to have a fruitful policy dialogue and holistic approach it is recommended to include indicators only in the areas where the Delegation has an effective added-value through its active engagement in the NIP focal sectors.

Effective Policy dialogue implies a common approach/aligned messages of BS donor community towards the Government of Liberia.

As regards complementary measures under budget support operations

- The IPFMRP has made major inroads into the area of PFM but being extremely ambitious and lacking a strategic approach only achieved moderately satisfactory results. The advantage is that it covers all main PFM stakeholders with a wide and flexible approach on activities. The pilot under the Non State Actors Secretariat has produced interesting results which have contributed to the identification/formulation of the Civil Society Organisation (CSO) programme.
- The technical assistance directed through the Budget Strengthening Initiative of the Overseas Development Institute (BSI-ODI) under the SBC I has been mostly ad hoc demand-driven based on MFDP needs, but not sufficiently focused on addressing specific fundamental weaknesses in PFM processes and systems in a rather programmatic and sequenced basis.
- The contribution to the Household Income and Expenditure Survey (under the 10th EDF budget support operation) has produced useful statistics, disaggregated by gender.

3.2. Complementarity, synergy and donor coordination

Complementarity exists between EU funded SBC, other EU programmes and other Development Partners (DPs) programmes. Other EU programmes include commitments to assist the Government's efforts to the reform of customs administration during 2016-2019 and the General Auditing Commission EUR 5 million respectively.

The World Bank led Multi-donor Trust Fund Integrated Public Financial Management Reform Programme (IPFMRP) remains the main channel of donor support to PFM reforms in Liberia, with contributors currently being the United States Agency for International Development (USAID), Sweden, African Development Bank (AfDB) and the EU. The World Bank is currently in the phase of closing IPFMRP I and identification for IPFMRP II. Expected components are (1) Enhancing domestic resource mobilisation sources and international tax systems (2) Stabilizing and strengthening PFM financial controls and accountability, (3) Deepening service delivery and PFM in selected sectors, and (4) Programme governance & management. The World Bank has earmarked USD 25 million for the IPFMRP II and African Development Bank is currently developing a USD 8.72 million contribution to the programme.

An overview of relevant actions from other donors in the area of PFM include:

- USAID: Revenue Generation for Governance and Growth (USD 7 million; 2016-2018); Local Empowerment for Government Inclusion & Transparency (LEGIT) (USD 5.7 million; 2016-2019); Public Sector Modernisation Project (USD 5.5 million; 2014-2019).
- International Monetary Fund (IMF): new 5 year multi-donor project with long term and short term technical assistance and training in 7 areas of PFM, started up in April 2017; Strengthening Core Budget Functions in Fragile States until 2018.
- Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) Regional resource governance in fragile states of West Africa focussing on mineral resources in Liberia and Sierra Leone, 2015 – 2018, including resident advisor in natural resource unit in LRA
- The Swedish International Development Cooperation Agency (SIDA) support to CSOs (EUR 7 million) with view to strengthening demand for accountability at the legislature;

A well-functioning PFM Donor Coordination Group is chaired by the AfDB, and serves to coordinate reform activities and the various support provided. The PFM Steering Committee chaired by the Minister of Finance should meet twice per year, but regularity and participation of all donors is not ensured.

Currently three other donors are providing budget support to Liberia, namely the World Bank, Norway which works through the World Bank, and the IMF that did budget support in its recent extension plus augmentation to fill the budget gap. The African Development Bank is currently evaluating and auditing its last budget support operations.

Civil society has potential for monitoring reform and engaging in dialogue with the government, but there is weak civil society capacity to engage in a substantive discussion, and based on this some past reluctance from the executive to engage substantively with civil society. The EU will increase support to civil society to

encourage appropriate engagement in economic governance and general development debate both under IPFMRP II and the CSO programme.

3.3. Cross-cutting issues

The following cross-cutting issues will be brought into the mainstream of the programme:

Gender issues

Design of indicators will try to address some of the specific problems faced by women in Liberia. Each indicator will be analysed in terms of its impact on women. Under support measures there will be a specific focus on gender budgeting, women's access to budget information and role in PFM reforms, and how PFM reforms can be better tailored to address issues of gender inequality in Liberia. The statistical complementary support will produce data disaggregated by gender where applicable.

Right based approach (RBA)

The principles of participation, non-discrimination, accountability, transparency and inclusion of all rights are inherent in all components of the budget support programme. Indicators will be defined so as to achieve the maximum impact on final beneficiaries, and support measures will be designed to cover all aspects of the RBA, in particular accountability and transparency which are core in the PFM reform support. Participation will also be addressed, but has been difficult to achieve in the policy level dialogue. Some promising initial efforts under IPFRMP will try to be expanded.

Environment and Climate Change

This programme does not include specific actions relating to environment and climate change. Notwithstanding the absence of specific actions, the programme mainstreams environmental issues by addressing governance in different agricultural sectors (timber, fishery, rubber, mining, palm oil), their "sustainable" financial management and corruption (e.g. tax exemptions), and the direct incomes they generate for the budget (through concessions and other taxes).

4. DESCRIPTION OF THE ACTION

4.1. Objectives/results and options

This programme is relevant for the United Nations 2030 Agenda for Sustainable Development. It contributes primarily to the progressive achievement of Sustainable Development Goal 16 "Promote just, peaceful and inclusive societies" but also promotes progress towards SDG 1 "End poverty in all its forms everywhere". This does not imply a commitment by The Republic of Liberia benefiting from this programme.

4.1.1. Objectives/results

The overall objective of this SBC is to assist the Government of the Republic of Liberia in eradicating poverty, promoting sustainable and inclusive growth, and consolidating and improving democratic and economic governance.

The specific objectives are to produce the following outcomes:

- Improved confidence of the population in the performance of the Government, particularly as regards governance, PFM, the budget process and service delivery. In this regard, improvements are made in the perception of corruption.
- Increased use of goods and services provided by the public sector and enhanced resulting benefits. In this regard, the Government's ability to achieve short-term policy objectives is strengthened and a new mid-term national development strategy is developed, implemented and monitored.
- Transparency and accountability of public service delivery and public investment is increased.
- Increased private sector production and investment.

Therefore the induced outputs of this intervention are:

- Overall, improved macroeconomic and budget management (such as fiscal, monetary, trade and economic growth policies).
- Increased quantity and quality of basic services delivery including good governance (including anti-corruption measures, decentralisation and land rights) by stronger public sector institutions which are capable to formulate realistic public policies and effectively execute them.
- Strengthened provision of administrative functions in the management of public finances to ensure that public funds are increasingly generated and efficiently and transparently managed, with focus on domestic revenue mobilisation, the effectiveness of budget management, execution, procurement and controls.
- Improved credibility, transparency and accountability and oversight of the budget processes including through organisations preventing/fighting corruption and civil society/citizens. Besides, corruption is prevented and prosecuted.
- Increased efficiency in PFM systems, processes and capacities as well as a more transparent and accountable planning and budgeting system through implementation of reform actions identified in the soon to be adopted PFM Reform Strategy.

The direct outputs are as follows:

- Sufficient financial allocation to ensure the provision of basic services and public investment.
- Increased size and share of budget available for capital expenditure and other discretionary spending compared to budget required for recurrent spending.
- Maintained size and share of external assistance funds made available on-budget such that external assistance as a whole is better harmonised and aligned to government policies and systems.
- Policy dialogue is coordinated and improved in terms of regularity and quality and overall conducive for implementation of government strategies.

4.2. Main activities

4.2.1. Budget support

Budget support comprises engagement in dialogue around government reform priorities, definition of criteria to assess performance in the reform implementation, the verification of the fulfilment of these criteria and the payment of budget support tranches.

The activities are:

- Transfer of up to a maximum of EUR 24 million to the Budget of Liberia in Fiscal Years 2017/2018-2020/2021;
- Continued political and policy dialogue with the Government to ensure implementation of the national development policy and reform agenda.
- A continued effort to reinforce the government's capacities in the area of PFM through both budget support and complementary support measures.
- Continued dialogue between the EU Delegation and other donors to coordinate and further align our development cooperation with a view to avoiding duplication of activities and relieving in Government from multiple reporting duties.
- Regular monitoring of budget support eligibility criteria.

The main fora for coordination, review of progress and dialogue will be:

- Monitoring of macro-economic developments will be performed in the context of regular IMF missions and other relevant assessments, as well as a sustained dialogue with the IMF.
- Fiscal discipline and budget execution performance will be assessed on a regular basis through quarterly meetings of the policy-level Budget Support Working Group chaired by the Minister of Finance, and quarterly technical-level Budget Support Working Group.
- Monitoring of the PFM performance will be done on the basis of the PFM analysis through standardised diagnostic tools – Public Expenditure and Financial Accountability (PEFA), Public Investment Management Assessment (PIMA), Tax Administration Diagnostic Assessment Tool (TADAT), as well as quarterly and annual reports on the progress of the implementation of the PFM Strategy and Action Plan. In addition, the public financial management reforms Steering Committee chaired by the Minister of Finance is supposed to invite donors twice a year to its quarterly meetings. Likewise, the planned quarterly review missions of the Integrated Public Finance Management Reform Programme (IPFMRP) II will provide opportunities for dialogue on progress in PFM.
- Monitoring of achievement of national development priority objectives will be undertaken on the basis of annual progress reports and other reviews.
- Monitoring of budget transparency will be undertaken through verifying public availability of appropriate documentation.

In terms of substance of the dialogue, emphasis will be placed on the institutionalisation and deepening of policy dialogue to leverage reforms that target improvements in service delivery (e.g. in the education sector), also with respect to reduced geographical and gender disparities in access and quality of the services provided.

4.2.2. Complementary support

This support will aim to:

- 1) Provide technical assistance to the Ministry of Finance and Development Planning (MFDP) and ministries in the areas of the NIP to introduce the basic foundations of programme-based budgeting, strengthen the sector working groups and inter-ministerial dialogue, and improve budget execution at the line ministry level.
- 2) Through earmarking in the IPFMRP II, build and strengthen the institutional, organisational, individual and stakeholder capacity within all spheres of government to implement good and sound public finance management practises for an efficient and effective public service.
- 3) Through statistical trust fund, assist Liberia Institute of Statistics and Geo-Information Services (LISGIS) to improve availability and quality of basic and economic data where appropriate disaggregated by gender.
- 4) Provide support for the strengthening of econometric research and forecasting for informed policy decision making for MFDP and Universities.

4.3. Intervention logic

Given the history of revenue shortfalls and budgets consisting, to a large extent, of spending on salaries, goods and services to keep ministries and agencies operating the budget support is supposed to provide the government with sufficient fiscal space to make public investments and provide citizens with basic services. To achieve this, it is important that the government earns more revenue domestically, prepares and implements better budgets, has systems in place which prevent and penalise corruption and gives citizens the possibility to check if the government delivered what it planned to do.

The budget support will provide the government with funds on-budget which can be used to fund basic services and public investments beyond the high recurrent spending for salaries and operational expenditures (fuel, stationary, scratch cards etc.) The policy dialogue with the government will underline the importance of sound macro-economic policy making and the implementation of the development strategy. Likewise, the dialogue will be used to encourage the government to push forward with good governance, PFM reforms, transparency and accountability, fight against corruption and the like.

The indicators for the specific conditions for disbursement will facilitate dialogue in particular on:

- Public services delivery to citizens of all ages and genders in an effective and efficient manner and in accordance with a timely approved budget;
- Sufficient generation of revenues domestically to facilitate the delivery of services to the public;
- Accountability for public money and integrity of the PFM system through integrity institutions and participation and scrutiny by citizens/civil society;
- Prevention and prosecution of corruption.

The complementary measures will assist the government in carrying out reforms with technical expertise and better understanding of the existing shortcomings. Institutional and capacity building within PFM reform process are critical for ensuring good governance and operational functioning of the state of Liberia. This will be built through the IPFMRP II focussing on (1) Enhancing domestic resource mobilisation sources and international tax systems (2) Stabilizing and strengthening PFM financial controls and accountability, (3) Deepening service delivery and PFM in selected sectors, and (4) Programme governance & management. This will provide more steering possibilities and deep insights into the progress of implementing PFM reforms.

In order to improve the business and investment climate to attract foreign investment, the European External Investment Plan (EIP) could be an important element in helping the Liberia to catalyse investment and create employment. For that reason this SBC will look for synergies with an EIP for Liberia.

Taken together this should ideally lead to the delivery of more and better public services and public investment to the benefit of the Liberian population and strengthen the confidence of companies in the stability of the economy.

5. IMPLEMENTATION

Both in indirect and direct management, the Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures affecting the respective countries of operation.

5.1. Financing agreement

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

5.2. Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4.2 will be carried out and the corresponding contracts and agreements implemented, is 72 months from the date of entry into force of the financing agreement.

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

5.3 Implementation of the budget support component

5.3.1 *Rationale for the amounts allocated to budget support*

The amount allocated for budget support component is EUR 24 million, and for complementary support is EUR 3 million. This amount is based on the need to keep the EU's average annual contribution to Liberia's National Budget relatively stable to support expanding state functions and service delivery and to serve as a catalyst for reforms. The amount also provides continuity of EU budget support to a fragile country.

5.3.2 Criteria for disbursement of budget support

a) The general conditions for disbursement of all tranches are as follows:

- Formulation, approval and satisfactory progress in the implementation of a successor public policy and continued credibility and relevance thereof;
- Implementation of a credible stability-oriented macroeconomic policy;
- Satisfactory progress in the implementation of PFM Reform Strategy and Action Plan;
- Satisfactory progress with regard to the public availability of timely, comprehensive and sound budgetary information.

b) Areas for the specific conditions for disbursement that may be used for variable tranches are the following:

1. Domestic Revenue Mobilisation
2. Business climate
3. Budget credibility for service delivery, particularly in NIP sectors
4. Implementation of provisions of the Local Government Act once approved
5. Improved controls, prevention and prosecution of corruption
6. Transparency

The chosen performance targets and indicators to be used for disbursements will apply for the duration of the programme. However, in duly justified circumstances, the Ministry of Finance and Development Planning may submit a request to the Commission for the targets and indicators to be changed. The changes agreed to the targets and indicators may be authorised by exchange of letters between the two parties.

In case of a significant deterioration of fundamental values, budget support disbursements may be formally suspended, temporarily suspended, reduced or cancelled, in accordance with the relevant provisions of the financing agreement.

5.3.3 Budget support details

Fixed and variable tranches will be used for this non-targeted budget support as per the general and specific conditions outlined above.

Budget support is provided as direct untargeted budget support to the National Treasury. The crediting of the euro transfers disbursed into United States Dollars⁶ will be undertaken at the appropriate exchange rate in line with the relevant provision of the financing agreement.

5.4 Implementation modalities for complementary support of budget support

5.4.1 Procurement (direct management)

Subject in generic terms, if possible	Type (works, supplies,	Indicative number of	Indicative trimester of
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⁶ While the currency of Liberia is the Liberian dollar, the U.S. dollar is also legal tender. The de facto exchange rate regime is classified as ‘other managed’ by the IMF, while the de jure exchange rate regime classification remains ‘managed floating’. The Government of Liberia prepares the national budget in U.S. dollars.

	services)	contracts	launch of the procedure
Complementary technical assistance for support in budget preparation, research and analysis	Services	3	Third quarter of 2018

5.4.2 Indirect management with the World Bank - PFM

A part of this action may be implemented in indirect management with the World Bank in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012 applicable in accordance with Article 17 of Regulation (EU) 2015/323. This implementation entails complementary support measures to PFM and statistics. This implementation is justified because these are second phases of previous support measures in form of multi-donor trust funds which facilitate coordination, alignment and harmonisation.

The entrusted entity would carry out budget-implementation tasks in the management of the multi-donor trust fund sourcing the Integrated Public Financial Management Reforms Programme (IPFMRP) supporting the implementation of the Public Financial Management Reform Strategy (managing and enforcing contracts, procurements procedures, making payments, accepting or rejecting deliverables, enforcing checks and controls and recovering found) .

If negotiations with the above-mentioned entrusted entity fail, that part of this action related to PFM may be implemented in indirect management with International Monetary Fund. The implementation by this alternative entrusted entity would be justified because the IMF's Fiscal Affairs Department, as well as the West Africa AFRITAC (Africa Regional Technical Assistance Centres), are already providing technical assistance to the Ministry of Finance on public financial management reform. The alternative entrusted entity would be entrusted with capacity building in the area of public financial management complementary to the IPFMRP. The entrusted entity would carry out budget-implementation tasks: managing and enforcing contracts, procurements procedures, making payments, accepting or rejecting deliverables, enforcing checks and controls and recovering founds.

The entrusted international organisation and the alternative entrusted international organisation are currently undergoing the ex-ante assessment in accordance with Article 61(1) of Regulation (EU, Euratom) No 966/2012 applicable in accordance with Article 17 of Regulation (EU) 2015/323. The Commission's authorising officer responsible deems that, based on the compliance with the ex-ante assessment based on Regulation (EU, Euratom) No 1605/2002 and long-lasting problem-free cooperation, the international organisations can be entrusted with budget-implementation tasks under indirect management.

5.4.3 Indirect management with the World Bank - Statistics

A part of this action may be implemented in indirect management with the World Bank in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012 applicable by virtue of Article 17 of Regulation (EU) No 323/2015. This implementation entails complementary support measures to Statistics. This implementation is justified because these are second phases of previous support measures in form of multi-donor trust funds which facilitate coordination, alignment and harmonisation.

The entrusted entity would carry out budget-implementation tasks in the management of the multi-donor trust fund sourcing for a successor programme with the Liberia Institute of Statistics & Geo-Information Services (LISGIS).

The entrusted entity would carry out budget-implementation tasks: managing and enforcing contracts, procurements procedures, making payments, accepting or rejecting deliverables, enforcing checks and controls and recovering funds.

If negotiations with the above-mentioned entrusted entity fail, that part of this action related to statistics may be implemented in indirect management with Sweden/Statistics Sweden. The implementation by this alternative entrusted entity would be justified because Sweden is programming institutional development through twinning with Statistics Sweden and a basket fund for surveys. The entrusted entity would carry out budget-implementation tasks: managing and enforcing contracts, procurements procedures, making payments, accepting or rejecting deliverables, enforcing checks and controls and recovering funds.

The entrusted international organisation and the alternative entrusted international organisation are currently undergoing the ex-ante assessment in accordance with Article 61(1) of Regulation (EU, Euratom) No 966/2012 applicable in accordance with Article 17 of Regulation (EU) 2015/323. The Commission's authorising officer responsible deems that, based on the compliance with the ex-ante assessment based on Regulation (EU, Euratom) No 1605/2002 and long-lasting problem-free cooperation, the international organisations can be entrusted with budget-implementation tasks under indirect management.

5.5 Scope of geographical eligibility for procurement and grants

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

In accordance with Article 22(1)(a) of Annex IV to the ACP-EU Partnership Agreement the Commission decides that natural and legal persons from the following countries having traditional economic, trade or geographical links with neighbouring partner countries shall be eligible for participating in procurement and grant award procedures: Benin, Burkina Faso, Cape Verde, Ivory Coast, The Gambia, Ghana, Guinea, Guinea Bissau, Mali, Niger, Nigeria, Senegal, Sierra Leone and Togo (ECOWAS - Economic Community of West African States - countries). The supplies originating there shall also be eligible.

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

5.6 Indicative budget

Programme components	EU contribution (EUR)	Indicative third party contribution, in currency identified
5.3 Budget support (State Building Contract)	24 000 000	
5.4.1 Technical Assistance (direct management)	500 000	
5.4.2 Indirect Management with World Bank Support measure to PFM	1 800 000	3 ,000 000 EUR
5.4.3 Indirect Management with World Bank Support measure to Statistics	500 000	
5.9 Evaluation and 5.10 Audit (direct management)	100 000	
5.11 Communication and visibility (direct management)	100 000	
Total	27 000 000	

5.7 Organisational set-up and responsibilities

Review and monitoring of progress in the implementation of the State Building Contract will be entrusted to the Ministry of Finance and Development Planning together with the Office of the National Authorising Officer. Please refer to section 4.2.1 for the main coordination and dialogue fora.

5.8 Performance monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the list of result indicators (for budget support). The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

PFM Strategy and Action Plan implementation is also monitored by the MFDP and reported in its annual and quarterly progress reports. In addition, regular IPFMRP review mission will be undertaken to take stock of progress. In addition to M&E of the overall progress on PFM reform, GoL has systems in place for monitoring basic capacities of target M&As and M&E of service delivery outcomes under the IPFMRP II.

5.9 Evaluation

Having regard to the nature of the action, evaluations will be carried out for this action or its components via either independent consultants contracted by the Commission or through a joint mission or via an implementing partner.

The Commission shall inform the implementing partner at least 2 months in advance of the dates foreseen for the evaluation mission. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

The complementary support activities may be audited through the respective larger programmes: The evaluation of programmes under indirect management with the World Bank will be commissioned by the World Bank.

Additional evaluation of complementary actions may be procured through framework contracts.

The evaluation report shall be shared with the partner country and other key stakeholders. The implementing partners and the Commission shall analyse the conclusions and recommendations of the evaluation and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

Indicatively, one contract for evaluation services shall be concluded under a framework contract in 2021.

5.10 Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

Indicatively, one contract for audit services shall be concluded in 2020 or 2021.

5.11 Communication and visibility

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

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

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

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

Once the Manual is replaced, the EU Delegation will share the new requirements and vademecum with all parties concerned.

The EU Delegation will directly procure communication and visibility services as indicated in section 5.6.

Indicatively, 2 contracts for communication and visibility shall be concluded in 2018 or 2019.

6. PRE-CONDITONS

N/A

APPENDIX - INDICATIVE LIST OF RESULT INDICATORS (FOR BUDGET SUPPORT)⁷

The inputs, the expected direct and induced outputs and all the indicators, targets and baselines included in the list of result indicators are indicative and may be updated during the implementation of the action without an amendment to the financing decision. The table with the indicative list of result indicators will evolve during the lifetime of the action: new columns will be added for intermediary targets (milestones), when it is relevant and for reporting purpose on the achievement of results as measured by indicators. Note also that indicators should be disaggregated by sex whenever relevant.

	Results chain	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification
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⁷ Mark indicators aligned with the relevant programming document mark with '*' and indicators aligned to the EU Results Framework with '**'.

Overall objective: Impact	1. Eradicating poverty	1. Rate of absolute poverty (disaggregated by sex)	1. Absolute poverty in 2014: 54.6 % of male-headed households, 52.7 % of female headed households	1. no target set in national policy; statistically significant decrease	1. LISGIS
	2. Promoting sustainable and inclusive growth	2.1 Growth rate of GDP	2.1 2016: -0.5 %	2.1 2019: 5.7 % 2020: 6 %	2.1 IMF reports
		2.2 Vulnerable employment rate	2.2 Q1+Q2 2014: 74.2 %	2.2 no target set in national policy; statistically significant decrease	2.2 LISGIS
		2.3 Informal employment rate	2.3 Q1+Q2 2014: 67.9 %	2.3 no target set in national policy; statistically significant decrease	2.3 LISGIS
	3. Consolidating and improving democratic and economic governance	3. WGI Government effectiveness**	3. 2015: 7.96	3. 2020: 9.62	3. World Bank WGI

Specific objective(s): Outcome(s)	1. Improvement in corruption perception	1. Transparency International Corruption perception index (score on 100; higher the better)	1. 2016: 37	1. 2020: 45	1. Transparency International Corruption Perception Index
	2. A new mid-term national development strategy is developed, implemented and monitored				
	3. Transparency and accountability of public service delivery and public investment is increased.	2. Status of new development strategy	2. AfT ends 2017	2. Implementation of new strategy as of 2019	2. Strategy and implementation reports
	4. Increased private sector production and investment	3. WGI voice and accountability**	3. 38.92 percentile rank in 2015	3. 50 by 2020	3. World Bank WGI
		4. Foreign direct investment (net) percent of GDP	4. 2015: 12.6 %	4. 2018: 13.3 %	4. IMF reports

Induced outputs	1. Improved macroeconomic and budget management	1.1 Gross official reserves	1.1 2.6 months in 2015	1.1 3 months by 2019	1.1 IMF reports
	2. Increased quantity and quality of basic services delivery including good governance (including anti-corruption measures, decentralisation and land rights)	2.1 Status of Local Government Act 2.2 Number of County Treasuries operational as proxy for fiscal deconcentration 2.3 Percentage of population reporting satisfaction with quality of public services delivered in relevant sectors	2.1 LGA pending approval of Senate, June 2017 2.2 2017: 4 2.3 2017: no data	2.1 Implementation of LGA 2.2 2020: 15 2.3 This can only be defined once methodology for baseline measurement is designed	2.1 annual reports of Ministry for Local Government 2.2 report on the budget execution at county treasuries 2.3 Satisfaction assessment by CSOs
	3. Strengthened provision of administrative functions in the management of public finances with focus on domestic revenue mobilisation, the effectiveness of budget management, execution, procurement and controls.	3.1 Annual growth in tax collection 3.2 Government domestic revenue collection as share (%) of GDP** 3.3 Variance between approved and actual expenditure*	3.1 Last 5 years in a range of - 5 % to +5 % 3.2 2015: 22.5 % 3.3 10 % in 2010/11	3.1 10 % 3.2 2020: 24.7 3.3 less than 5 %	3.1 LRA and MFDP reports 3.2 LRA and MFDP reports, IMF reports 3.3 implementation reports of PFM strategy, PEFA
	4. Improved credibility, transparency and accountability and oversight of the budget processes including through organisations preventing/fighting corruption and civil society/citizens.	4. Open Budget Index score	4. 38 in 2015	4. 43 by 2020	4. Open Budget Survey
	5. Increased efficiency in PFM systems, processes and capacities	5. Progress on implementation of PFM strategy through IPFMRP**	4. PFM strategy in draft and IPFMRP II in identification, June 2017	5. At least moderately satisfactory implementation by June 2019	5. Aide Memoires of IPFMRP

Direct outputs	1. Sufficient financial allocation to ensure the provision of basic services and public investment	1. Share of PSIP in national budget (disaggregated by relevant sectors)	1. FY17/18 draft: 5.2 %	1. no target set in national policy; statistically significant increase	1. National Budget
	2. Increased size and share of budget available for capital expenditure and other discretionary spending compared to budget required for recurrent spending.	2. Goods and services budget as a % of total budget	2. 18.9 % (2016/17 Budget)	2. 33 % by end 2020	2. National Budget
	3. Maintained size and share of external assistance funds made available on-budget	3.1 Size of external assistance funds made available on budget	3.1 FY15/16: 85.7 million USD	3.1 FY19/20: 85.7 million USD	3.1 Quarterly and Annual Development Assistance Reports, Aid annex to budget
		3.2 Share of external assistance funds made available on budget	3.2 FY15/16: 12.2 %	3.2 FY19/20: 12.2 %	3.2 Quarterly and Annual Development Assistance Reports, Aid annex to budget
	4. Policy dialogue is coordinated and improved in terms of regularity	4.1 Frequency of political dialogue (number of meeting /year)	4.1 2017: 1	4.1 2020: 1	4.1 Report by EU Delegation
		4.2 Frequency of technical level Budget Support Working Group (BSWG) (number of meeting /year)	4.2 2016: 3	4.2 2020: 4	4.2 Minutes by MFDP
		4.3 Frequency of policy level BSWG (number of meeting /year)	4.3 2016: 2	4.3 2020: 4	4.3 Minutes by MFDP



EN

This action is funded by the European Union

ANNEX 2

of the Commission Decision on the Annual Action Programme 2017 in favour of the Republic of Liberia to be financed from the 11th European Development Fund

Action Document for: Youth Rising - EU Support to Technical and Vocational Education and Training (TVET) for Young People in Liberia

1. Title/basic act/ CRIS number	Youth Rising - EU Support to Technical and Vocational Education and Training (TVET) for Young People in Liberia CRIS number: LR/FED/037-931 financed under 11 th European Development Fund			
2. Zone benefiting from the action/location	West Africa, Liberia The action shall be carried out at the following location: in selected TVET schools in Liberia.			
3. Programming document	National Indicative Programme (NIP) ¹ for the period 2014-2020 for Liberia			
4. Sector of concentration/ thematic area	Focal sector 2: Education		DEV. Aid ² : YES	
5. Amounts concerned	Total estimated cost: EUR 20 000 000 Total amount of EDF contribution EUR 20 000 000			
6. Aid modality and implementation modality	Project Modality Indirect management with an international organisation: United Nations Industrial Development Organization (UNIDO)			
7 a) DAC code	11330 – Vocational Training			
b) Main Delivery Channel	41000 United Nations agency, fund or commission: United Nations Industrialised development Organisation (UNIDO)			
8. Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input type="checkbox"/>	X	<input type="checkbox"/>
	Aid to environment	X	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women In Development)	<input type="checkbox"/>	X	<input type="checkbox"/>
	Trade Development	X	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	X	<input type="checkbox"/>	<input type="checkbox"/>

¹ Commission Decision on the adoption of National Indicative Programme for the Republic of Liberia (2014-2020) C(2015) 1267 of 26.2.2015.

² Official Development Aid is administered with the promotion of the economic development and welfare of developing countries as its main objective.

	RIO Convention markers	Not targeted	Significant objective	Main objective
	Biological diversity	X	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	X	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	X	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	X	<input type="checkbox"/>	<input type="checkbox"/>
9. Global Public Goods and Challenges (GPGC) thematic flagship	N/A			
10. Sustainable Development Goals (SDGs)	SDG 8 on employment through TVET SDG 4 on quality and inclusive education SDG 5 on gender equality and empowerment of women and girls			

SUMMARY

Liberia's youth constitutes nearly half of the Liberian labour force but is exposed to high unemployment, underemployment and vulnerable employment rates. The global commodity prices crisis, combined with the effects of the Ebola crisis, have devastated the Liberian economy and worsened youth's fragility problems. A socially and economically marginalised young population can pose serious risks to national security, social cohesion and stability. Liberian youth generally lack employable skills and are ill-equipped to access new economic opportunities. Efforts to improve their employability are constrained by a Technical and Vocational Education and Training (TVET) sector characterised by serious shortcomings in terms of quality and relevance, access and equity, funding, and governance. The Government of Liberia recognises that the transition towards inclusive growth will not happen unless human capabilities are enhanced and the quality of education and vocational training are improved to match the demands of the labour market. The present intervention will seek to strengthen the Liberian TVET sector in its capacity to deliver equitable and gender-balanced access to high-quality and demand-driven TVET. This will be done by supporting capacity development at central and TVET provider level and by strengthening links with the private sector. The intervention will address equity issues with emphasis on remote south east rural areas and vulnerable youth, including people with disabilities.

1. CONTEXT

1.1 Sector/Country/Regional context/Thematic area

Liberia's Human Development Index value for 2015 is 0.430, placing Liberia in the low human development category at position 177 out of 188 countries, with worrisome results on employment and work indicators: 68 % of the Liberian population living below the income poverty line, according to the HDI 2016 Report. Liberia has a youthful population, with 79 % of Liberians under the age of 36. Youth constitutes half of the Liberian labour workforce and their share is expected to grow in the years to come. Yet, youth is the most marginalised labour force in the country. According to the 2010 Liberia Labour Force Survey, only over half of the youth population in Liberia (52.4 %) was employed. 91 % of youth work is in non-wage or salary positions and 80 % are in vulnerable employment. The majority of youth employed are self-employed (76.9 %), mostly in the informal sector. Agriculture is by far the largest youth employment sector. Only 24 % of paid jobs are held by women. Young Liberians generally lack employable skills and are ill-equipped to access economic opportunities. Only a small proportion of Liberian youth (5.1 %) participates in vocational

education or training³. The lack of qualified youth is creating a bottleneck in the supply of labour in the professional occupations sought by employers. Nearly half of young workers in Liberia (47.8 %) are undereducated for the work they do and do not hold the level of qualifications required for the job⁴.

Delivery of TVET in Liberia is fragmented, unregulated and uncoordinated, and TVET provision is dominated by private providers. Overall, the TVET sector presents serious shortcomings in terms of quality and relevance, access and equity, funding and governance, including: outdated and limited equipment, lack of adequately trained and incentivized trainers, lack of an accreditation system and standardized curricula; weak linkages between TVET and the productive sectors of the economy; low management capacity and central and local levels; lack of gender sensitive measures; lack of coordination between TVET stakeholders; lack of defined pathways into and from TVET; and insufficient funding⁵.

1.1.1 Public Policy Assessment and EU Policy Framework

The Education Reform Act (2011) establishes free compulsory education up to junior high level and a framework that includes post-basic education and skills development. It also provides the roadmap for decentralization of the education sector.

The Liberia National Capacity Development Strategy (2011) prioritises the coordination among TVET institutions and emphasizes the need to strengthen TVET in order to equip Liberians with the education, knowledge and skills necessary to effectively compete in the labour market.

The Agenda for Transformation (AfT) (2012) is the medium-term economic growth and development strategy aimed at guiding national development in the period 2012–2017. It has provided a strong impetus to the reform of the TVET sector and youth empowerment, both cornerstones to the strategic pillars of Liberia's economic transformation and human development. Mid-2017 preliminary work began to develop a new strategy which will be finalized by the new administration after the October 2017 elections.

The Government has gender policies in place, including the **National Gender Policy** (2009) and the **National Gender-Based Violence Action Plan** (2006). **The National Policy on Girls' Education** (2013) promotes the education of girls through several measures.

The National TVET Policy and Operational Plan (2015) is based on 10 pillars aiming to revitalize the Liberian TVET system through better governance, strengthened quality and relevance, and the promotion of competitive workforce in strategic sectors, the policy promotes access to quality skills training, stimulating economic growth, creating sustainable employment and reducing poverty.

The Education Sector Plan (ESP) 2017-2021 includes TVET as key priority subsector. It aims at improving the TVET information base, both at the demand and supply sides, and the quality of TVET delivery by building the capacity of training providers. It also lays the foundation for a national qualification framework.

Through its **National Indicative Programme (NIP) 2014-2020**, the EU supports the AfT's strategic objectives of improving quality, relevance, and accessibility of basic education and vocational/technical education programmes, thereby increasing employment options for the youth.

³ Dukuli, S., 2014: Liberia Country Report for the 2014 Ministerial Conference on Youth Employment: How to improve through skills development and job creation access of Africa's youth to the world of work, Abidjan, Cote d'Ivoire, 21-24 July 2014.

⁴ De mel, et al., 2013: Labour market transitions of young women and men in Liberia, Report Work 4 Youth, ILO.

⁵ Liberia Education Sector Plan (2017-2021), 2016

TVET is also at the heart of the EU Development Policy and strategy as indicated in the Communication on "Increasing the Impact of Development Policy: An Agenda for Change"⁶, and the Commission Communication on "A stronger Role of the Private Sector in Achieving Inclusive and Sustainable Growth in Developing Countries"⁷. TVET support is relevant to meeting specific targets of SDG 4 on quality education and SDG 8 on productive employment and decent work⁸. The present Action proposes measures to address gender equity in access to TVET and female paid employment, thus contributing to the 2016-2020 EU Gender Action Plan's **Thematic Priorities Economic, Social and Cultural Rights - Economic and Social Empowerment** (Objective 13 and Objective 14) and **Physical and Psychological Integrity** (Objective 7).

1.1.2 Stakeholder analysis

The **Ministry of Education (MoE)**, offers vocational education at the senior high school level (Grades 10 to 12) alongside the general education. The Department for Instructions is responsible for developing and implementing TVET programmes. Its Bureau of Science, Technology, Vocational and Special Education in particular, is responsible for implementing TVET programs at the pre-tertiary level in the public school systems. It also has a supervisory oversight responsibility of TVET in the private sector and the responsibility to ensure that national standards are met.

The **Ministry of Youth and Sports (MYS)** operates vocational training centres offering short term trainings. Certification is currently not standardized. Typically, MYS institutions target students who have dropped out of high school at or before Grade 10 for training at the basic skills level while students who have completed at least the Grade 10 qualify for training at the intermediate level.

Other ministries involved in TVET are Finance and Development Planning, Labour, Commerce, Gender, and Agriculture, which also run non-formal or informal TVET programmes. In the absence of an independent TVET authority, in 2014 the President constituted an **Inter-Ministerial Taskforce (IMTF)** on TVET comprising all ministries to be superseded eventually by a TVET Commission.

The **Private Sector** is a key stakeholder in TVET although at present this role is not "formalized" and it is not involved in TVET governance or in TVET design and delivery. Some private enterprises have established their own internal training programmes and generally don't rely on public TVET institutions. There is a lack of a TVET specific market information system, leading to a weak alignment of TVET programmes with labour market needs.

The main direct beneficiaries of the action are:

- the **Liberian youth and young adults participating in the programme**. The intervention will be designed to maximize the access of young females, and vulnerable youth, including disabled people, and youth from rural areas.
- **Key ministerial staff**. The intervention will seek to develop the capacity of key staff in the Ministries to ensure they are better equipped to implement the national TVET policy.
- **TVET instructors, administrators and principals**, with a particular focus on female instructors, and on providing trainers with exposure to modern and advanced TVET capabilities; on improving TVET administrators' capacity to build partnerships with the private sector and industry and trace graduates.

⁶ COM (2011) 637 final 13.10.2011.

⁷ COM (2014)263 final of 13.5.2014.

⁸ <https://sustainabledevelopment.un.org/?menu=1300>

- **Selected TVET providers**, with a focus on rehabilitating infrastructure, modernising equipment, and training material. Target institutions will be carefully selected, together with the Government, based on a risk assessment and their potential to provide quality TVET for a maximum of youth in both urban and remote rural areas.

1.1.3 Priority areas for support/problem analysis

The project has identified the following priority areas for support: (i) Quality and relevance; (ii) Access and equity (ii) Governance of the TVET sector; and (iii) Financing of the TVET sector.

(i) Quality and relevance:

There is a sharp mismatch between training and labour market skills demand. The Liberian TVET system is largely supply-driven, disconnected from productive sectors and ill-aligned with the needs of employers. There are very few market-oriented TVET programmes in the emerging and growing economic sectors of the economy. Skills-gap analysis and tracer studies are rare. Public-private partnerships (PPPs) are lacking and the private sector is not involved in TVET governance and only on a very small-scale in provision.

The multiplicity of testing and certification standards, the absence of an institutional accreditation system and standardized TVET curricula, has prevented the development and implementation of a nationally certified qualifications system. Almost all the Liberian formal TVET institutions are poorly equipped, with dilapidated or inexistent infrastructure, obsolete training equipment and outdated curricula (*conferre* theory-based, rather than competency-based). Most schools have basic constraints such as insufficient access to water and sanitation, no power, no or insufficient numbers of security officers and janitors, and land encroachment by the surrounding community. Liberia's formal TVET institutions rely on inadequate human resources (HR), as there are not enough adequately qualified instructors with practical or workplace experience and are generally, locally staffed with ageing, unskilled, poorly compensated and demotivated TVET instructors and trainers. Some schools seek to fill the HR capacity gap by using volunteers or contractors. School principals relate that a major challenge is the impossibility to refill "inactive" posts due to inefficiency and delays by central Ministries and the Civil Service Agency to retire staff. In fact, training and a recruitment plan to replace the aging workforce and schemes for pre-service and in-service training do not exist. There is an immediate need to establish a comprehensive HR development plan for the TVET sub-sector.

(ii) Access and equity:

There is a significant access imbalance and inequity problem in TVET availability throughout the country: 43 % of TVET institutions are currently concentrated in Montserrado, followed by Nimba (23 %) and Margibi (12 %)⁹. An overwhelming majority (84.34 %) of students are located in the same counties. Three counties in the south east (Maryland, River Gee and Grand Kru) have no TVET institutions at all¹⁰. There is a strong gender bias, with only 34.75 % of females enrolled in public TVET. Females are rarely attracted to typically dominated male trades. Young Liberian women have significantly higher unemployment rates than young men (41.3 % versus 28.3 %).

(iii) Governance:

There is no independent TVET authority in Liberia to guide, direct and oversee TVET provision and at present no legal framework for underpinning TVET or providing adequate mechanisms for the coordination of activities between different Ministries, agencies and private providers. The National TVET policy foresees the creation of a TVET governance and

⁹ Due to the presence of the Booker Washington Institute.

¹⁰ Liberia Education Statistics Report 2015-16, Ministry of Education 2016.

coordinating body, the Liberia TVET Commission (LiTCOM) to coordinate and oversee all aspects of TVET in Liberia. The draft legislation for implementing the national policy is in the process of submission for Cabinet approval. The current lack of inter-ministerial coordination, as well as a lack of coordination with other TVET providers, non-governmental organisations (NGOs) and the private sector, is a challenge to the effective governance of the sector. The proliferation of small, low quality, unregulated training companies offering unaccredited courses has become also part of the problem. Data availability has improved in recent years but remains a major challenge and is coupled with scarce capacity by line Ministries to monitor programme interventions, planning and management, including end user monitoring of supplies, and governing the teacher body.

(iv) Financing of the TVET sector:

There is a lack of assured, predictable and sustained public financing for TVET, which curtails the implementation of the national policy and the achievement of outcomes. Private funding opportunities for TVET remain largely untapped because there are limited incentives. The MoE has allocated around 5 % of overall education expenditure on average to TVET for the period 2012-2015. Almost all TVET institutions in Liberia have serious financial resource constraints. The public institutions rely heavily on government funding, whilst the private ones providers are financed mainly through tuition fees, donations from external benefactors, and production and sale of goods they produce. Some instructors are on government payroll, while others are contractors or volunteers. Compensation levels are low, leading in turn to instructors working in multiple jobs or leaving schools for private sector jobs. The current centralized structure limits schools' autonomy. Public TVET institutions are often understaffed and the management staff is poorly skilled, with low capacity in generating additional revenue and promoting local PPPs. There is scarce transparency to the public on how resources are planned and distributed.

2. RISKS AND ASSUMPTIONS

Risks	Risk level	Mitigating measures
The Government level of political commitment to TVET is not sustained and leadership against agreed targets and timeframe is not maintained	Medium	The EU, the National Authorizing Officer (NAO) and the IMTF on TVET will conduct regular policy dialogue. Efforts will also be deployed to strengthen the technical, administrative and management capacities of key staff in the MoE and the MoYS to implement the TVET sector reform.
Inter-ministerial collaboration in TVET programming remains marginal and inconsistent, in the absence of an independent TVET authority	High	The intervention will contribute to strengthening the governance of the Liberian TVET system by supporting some of the priorities of the national TVET policy and the ESP. Focal points in each relevant Ministry directly involved in the action will be identified. A Project Steering Committee involving all relevant Ministries will be set up. UNIDO will feed relevant information from the project into any other TVET coordination and collaboration effort.
Inadequate and unpredictable financing by the Government leads to low retention of TVET teachers and instructors, and poor delivery	High	The issue of financing for the TVET sector will be systematically raised during policy dialogue with the Government. Ancillary measures to attract and retain teachers will be implemented by the intervention. The intervention will also contribute to improving the

of TVET.		financing of the TVET sector.
Aging vocational instructors and retention of instructors whose capacity will be built.	High	Replacement of TVET instructors and creation of new posts is responsibility of the Civil Service Agency with line Ministries. The EU has initiated discussions in this regard in the identification phase. Establishment of revenue mechanisms at school level may to some extent support contracting of instructors. This risk will be mitigated by ensuring that TVET teachers benefiting from capacity development are aged 40 years old maximum.
Private sector remains relatively disengaged with the TVET sector	Medium	This risk will be mitigated by ensuring that private sector engagement is at the centre of the intervention's strategy and will be involved in curricula development activities and TVET delivery. A study on private sector incentives will be conducted and incentives piloted to build partnerships between TVET institutions and private sector/industry.
New graduates from the target schools cannot be absorbed at the expected rates as the economy and the labour market do not grow at a sufficiently fast pace.	Medium	This risk will be mitigated by ensuring that all activities are aligned to the needs of the labour market. To this end, a labour market needs assessment per county will be conducted, and a methodology for forecasting skill demands will be devised.
Learners, particularly girls, benefiting from the project suffer from exploitation by teachers (<i>conferre</i> sex for grades, money for grades, work for grades) ¹¹ .	Medium	The Centre of Excellence in teacher training will include training on the Code of Conduct for Teachers and School Administrators and will raise awareness on the sanctions foreseen. It has been agreed with the MoE and the MoYS that should cases of non-addressed sexual and gender based violence arise within any of the schools targeted, the programme will be terminated. Information will be made easily available to school communities.

¹¹ IBIS, Concern Worldwide, Norwegian refugee Council and Save the Children (2014), *Passing the Test – the real cost of being a student*.

Due to the high investment cost in training assets, infrastructure and curriculum development long-term sustainability is a risk.	Medium	This will be mitigated by the TVET institutional strengthening exercise that will look at the financial position of the training institutions. A budgeting exercise will be completed to ensure the central ministries plan for recurrent and investment expenditures over a minimum 3-5 year period. Production units will be established in an accountable and transparent way to generate income for the TVET providers. Partnerships with international and local private sector partners will be established to actively participate in the development and long-term sustainability of the training institutions. Coordination and information sharing with other donors' avoiding duplication and to promote the long-term sustainability of Liberia's TVET system will be ensured.
Assumptions		
<ul style="list-style-type: none"> • Liberia remains committed to its Vision 2030; to decentralization reform; and to professional public financial management. • Growing commitment and leadership from the Government to TVET, with a consequent increase of national budget allocation. To favour sustainability of the EU investment, MoE and MYS assume leadership and ownership for allocating appropriate HR and restricting staff turnover developing a recruitment plan and establishing meaningful compensation packages and retention mechanisms. • The identified stakeholders are fully engaged from the onset of the project and will embrace change. 		

3. LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1 Lessons learnt

The EU has not had any significant prior involvement in TVET in Liberia. However, lessons learnt from other projects have informed the action, including by: (i) integrating ancillary services to alleviate constraints preventing the successful labour integration of vulnerable youth, including access to capital and equipment; (ii) supporting TVET institutions to develop their own strategies for long-term sustainability and capacities to implement them; (iii) planning an early local market analysis to inform programme design; (iv) involving private sector to guide the development of competency standards, inform the design of curricula and training material, and establish priority professional profiles helps to maximise the chances of private sector's commitment to the programme; (v) ensuring that revised curricula combines technical skills with core life-skills, entrepreneurship, literacy and numeracy skills; (vi) ensuring strong monitoring and timely follow up of programmes and agreements to avoid mismanagement of resources; (vii) keeping infrastructure development and procurement of equipment to the minimum indispensable, and ensuring that capacity development and maintenance plans are in place; and (viii) using communication and visibility actions to promote a positive image of TVET among target beneficiaries and the general population (i.e. job fairs, multimedia material.).

3.2 Complementarity, synergy and donor coordination

The Action builds upon EU and other development partners' previous and current interventions in Liberia. Among the existing and complementary key programmes with which linkages will be sought:

UNIDO and Japan: Between 2013 and 2014 the Government of Japan, supported by Komatsu in cooperation with the MoE, established a modern facility for heavy equipment and machinery at the Booker Washington Institute (BWI) to provide hands-on and classroom based learning in this domain. The project will continue through 2018 and is implemented in one of the institutions targeted by the EU support.

UNESCO provided support to the development of the National TVET policy and Operational Plan and the draft TVET legislation. In 2017 it supports pedagogy training for vocational instructors.

GIZ has developed a programme for training in road maintenance and is seeking to integrate the curriculum in the national TVET framework. Synergy will be ensured where possible.

USAID supported the development of programmes in Community Colleges and TVET schools on technical skills delivery in agriculture and civil engineering. Dialogue will be promoted.

The World Bank is supporting the Youth Opportunities Project (YOP) which has an informal TVET component mainly focusing on agriculture and public works, implemented through a loan to the Government of Liberia and in partnership with MYS, the Ministry of Gender, Children and Social Protection and the Liberian Agency for Community Empowerment.

The African Development Bank (AfDB) is funding the Youth Employment and Entrepreneurship Project (YEEP) targeting students in community colleges and the University of Liberia and focusing on youth entrepreneurship development and job readiness.

Several NGOs are active in TVET in Liberia, mostly focusing on provision of informal TVET in rural areas at a smaller scale and microfinance. Lessons learnt will be drawn and partnerships built.

Operational linkages with Government programmes by other line ministries, *conferre* Commerce, Industry, Labour, Agriculture, Gender, Children and Social Protection, will be developed where relevant.

The main forum for policy dialogue around education strategies and policies in Liberia is the Education Sector Development Committee (ESDC), which oversees the coordination of education activities carried out by the Government and partners in line with the ESP. The ESDC meets on a monthly basis and is co-chaired by the MOE and the Coordinating Agency for the Global Partnership for Education (GPE). The Inter-Ministerial Taskforce on TVET comprises the MYS, MoE, Finance and Development Planning, Labour, Commerce, Gender, and Agriculture.

3.3 Cross-cutting issues

Decentralization is a key component of the Education Reform Act of 2011 but is far from being achieved, resulting in poor oversight and monitoring of the schools across the country. The policy-level engagement of the programme at national, county and district level will be designed to facilitate the decentralization processes in the longer term. The action will include a strong **capacity development** component, geared to strengthening the TVET sector at central and TVET providers' levels. The action will promote **gender-equitable access** to TVET, by ensuring that gender concerns are an integral part of all planning and decision-making processes, in compliance with EU standards¹². A minimum of 30 % female vocational instructors will benefit from the programme and a minimum of 15 and 30 % enrolment will be sought female learners depending on the sectors. A TVET gender analysis will be undertaken in 2017 and will inform project design. The action will also ensure the inclusion of **vulnerable youth and young adults with disabilities**, and support access to quality TVET

¹² In particular: "Gender Equality and Women's Empowerment: Transforming the Lives of Girls and Women through EU External Relations 2016-2020", the "Gender Action Plan 2016-2020" and "Toolkit on Mainstreaming Gender Equality in EC Development Cooperation".

in underserved and **remote areas**, thus **contributing to improving equity in access to TVET**.

4. DESCRIPTION OF THE ACTION

4.1. Objectives/results

This programme is relevant for the United Nations 2030 Agenda for Sustainable Development. It contributes primarily to the progressive achievement of SDG 8 (on employment through TVET) but also promotes progress towards SDG 4 (on quality and inclusive education) and on SDG 5 (on gender equality and empowerment of women and girls). This does not imply a commitment by the country benefiting from this programme.

The **Overall Objective** is to enable Liberian youth to respond to economic growth opportunities by increasing their employability and entrepreneurship potential through strengthening the TVET sector.

Specific Objective 1: Improve the quality, relevance and modernization of TVET, by strengthening links with the private sector, and by improving the governance, planning, management, and delivery capacity at governmental and TVET provider levels.

Output 1.1 (SO1): Key Government entities are endowed with a robust technical base to support the effective governance, planning, management, oversight and delivery of TVET.

Output 1.2 (SO1): Selected TVET providers are staffed with instructors, administrators and principals with upgraded skills, and are modernised (including systems, infrastructure, and equipment) to deliver demand-driven training programmes in key strategic sectors for the Liberian economy.

Output 1.3 (SO1): Increased private sector involvement in the Liberian TVET system, including in curriculum development, and TVET delivery.

Specific Objective 2: Promote equitable and gender-balanced access to TVET in target providers.

Output 2.1 (SO2): Enrolment and retention rates of female and vulnerable youth including people with disabilities are increased.

Output 2.2 (SO2): Access to quality TVET in south east rural areas of Liberia is improved.

4.2. Main activities

Output 1.1 (SO1):

Key Government entities are endowed with a robust technical base to support the effective governance, planning, management, oversight and delivery of TVET

Main activities:

- Conduct studies and assessments to improve the knowledge base of the Government with regards TVET and inform Technical Assistance (TA) and capacity development activities;
- TA to key Ministerial entities to develop staff's key competencies in TVET planning, management, governance, and oversight and capacity development of key staff on relevant competencies (*conferre* curriculum development, qualification standards, optimal programme cycle management, monitoring and evaluation, etc.);

- Establish Skills Councils to generate occupational standards and competency based qualifications and curricula for strategic target sectors in cooperation with the private sector;
- Develop an M&E system for TVET institutions and link key performance gender sensitive indicators to a learning and knowledge sharing platform;
- Systematic Policy Dialogue on TVET undertaken by the EU with GoL and key stakeholders;
- Support measures for CSOs for advocacy, M&E and outreach/public awareness of TVET.

Output 1.2 (SO1): Selected TVET providers are staffed with instructors, administrators and principals with upgraded skills, and are modernized (including systems, infrastructure, and equipment) to deliver demand-driven training programmes in key strategic sectors for the Liberian economy

Main activities:

- Establish a Centre of Excellence for Teacher Certification;
- Define and validate a human resources development plan for TVET sub-sector;
- Train TVET instructors, administrators and principals;
- Establish partnerships with other ECOWAS (Economic Community of West African States) and SADC (Southern African Development Community) TVET institutions for secondments and training of TVET instructors, administrators and principals;
- Provide Technical Assistance to develop a comprehensive and cost-institutional plan for all TVET schools targeted and promote measures that generate internal revenue in target 5 TVET providers;
- Upgrade the training facilities of 5 TVET providers in 8 trades;
- Develop competency-based modular curricula and training material in selected trades;
- Establish and run Innovation Funds in target TVET providers;
- Establish and institutionalise Career Guidance Service Units at the school level, including systems that allow to orientate learners/graduates, identify and disseminate job opportunities, trace TVET graduates, and propose scale-up measures;
- Establish a national health, safety and environment curricula incl. training materials and lab.

Output 1.3 (SO1): Increased private sector involvement in the Liberian TVET sector, including in curriculum development

Main activities:

- Establish PPPs between target TVET providers and private/industry sectors (cf. in-service training, industrial attachment placements for TVET instructors; apprenticeships for students);
- Organise TVET related multi-stakeholder strategic meetings and annual fairs;
- Establishment of Innovation Funds and a Business incubator.

Output 2.1 (SO2): Access to TVET in south east rural areas of Liberia is improved

Main activities:

- Upgrade facilities in target rural TVET providers including disability considerations;
- Ancillary/support measures for students from rural areas;
- Measures to improve financial autonomy of target institutions (e.g. production units).

Output 2.2 (SO2): Enrolment and retention rates of female students and vulnerable youth, including people with disabilities are increased

Main activities:

- Support measures for young women and vulnerable youth, including people with disabilities;
- Development of inclusive education/gender-sensitive curricula;
- Ancillary measures to maximise female and vulnerable youth's enrolment and retention rates.

4.3. Intervention logic

Delivering high-quality demand-driven TVET will increase the employability of Liberian youth and their ability to prosper in productive self-employment. This, in result, will improve their livelihoods, reduce poverty and increase the prospects of a peaceful country. Developing capacities at ministerial and TVET provider level will improve the Government's ability to implement its TVET and youth employment policies. Private sector engagement with the TVET sector will boost the quality and relevance of TVET provision in Liberia. A trained and skilled workforce will increase productivity of the private and industry sectors. Addressing the gender-bias gap and equity (notably of rural youth and vulnerable youth) issues in access to TVET will also improve social cohesion.

5. IMPLEMENTATION

Both in indirect and direct management, the Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures affecting the respective countries of operation.¹³

5.1. Financing agreement

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

¹³ https://eeas.europa.eu/sites/eeas/files/restrictive_measures-2017-04-26-clean.pdf

5.2. Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4.2 will be carried out and the corresponding contracts and agreements implemented, is 72 months from the date of entry into force of the financing agreement.

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

5.3. Implementation of the budget support component

N/A

5.4 Implementation modalities

5.4.1. Indirect management with an international organisation

This action may be implemented in indirect management with UNIDO in accordance with Article 58(1)(c) of Regulation (EU, Euratom) No 966/2012, applicable in accordance with Article 17 of Regulation (EU) 2015/323.

This implementation entails that UNIDO will be entrusted with the following responsibilities:

- Manage the EU aid to support the Government of Liberia in building a TVET system;
- Recruit key staff to ensure effective coordination, management, implementation and monitoring of the overall Action;
- Facilitate regular monitoring of programme interventions as well as joint monitoring visits with the MoE, MYS, other relevant line Ministries, EU and NAO;
- Facilitate programme reviews in collaboration with EU, MoE, MYS and NAO;
- Initiate all procurement necessary under the Action.

This implementation is justified by the specific context of Liberia. The final evaluation report of the European Commission Support to Education in Liberia (ECSEL) programme implemented under the 9th EDF highlights serious challenges in the ability of the MoE to directly implement and monitor large scale programme interventions, from financial management to end user monitoring of supplies, among others. Moreover, considering the scarce outcomes of the Education sector conditions attached to the State Building Contract during the 10th EDF and the unavailability of an active education pool fund, there is at present no suitable viable second option that would enable the EU to achieve the same results in an effort to support the development of a TVET system in Liberia. UNIDO has an existing footprint in Liberia in working with formal TVET having supported institutions including the Booker Washington Institute (BWI) and the Monrovia Vocational Training Center (MVTC). The facility for heavy equipment and machinery training at BWI is considered a centre of excellence by the Government on which future TVET programmes should be modelled. The action would capitalize on UNIDO's technical expertise and ongoing experiences in supporting the development of TVET systems in other African countries, affording Liberia also a unique opportunity to leverage international cooperation opportunities for knowledge transfer and capacity development. The entrusted entity would carry out the following budget-implementation tasks: 1) procurement of services to facilitate surveys, assessments, baseline studies based on agreed priorities with the MYS, MoE, MYS, IMTF on TVET and the EU; 2) contracting relevant partners including NGOs, CSOs and youth-based organizations that may be foreseen as essential for the project implementation.

5.5 Scope of geographical eligibility for procurement and grants

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

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

5.6 Indicative budget

	EU contribution (EUR)
5.4.1. Indirect management with an international organisation, UNIDO	19 500 000
Specific Objective 1 (indicative amount)	14 000 000
Specific Objective 2 (indicative amount)	5 500 000
5.9 Evaluation and 5.10 Audit	300 000
5.11 Communication, visibility	200 000
Totals	20 000 000

5.7. Organisational set-up and responsibilities

A Project Steering Committee (PSC) shall supervise the project, validate its overall direction, implementation and policy aspects and play an alert role where necessary. The PSC shall meet quarterly a year from the signing of the Financing Agreement. It will be chaired on a rotational basis between MYS and MOE (yearly basis) and consist of core members and others with consultative and/or observer status. Core members will include one or more representatives of the MOE, MYS, EU Delegation, EDF NAO, UNIDO and the principals of the TVET institutions targeted by the Action. Representatives of other relevant line Ministries (i.e. Gender), private sector, NGOs, CSOs, women's and youth-based organizations will be included as well depending on the programme issues at stake. Should the TVET Commission be established during the lifetime of the project, it will be represented in the Project Steering Committee.

The MoE and MYS will, before the startup of the programme, map the HR and develop a recruitment plan to bring on-board young trainers (max age 35) for TVET institutions targeted, thus creating the enabling conditions to fill positions with competent staff by FY 2018/2019. Targeted TVET schools under the programme will have budget autonomy (i.e. the Booker Washington Institute represents the reference model). School administrators and vocational training instructors under the programme will be placed on Government payroll and compensation schemes for these functions revised by 2017 to ensure traction and retention of human resources in which the EU funded programme invests. Civil servants or key government employees accountable for implementation and benefiting from capacity development of the action will remain in service for at least 3 years.

The policy environment will allow TVET schools to establish production units for generating internal revenue and can pursue business opportunities through the 25 % benchmark for local

procurement regulation. School administrators and vocational training instructors benefiting from capacity development abroad under the programme will be required to sign agreements with relevant Ministries committing them to serve for a minimum 5 years in TVET institutions upon return. The Memorandum of Understanding (MOU) signed between instructors and ministries must commit to employing the trainers and putting them on payroll upon return from their studies.

5.8. Performance monitoring and reporting

Baseline data for TVET is currently very scarce in Liberia and cannot be specified for certain aspects of the project (refer to Logical Framework Matrix-LFM). In the inception phase, UNIDO will establish baseline data through studies where possible to determine the performance and result monitoring arrangements for LFM indicators. A final study will be undertaken to collect results data at the end of implementation, assessing performance comparing start/end points.

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the logframe matrix. The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

5.9. Evaluation

Having regard to the importance of the action, a mid-term and final evaluation(s) will be carried out for this action or its components via independent consultants. A mid-term evaluation will be carried out for problem solving and learning purposes, in particular with respect to adapting the project to a changing context and making corrections to the project based on the lessons of the first phase of implementation. Both a final evaluation and an ex-post evaluation will be carried out for accountability and learning purposes at various levels, including for policy revision, taking into account in particular the fact that this project pioneers the building of a TVET system in Liberia.

The Commission shall inform the implementing partner at least 30 days in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities. The evaluation reports shall be shared with the partner country and other key stakeholders. The implementing partner and the Commission shall analyse the conclusions and recommendations of the evaluations and, where appropriate, in agreement with the partner country, jointly decide on the follow-up actions to be taken and any adjustments necessary, including, if indicated, the reorientation of the project.

Indicatively, three contracts for evaluation services shall be concluded under a framework contract in the 2nd trimester 2020, 4th trimester 2023 and 4th trimester 2024.

5.10. Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

Indicatively, three contracts for audit services shall be concluded under a framework contract in the 2nd trimester 2020, 2nd trimester 2022 and 2nd trimester 2024.

5.11. Communication and visibility

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

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

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

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

Indicatively, one or more procurement contracts shall be concluded in the 1st trimester 2019. The scope of the activities may include public information, outreach and visibility measures at national and local levels in the region of the targeted TVET centres and educational based activities at school level.

APPENDIX - INDICATIVE LOGFRAME MATRIX (FOR PROJECT MODALITY)

The activities, the expected outputs and all the indicators, targets and baselines included in the logframe matrix are indicative and may be updated during the implementation of the action, no amendment being required to the financing decision. When it is not possible to determine the outputs of an action at formulation stage, intermediary outcomes should be presented and the outputs defined during inception of the overall programme and its components. The indicative logframe matrix will evolve during the lifetime of the action: new lines will be added for including the activities as well as new columns for intermediary targets (milestones) for the output and outcome indicators whenever it is relevant for monitoring and reporting purposes. Note also that indicators should be disaggregated by sex whenever relevant.

	Results Chain	Indicators	Baselines (incl. reference year)	Targets (incl. reference year)	Sources and means of verification	Assumptions
Overall objective Impact	To enable Liberian youth to respond to economic growth opportunities by increasing their employability and entrepreneurship potential through strengthening the TVET sector.	1 Youth unemployment rate (sex disaggregated) 2 Employers' perception of suitability of trainees' skills developed with EU support vis a' vis skills private sector/industry demand	1 35 % total (sex disaggregated: 28.3 % male, 40.3 % female) (2012) ¹⁴ . 1 81 % of TVET trainees underemployed or unemployed (2010) ¹⁵ 2 0 - Baseline	1 Reduce total/female youth unemployment rate by x % 1 Reduce unemployment and underemployment of TVET trainees benefiting from the project by x % 2 > 70 % of employers using graduates from target TVET schools evaluate that skills training has translated into employable skills.	1 National and international (ILO) statistics. 2 Reports on analysis of private sector/industry surveys produced by the project.	1 Liberia's economic outlook improves throughout the programme, increasing opportunities for youth's employment ¹⁶ . 2 Private sector/industry willing to enter into PPPs or LOAs with public/target TVET providers and sees value in the project.
Specific objectives: Outcomes	Specific Objective 1(SO1): Improve the quality, relevance and modernization of TVET, by strengthening links with the private sector, and by improving the governance, planning, management, and delivery capacity, at government and TVET provider levels.	1.1 % of target TVET graduates employed or self-employed within 1 year of training completion ¹⁷ . 1.2 Standards and quality met in TVET delivery in target providers, verified through independent international technical audit (at school level).	1.1 0 ¹⁸ (target TVET providers don't currently have tracing systems in place) 1.2 0 –baseline unavailable	1.1 Targets to be decided (TBD) in inception phase, baseline, indexes, tracing methodology to be defined. 1.2 Independent international Technical audit satisfactory.	1.1 BWI/MTVC systems. 1.1 Programme's own monitoring systems 1.2 Audit report	1.1 GOL prioritizes youth employment and labour force skills development, implements the National TVET policy and ESP, allocating the required human and financial resources. 1.2 Private sector is willing to develop LOAs with public TVET providers.
	Specific Objective 2 (SO2): Promote equitable and gender-balanced access to TVET in target	2.1 Share of vulnerable youth to enroll with target TVET providers ¹⁹ 2.2 Completion rates ²⁰ of	2.1 0 (baseline unavailable) ²¹ 2.2 0 Student	2.1 % of vulnerable youth 2.2 % of retention and survival	2.1 Programme's own monitoring systems 2.1 TVET providers' own systems.	2.1 / 2.2 GOL is committed to addressing TVET access constraints of young women/vulnerable youth. 2.1 / 2.2 Public opinion is ready to

¹⁴ School to Work Transition Survey - Liberia, ILO 2012.

¹⁵ Liberia Education Country Status Report, 2010.

¹⁶ WB expects average economic growth to increase 5 % over the medium term (recovery in mining sector, higher agricultural productivity, improvements in key infrastructure). <http://www.worldbank.org/en/country/liberia/overview>

¹⁷ Disaggregated by gender, age, socio-economic status, and geographical area.

¹⁸ Note that the national average for 2010 is 19 % of TVET trainees employed in their trade. See the Liberia Education Country Status Report, 2010.

¹⁹ Disaggregated by gender, age, socio-economic background, disabled, county and trade.

	providers.	vulnerable youth enrolled	survival rates per target institution analyzed in inception phase	rate by the end of the project	2.2 Student attendance records per semester.	challenge stereotypes on female access to traditionally male-dominated trades/vulnerable youth access (incl. people with disabilities) to TVET and the labour market.
Outputs	Output 1.1. (SO1): Key GOL entities are endowed with a robust technical base to support the effective governance, planning, management, oversight and delivery of TVET.	1.1.1 No of key GoL technical staff trained on relevant competencies ²² with EU support 1.1.2 M&E system for TVET (with gender sensitive indicators)	1.1.1 0 – capacity assessment unavailable 1.1.2 0 - baseline	1.1.1 100 % of key Ministerial staff trained by the programme 1.1.2 1 M&E system designed and operational by the end of the programme	1.1.1 Programme's own monitoring systems. 1.1.2 TBD in inception phase depending on system used.	1.1.1 GoL staff trained is committed to improving their skills and keen to apply newly acquired knowledge. 1.1.1 GoL staff trained continue to serve in current/ similar position in the TVET subsector.
	Output 1.2 (SO1): Selected TVET providers are staffed with instructors, administrators and principals with upgraded skills, and are modernised to deliver demand-driven training programmes that foster entrepreneurship in key strategic sectors for the Liberian economy.	1.2.1 Center of Excellence for Teacher Certification established and operational 1.2.2 No of Teacher Certification graduates (disaggregated by: gender, category of staff) 1.2.3 Frameworks for continuous professional development (CPD) of TVET instructors and performance defined 1.2.4 No of revised competency-based modular curricula and revised training material in selected trades, in collaboration with private sector 1.2.5 No of TVET providers benefiting from new equipment and rehabilitated infrastructure	1.2.1 0 - baseline 1.2.2 507 TVET instructors across Liberia; 100 female instructors (2015) ²³ ; no statistics for administrators, principals. 1.2.3 0 - baseline 1.2.4 0 - baseline 1.2.5 0 - baseline	1.2.1 1 Center of Excellence for Teacher Certification 1.2.2 At least 3 intakes of 60 teachers before end of project 1.2.3 CPD & performance frameworks validated 1.2.4 Curricula developed for at least 8 trades (with gender, inclusive ed., business development/entrepreneurship) 1.2.5 Targeted TVET providers have upgraded facilities	1.2.1 Charter of TVET provider amended reflecting teacher training responsibility. 1.2.2 Teacher training attendance records/certificate of completion. 1.2.3 Records of framework validation and adoption. 1.2.4 Published validated curriculum and training material in stock at target institutions 1.2.5 Certificate of completion of works per school and equipment inventory.	1.2.1 TVET staff are committed to improving their skills and keen to apply newly acquired knowledge into practice. 1.2.2 TVET staff trained with EU support are retained in the TVET system. 1.2.3 Trainees are increasingly motivated to complete training, once TVET delivery is modernized and demand-driven. 1.2.4 Revised curricula responds well to the needs of the private and industry sectors and motivates trainees to enrol in TVET.
	Output 1.3 (SO1): Increased private sector involvement in the TVET system	1.3.1 No of PPPs or LOAs established between target TVET providers and private sector (disaggregated by type cf. instructor placement, apprenticeship, internship, training, sponsorship...).	1.3.1 0 (baseline unavailable)	1.3.1 At least 5 PPPs or LOAs established (1 per target TVET provider)	1.3.1 Signed LOAs	1.3.1 Private sector increases its engagement with GOL in TVET, willing to enter into PPPs or LOAs with public/target TVET providers and sees value in the project. 1.3.1 GOL is committed to create incentives for private sector engagement in TVET.

²⁰ Disaggregated by gender, age, socio-economic background, disabled, county and trade.

²¹ Female students represent 34,75 % of total enrolments in public TVET (EMIS, 2015).

²² Competencies to be agreed together with GoL. Examples include courses on curriculum development, setting qualification standards, improving youth employment policy planning, PPCM.

²³ EMIS, 2015.

	Output 2.1 (SO2) Access to quality TVET in South-East rural areas of Liberia is improved	2.1.1 No of upgraded facilities in target rural TVET providers 2.1.2 No of trained/certified teachers under the project retained in rural placement	2.1.1 0 - baseline 2.1.2 0 - baseline	2.1.1 2-3 sites constructed/rehabilitated and re-equipped 2.1.2 TVET teachers comply with GoL agreement (i.e. min.5 years' service) At least 1 revenue generating measure per TVET provider	2.1.1 Certificate of completion of works per school and equipment inventory. 2.1.2 Annual EMIS Target institutions own monitoring systems.	2.1.1 GOL remains committed to improving access to TVET in remote rural areas, pays teachers on time. 2.1.2 Ancillary measures to attract and retain teachers in rural TVET providers are sufficient to ensure active participation and commitment from instructors in rural areas.
	Output 2.2 (SO2): Enrolment and retention rates of female and vulnerable youth, including people with disabilities, are increased.	2.2.1 No of female students enrolled/retained in priority TVET trades 2.2.2 No of gender-sensitive / inclusive curricula developed 2.2.3 No of TVET staff trained in inclusive education principles with EU support 2.2.4 No of vulnerable people (incl. with disabilities) enrolled/graduate in target institutions.	2.2.1 0 - baseline 2.2.2 0 - baseline 2.2.3 0 - baseline 2.2.4 0 ²⁴	2.2.1 % in survival rates of female students 2.2.2 100 % of curricula developed are gender sensitive and inclusive 2.2.3 100 % of people trained by the programme 2.2.4 % of vulnerable people (incl. people with disabilities) enrolled and retained in TVET	2.2.1 Student registration and attendance records at each school. 2.2.2. Gender/inclusive education checklists and curriculum development validation report 2.2.3 certificates of completion 2.2.4 Target institutions own monitoring systems.	2.2.1 Female and vulnerable youth are motivated to enrol in EU supported TVET programmes and are retained.

²⁴ The scope of the "vulnerable" people category will be defined at inception phase with GoL counterparts.



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This action is funded by the European Union

ANNEX 3

of the Commission Decision on the on the on the Annual Action Programme 2017 in favour of the Republic of Liberia to be financed from the 11th European Development Fund

Action Document for Civil Society Initiative (CSI)

INFORMATION FOR POTENTIAL GRANT APPLICANTS

WORK PROGRAMME FOR GRANTS

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

1. Title/basic act/ CRIS number	<u>Civil Society Initiative (CSI)</u> CRIS number: LR/FED/039-792 financed under the 11 th European Development Fund (EDF)	
2. Zone benefiting from the action/location	Liberia	
3. Programming document	National Indicative Programme (NIP) ¹ for the period 2014-2020 for Liberia	
4. Sector of concentration/ thematic area	Measures in favour of Civil Society	DEV. Aid ² : YES
5. Amounts concerned	Total estimated cost: EUR 4 425 000 Total amount of EDF contribution EUR 4 000 000 This action is co-financed in co-financing by the grant	

¹ Commission Decision on the adoption of National Indicative Programme for the Republic of Liberia (2014-2020) C(2015) 1267 of 26.2.2015.

² Official Development Aid is administered with the promotion of the economic development and welfare of developing countries as its main objective.

	beneficiary for an amount of EUR 425 000			
6. Aid modality(ies) and implementation modality(ies)	Project Modality Direct Management – grants – direct award			
7 a) DAC code(s)	150			
b) Main Delivery Channel	21 000 International Organizations and Non-Governmental Organisations (NGO's)			
8. Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input type="checkbox"/>	<input type="checkbox"/>	x
	Aid to environment	x	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women In Development)	<input type="checkbox"/>	x	<input type="checkbox"/>
	Trade Development	x	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	x	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Main objective
	Biological diversity	x	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	x	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	x	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	x	<input type="checkbox"/>	<input type="checkbox"/>
9. Global Public Goods and Challenges (GPGC) thematic flagships	N/A			
10. SDGs	This action contributes to SDG 16.6 and 17.			

SUMMARY

The proposed action is in line with European Union – Liberia National Indicative Programme 2014 – 2020 Liberia. The Action aims to contribute to foster governance and promote institution building, which remains a key priority in a fragile state like Liberia, particularly in the areas of EU concentration. By focusing on Civil Society Organisations (CSOs) – as being the "demand side of accountability", the Action will be complementary to EU efforts supporting the supply side of accountability in the 4 sectors of EU cooperation (Education, Agriculture, Governance and Energy), including PFM reforms and State Building Contract (budget support).

The general objective of this action is progress in Liberia's Agenda for Transformation objectives of inclusive wealth creation for more equal and transparent society.

The specific objectives would be linked to the three components, as follows:

1. Strengthened abilities of CSOs and the National Civil Society Council of Liberia (NCSCCL) to address their risks and to pursuit their missions;

- | |
|--|
| <ol style="list-style-type: none">2. Strengthened CSO's advocacy roles in the EU focal sectors (i.e. Energy, Education, Governance and Agriculture);3. Strengthened collective voice of Liberian CSOs; <p>The proposed action would be implemented by Direct Management mode.</p> |
|--|

1 CONTEXT

1.1 Sector/Country/Regional context/Thematic area

Since the end of the civil war in 2003, Liberia has steadily moved towards reconstituting its democratic institutions. Substantial efforts have been directed towards public and financial management reforms and sustainable management of the country vast resources. However, these accomplishments remain fragile as acknowledged by the EU NIP for Liberia 2014-2020.

While Liberia's ratings are above the African average for voice, accountability and political stability (e.g. Transparency International's 2014 Corruption Perception Index ranks Liberia 83 out of the 168 countries and territories assessed, with a score 37), governance, justice and public institutions remain fragile.

Additional challenges are raised by aid-dependence, the Presidential and General Elections in 2017 (first post – conflict transition of powers), the drawdown of the United Nations Peacekeeping Mission to Liberia (UNMIL) and the aftermath of the Ebola epidemic, which impacting the entire economic and social fabric of the country, exposed fragility and structural challenges of the State service provision, infrastructure, and the paramount role still played by the non-state actors to fill this gap.

Civil society efforts of collective engagement became visible during the Liberian civil conflict and right afterwards, when Liberian CSOs have played a very important role in fostering peace in their country. Following 2005 elections, a number of civil society leaders were appointed for key government positions. The loss of charismatic skilled leaders, together with the strong fragmentation, created important institutional challenges for CSOs.

Liberian CSOs have been involved in the formulation and approval of the two key public policy strategies for reform and development in Liberia (the Agenda for Transformation (AfT) and the vision *Liberia Rising 2030*). Both documents highlight the role of the local CSOs as "agents of change" in critical national processes. They have been also acknowledged to have actively participated in the design of a series of laws.

Thus, Liberian CSOs can be considered to influence policy issues in general and very actively in some sectors. Still, many Liberian CSOs continue to argue that, despite the progress, their voice remains weak, not well organized and need to be reinforced. This is the case for instance with the budget-making processes, where access to information remains a key challenge. The passage in 2010 of the Freedom of Information Act (FoI), has provided the opportunity and legal framework for CSOs to hold government accountable and for the government to be more transparent. However, the law is still facing multiple problems in being fully implemented, and access to information remains difficult and unequal.

With regards to service delivery, both Liberian as well as international CSOs, remain key actors in the provision of services in education, health, water and sanitation, as well as in agricultural extension and food security, filling gaps of weak or inexistent public services.

1.1.1 Public Policy Assessment and EU Policy Framework

The Commission Communication "The Roots of Democracy and sustainable development: Europe's Engagement with Civil Society in External Relations" (September 2012), which builds on the Agenda for Change, puts forward three priorities for the EU: Enhancing efforts to promote a conducive environment for CSOs in partner countries; Promoting meaningful and structured participation in programming and policy processes to build stronger governance and accountability at all levels; and increasing local CSOs' capacity to perform their roles as independent development actors more effectively. Furthermore, the Communication states that CSOs will be supported as actors in governance and accountability; partners in promoting social development and; stakeholders in promoting inclusive and sustainable growth.

These dispositions, and the underpinning concept of multi stakeholder development, are today central to the newly adopted global 2030 Agenda.

In Liberia, there is no legal framework governing CSO activity. A Memorandum of Understanding between the Government of Liberia and CSOs signed in 2016 is the main Government of Liberia policy framework for the CSO sector. In that regard, although the operating environment is relatively favourable, as no affirmative restrictions exist and CSOs can develop and operate rather freely, there is no legal protection for CSOs under Liberian legislation.

At country level, support to CSOs is considered central to Liberia's post conflict and post Ebola recovery and development. Accordingly, "Measures in favour of Civil society" of EUR 4 000 000 is a cross cutting intervention across all focal sectors of the NIP 2014-2020.

The structured dialogue organised jointly by the EU Delegation and Sweden together with the National Civil Society Council (NCSC) has not taken place since April 2014, following the outbreak of the Ebola crisis. Today, consultations are progressively being resumed and CSOs have been involved in the programming of the 11th EDF, which is, *per se*, aligned with the AfT.

1.1.2 Stakeholder analysis

Civil society (CS) in Liberia is diverse and fragmented, consisting of over 1500 formal organisations registered under the umbrella of the National Civil Society Council of Liberia, and countless informal organisations.

The operating environment is generally favourable with regards to citizen participation in civic and democratic processes. Many CSOs are small community based service delivery organisations working on niche projects for their members at community level. A number of larger organisations are active at sector level in governance and accountability.

Yet, despite this proliferation and the sustained efforts to address key capacity challenges, CS capacity remains generally weak, and CSOs face a multiplicity of operational and institutional challenges that inhibit them in effectively carrying out their missions and activities.

As pointed out in several assessments³, CS internal governance continues to be a key area of concern, with a strong impact on the credibility and legitimacy of the Liberian CS fabric to represent and defend citizens' rights. This problem of legitimacy of CSOs was also identified

³ CIVICUS, "Civil Society Index Analytical Report for Liberia", op. cit., 2010, p. 20.

after the Ebola outbreak. In a study by International Alert,⁴ only half of respondents found civil society groups "trustworthy", below the trustworthiness of international NGOs, journalists, religious leaders and community groups, among others.

Despite sustained efforts to strengthen the collective voice of the sector, fragmentation also continues to be a fundamental weakness in the sector. Due to the challenging funding environment (where most CSOs depend on intentional funds), CSOs compete on a rather limited and donor-driven arena for mostly small projects – or activity-oriented funds. This competition, the establishment of many new CSOs that do not seek coordination with other civil society actors, and the lack of knowledge of what other actors actually do and achieve, create an atmosphere of mistrust.

Formal coordination among CSOs in Liberia was given a boost in 2008 when the United Nations Development Programme (UNDP) supported the establishment of the National Civil Society Council of Liberia (NCSCCL) as a coordinating body of the CSOs. Today the NCSCCL is the largest umbrella organization in Liberia, acknowledged by donors, and mainly involved in policy dialogue activities, with a special emphasis on the AfT and the Truth and Reconciliation Commission. However, its leadership has been subject to criticism by several CSOs who have demanded more internal democratic structures and transparency. Moreover, the structure of the NCSCCL is still weak and the same applies to other coordination and networking initiatives.

This fragmentation, together with the weak capacity of the Liberian CSOs in evidence-based research and advocacy seriously hampers CS involvement in policy dialogue. This, however, differs significantly across sectors: in forestry, for example, the CSOs provide valuable reports and insights, whereas in other sectors like infrastructure or economic governance most of the inputs come from international organizations.

Lack of professional staff due to limited funding is another key area of concern. Several studies point out that Liberian CSOs cannot provide regular salaries for staff and the high dependence on donor funds result in periods of little or no revenue between grants. Many CSO staff and, in some cases, entire staff of some CSOs go unpaid during periods between grants. Those who are able to pay a few core staff regularly must still rely on volunteers or interns. With limited technical capacity and weak institutional and financial systems, CSOs are unable to meet rigid donor criteria for project funding.

1.1.3 Priority areas for support/problem analysis

Under the National Indicative Programme for Liberia of 2014-2020, out of the total envelop of EUR 279 million, EUR 269 million are earmarked to support the supply side of EU four priority sectors (Governance, Agriculture, Energy and Education), EUR 6 million for support measures and EUR 4 million for Civil Society in support to NIP implementation. Main governance challenges in these sectors revolve around the lack of accountability and transparency of policy decisions and implementation, including processes involving the mobilisation and allocation of public resources (i.e. the public financial system). This is particularly acute in the education, energy and decentralised financial transfers through the Committee Development Fund, while agriculture related business such as palm oil, forestry

⁴ International Alert – "Surviving Ebola – Public Perceptions of governance and the outbreak response in Liberia", 2015

and/or fisheries are great contributors of governments revenue and tax system as well as of the Committee Development Fund (CDF).

Reinforcing the demand side of these 4 EU priority sectors as regards advocacy for accountability and transparency of the public sector, would not only allow a more effective implementation of the NIP, but also a more effective achievement of Liberia's development goals.

Against the background, underlined in paragraph 1, the following areas appear particularly relevant for support to CSOs:

- 1) Reinforcement of CSOs' organisational capacity (internal control systems) and technical skills of CSOs and their members.
- 2) The involvement of CSOs in domestic policies in the EU focal sectors (i.e. governance, energy, agriculture and education), using both invited and claimed spaces of dialogue⁵ and building on the successful experiences that exist in certain sectors, as briefly mentioned above;
- 3) Enhancement of CSOs' coordination efforts and strengthen their collective voice, while reinforcing and professionalizing their internal governance and financial structures;

The programme would support mid-sized CSOs, in order to ensure a complementarity with other funding (mainly The Swedish International Development Cooperation Agency (SIDA) upcoming programme in support to grass-roots organisations), also as this type of CSO has potentially the biggest impact in achieving the expected outcomes. In addition the Action would support the National Civil Society Council of Liberia as the main umbrella organisation for CSOs.

This approach is fully in line with the new 2030 Agenda (i.e. the Sustainable development goals).

⁵ For further information see EuropeAid, 2014: Promoting Civil Society participation in policy and budget processes. Tools and methods series. Reference document n. 18

2 RISKS AND ASSUMPTIONS

Risks	Risk level (H/M/L)	Mitigating measures
Lack of political will on the side of authorities to engage with CSOs.	M/H	The programme will play a facilitation role, to build trust between public authorities and CSOs and promote dialogue, using existing entry points and supporting both incited and claimed spaces for dialogue.
Lack or delays of implementation of decentralisation policy.	M	EU will engage in sustained policy dialogue to monitor and encourage the enforcement of public reforms, including decentralisation. The programme will support civil society to advocate for decentralisation as well as social accountability efforts at local level.
Lack of absorption capacity by CSOs.	M	During the formulation of the programme, the different implementation modalities will be carefully assessed, to ensure that CSOs have the required absorption capacity and that the programme doesn't represent a burden for them.
Lack of will on the side of CSOs to improve their governance systems and lack of cooperation within CSOs.	M	A special focus will be brought to networks and coordinating bodies, and detailed capacity development plans (based on an institutional needs assessment) will be drafted. Experts will be recruited to bring the necessary expertise to mentor and accompany organisations, and examples from other countries (e.g. codes of conduct, covenants etc) will be shared.
Politicisation of CSOs.	M	Politicisation of CSOs has been pointed out as one of the main challenges. The project will address this through a constant monitoring and dialogue.
Access to information is limited and request for information is a cumbersome and tedious process	M	A sub-component of the multi-donor support to PFM reform in Liberia through the new 'Integrated Public Financial Management Reform Project' and to which the EUD contributes will include a component to support the supply side of accountability, including support to budget transparency and information provision and sharing.
Sustainability of the results of the programme.	H	Design of an exit strategy.

Lack of coordination among relevant agencies leads to duplication of efforts.	L	A coordination mechanism will be set up and regular coordination amongst similar projects/ donors will take place.
Assumptions		
<ul style="list-style-type: none"> • Smooth political transition after presidential and general elections. • Overall security situation in the country does not deteriorate. • The Government of Liberia will undertake the agreed public reforms, including the application of the Freedom of Information Act and commitments towards enhanced civic engagement, in line with the 2030 Agenda. • There are CSOs with experience in social accountability and familiar with policy and budget issues. • There are International Non-Governmental Organisations in Liberia with strong experience in supporting CSOs in capacity development to hold the government accountable as well as for institutional strengthening. 		

3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1 Lessons learnt

A number of lessons emerge from past EU engagement, and that of other donors having substantially invested in Liberian CS development:

- 1) Several strategic and relevant CS support initiatives (also with regards to capacity development) existed prior to the outbreak of the Ebola crisis, but had to be put to a halt due to the emergency situation. The priority therefore today is that of resuming "the path of sustainable and inclusive development", transitioning from the emergency crisis.
- 2) The involvement of CSOs in public financial management processes through the Integrated Public Financial Management Reform Project (IPFMRP) enhanced CSOs's interests of getting engaged in this area. It proved that, with adequate training and means, CSOs are able to hold decision-makers accountable. However the current IPFMRP set up (within the Ministry of Finance and Development Planning, only 2 people focusing mainly on grants distribution) is not proving efficient.
- 3) There is a need to rethink donor support models to CSOs to reinforce the CSOs' ownership and financial sustainability. Donor support to CSOs has been for the most part project-based, service-provision oriented, channelled through intermediary organisation (INGOs) and to a great extent driven by donor agendas.
- 4) Adapted support is required for networks and platforms, which have difficulties in raising funds and often compete with their members for funding at the risk of becoming project implementing bodies rather than serving their members and the network. A limited number of networks, such as WONGOSOL (Women's NGO Secretariat of Liberia), have gained trust among donors. Furthermore, financial sustainability of Liberian CSOs also requires enhancing local fundraising approaches and initiatives.

- 5) Capacity development requires an integrated approach, focusing not just on the individual technical skills of CS staff and those of the organisations, but also on their interactions and the environment in which CSOs operate. CSOs need to be strengthened according to a strategic and long-term approach.
- 6) There is a need to acknowledge and duly address the prevailing gap between the CSOs based in Monrovia and those registered in other parts of the country. There is a need to strengthen local linkages between the organizations based in Monrovia and those based in the rural areas.

3.2 Complementarity, synergy and donor coordination

At strategic level, the Action is in line with the EU Road Map for engagement with CSOs 2017-2020 currently under preparation (which translates the ambitions of the 2012 Communication "The roots for engagement") and will be key to supporting its implementation.

At programmatic level, by strengthening CSOs to enhance the demand side of accountability, the Action is complementary to the support provided to government through 11th EDF focal sectors (i.e. the supply side), by targeting CSOs working in 11th EDF focal sectors.

The Action is also intended to be complementary to the EU support to the PFM reform, through the contribution to the basket fund for the implementation of the next phase of the "Integrated Public Financial Management Reform Project", implemented by the World Bank. In this second phase, under development, the WB is planning to put strong focus to enhance the supply side of accountability, especially access to information.

The Action will be complementary and will look for synergy with other EU Member States/ Development Partners interventions (support to "middle level" CSOs vs grassroots organisations (Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), Sweden, USAID).

At the level of operational support, currently there are 14 thematic projects implemented by or in support of Civil Society under EU CSOs – Local Authorities, European Instrument for Democracy and Human Rights (EIDHR) and FOOD (Pro-Resilience Action) thematic budget lines. There are also a number of Health, Water, Sanitation and Hygiene (WASH) and revival of border communities projects financed by a special Ebola EDF funding as well as Forest Law Enforcement, Governance and Trade.

3.3 Cross-cutting issues

Liberia and the EU share a common policy approach towards crosscutting issues such as gender, children's rights, people with disabilities, indigenous peoples, environmental sustainability, climate change and combating HIV/AIDS. The project will foster, in particular, good governance, respect for human rights and gender equality.

Gender gaps remain wide. Literacy rates for women in rural areas are staggeringly low at 26 %, compared to 61 % for urban women and 60 % and 86 % for rural and urban men, respectively. With regards to the work force, women make up 54 % of the labour force, including formal and informal workers in Liberia. However, they are disproportionately clustered in the least productive sectors with 90 % employed in the informal sector or in agriculture, compared to 75 % of working men. Domestic violence remains a widespread problem.

Gender will be mainstreamed in all capacity development efforts, while aiming at obtaining disaggregated data in order to allow better including gender aspects in actions. The programme will integrate the recommendations from the Gender Action Plan II.

Finally, environmental issues will be mainstreamed in capacity development activities, particularly addressed at organizations active in the sector, while improved governance also increases possibilities for improved management of the environment and natural resources at local and central levels.

4 DESCRIPTION OF THE ACTION

This programme is relevant for the United Nations 2030 Agenda for Sustainable Development. It contributes primarily to the progressive achievement of SDG 16.6, but also promotes progress towards SDG 17. This does not imply a commitment by Liberia benefiting from this programme.

4.1 Objectives/results

The NIP 2014-2020 allocates an indicative amount of EUR 4 million to support CSOs and their contribution to the NIP, closely aligned with the national Agenda for Transformation (AfT).

The general objective of this action is to contribute Liberia's AfT objectives of wealth creation and increased inclusiveness for more equal and just society.

More specifically, the programme would aim at strengthening the capacity of Liberian CSOs to become credible governance actors, and deepen their engagement in the domestic public policy cycle, in line with the commitments under the 2030 Agenda.

The expected outputs are as follows:

1. Improved Internal Control⁶ systems of CSOs/the National Civil Society Council of Liberia (NCSCL);
2. Strengthened knowledge of, skills in and engagement on advocacy, policy dialog, public sector reforms and public accountability;
3. Improved networking and coordination skills of Liberian civil society;

The main targets of the programme are Liberian middle-level CSOs who are interested and willing to play an enhanced role in domestic public policies. 8-12 CSOs and the National Civil Society Council of Liberia, as the main umbrella organisation in Liberia will be supported through a mixture of dedicated capacity development and sub-grants.

⁶ Internal Control being an integral process that is effected by an entity's management and personnel and is designed to address risks and to provide reasonable assurance that in pursuit of the entity's mission, the following general objectives are being achieved:

- Executing orderly, ethical, economical, efficient and effective operations
- Fulfilling accountability obligations;
- Complying with applicable laws and regulations
- Safeguarding resources against loss, misuse and damage

4.2 Main activities

Component 1 – addressing EO 1 - Strengthened abilities of CSOs and NCSCL to address their risks and to pursue their missions;

This component would consist of provision of support to improve the Internal Control systems of CSOs/ NCSCL.

Activities: Baseline study allowing choosing/confirming the choice of targeted CSOs, capacity gap assessments (inception phase), provision of organisational development and accompanying CSOs in the application.

Component 2 – addressing EO 2 - Strengthened CSO's advocacy roles in the EU focal sectors (i.e. Energy, Education, Governance and Agriculture);

This component is formed by 2 sub-components:

Component 2.1 Support to strengthen CSOs and their member's technical skills.

Activities: provision of technical and advocacy skills training and accompanying/mentoring CSOs in their application.

Component 2.2 Financial support in the form of small sub-grants will be provided by the Implementing Partner to targeted CSOs (on average 8-12 middle-level CSOs), including the National Civil Society Council of Liberia as the main CSO umbrella organisation, to play their evidence-based advocacy, policy dialogue, networking and watchdog roles while also further contributing to developing CS capacities. The sub-grantees will be mentored in the implementation of these sub-grants.

Component 3 – addressing EO3 – Strengthened collective voice of Liberian CSOs;

Activities: Provision of training and assistance allowing CSOs/ NCSCL to reinforce their networking/coordination/consolidation.

4.3 Intervention logic

The Action aims to contribute to increased inclusive wealth creation for a more equal and transparent society. By focusing on the "demand side of accountability", the Action will be complementary to EU efforts supporting the supply side of accountability in the 4 sectors of EU cooperation (Education, Agriculture, Governance and Energy), including PFM reforms and State Building Contract (budget support).

Subject to assumptions enumerated above, the Action will provide technical and capacity development to CSOs that would allow them to meet capacity challenges in terms of accountability by making themselves more accountable and transparent, as well as improving their skills in playing watchdog roles. Given the limited resources of Liberian CSOs to take action and the need for long-term support for capacity development, funds in form of small sub-grants (and possible follow-up sub-grants) up to total EUR 60 000 will be provided to implement transparency and accountability initiatives in line with the CSO's strategy and mandate. Performance will be assessed, based on the level of accomplishment of results but also on the level of institutional development of the organisation. Finally, support to strengthen the collective action among these organisations and cross-sector learning will also be supported as part of the collective action needed to promote democratic development.

5. IMPLEMENTATION

Both in indirect and direct management, the Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review procedures, where appropriate, and compliance of the action with EU restrictive measures affecting the respective countries of operation.

5.1 Financing agreement

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

5.2 Indicative implementation period

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

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

5.3 Implementation of the budget support component

N/A

5.4 Implementation modalities

5.4.1 Grant: direct award (direct management)

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

Objective of the grant is to strengthen the capacity of Liberian CSOs to become credible governance actors, and deepen their engagement in the domestic public policy cycle, in line with the commitments under the 2030 Agenda.

Fields of intervention are capacity building, operational support and organisational development of CSOs.

Priorities throughout the implementation of the grant will be internal control systems, advocacy and networking of CSOs.

The expected results are as follows:

1. Improved Internal Control systems of CSOs/ NCSCL;
2. Strengthened knowledge of, skills in and engagement on advocacy, policy dialogue, public sector reforms and public accountability;
3. Improved networking and coordination skills of Liberian civil society.

(b) Justification of a direct grant:

Under the responsibility of the Commission's authorising officer responsible, the grant may be awarded without a call for proposals to:

An assessment of the security situation and the operational conditions in Liberia was produced by the Delegation in March 2017. On this basis, the European Commission has granted the renewal of flexible procedures applicable to cases of crisis situation, as defined in article 190.2 of the Rules of Application (RAP of the Financial Regulation 966/2012) until 30/06/2018.

Based on the lessons learnt from the donor support to Liberian CSOs, the preliminary findings of the identification and formulation missions conducted for the Action (i.e. more than 15 bilateral semi-structured interviews with more than 15 International Non-Governmental Organisations, including, the coordinating body of International Non-Governmental Organisations (INGOs) in Liberia, Liberia International Non-Governmental Organisation, LINGO) there is a strong evidence that there is only a very limited number of NGOs with the technical and financial capacity to implement EU grants in Liberia and that, in addition, would have:

- Experience in the capacity development of local CSOs;
- Experience and skills in voice & accountability work and;

Until now we have managed to pre-identify only 3 INGOs (i.e. Oxfam IBIS⁷ –policy dialogue and accountability- ActionAid, MercyCorps- in Policy Dialogue) and 2 local CSOs (i.e. Accountability Lab and Development Innovations and Networks (IRED) yet the latter with limited capacity for managing EU grants, work on issues around social accountability and policy dialogue in combination with the provision technical and institutional capacity development.

Under the responsibility of the Commission's authorising officer responsible, the recourse to a direct award of the grant is justified because:

Based on the lessons learnt from the donor support to Liberian CSOs, the preliminary findings of the identification and formulation missions conducted for the Action (i.e. more than 15 bilateral semi-structured interviews with more than 15 INGOs, including, the coordinating body of INGO in Liberia, LINGO) there is a strong evidence that there are only a very limited number of NGOs with the technical and financial capacity to implement EU grants in Liberia and that in addition would have:

- Experience in the capacity development of local CSOs;
- Experience and skills in voice & accountability work and;

Until now we have managed to pre-identify only 3 INGOs (i.e. Oxfam IBIS –policy dialogue and accountability- ActionAid, MercyCorps- in Policy Dialogue) and 2 local CSOs (i.e. Accountability Lab and IRED) yet the latter with limited capacity for managing EU grants, work on issues around social accountability and policy dialogue in combination with the provision technical and institutional capacity development.

(c) Eligibility conditions

⁷ Oxfam IBIS, Non-profit organisation in Copenhagen, Denmark. <http://oxfamibis.dk/>

The main applicant should be:

- be legal persons **and**
- be non-profit-making **and**
- be a non-governmental organisation; **and**
- be established in a Member State of the European Union or any other country **and**
- be directly responsible for the preparation and management of the action with the co-applicant(s) and affiliated entity(ies), not acting as an intermediary **and**
- Demonstrate previous presence or experience working in Liberia.

(d) Essential selection and award criteria

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

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

(e) Maximum rate of co-financing

The maximum possible rate of co-financing for this grant is tentatively 90 %.

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

(f) Indicative trimester to conclude the grant agreement

Second trimester of 2018.

5.5 Scope of geographical eligibility for procurement and grants

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

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

5.6 Indicative Budget

	EU contribution under the present AD (in EUR)	Indicative third party contribution, (in EUR)
5.4.1 Direct grant (direct management)	3 700 000	425 000
Component 1 (indicative amount)	2 000 000	
Component 2 (indicative amount)	1 200 000	
Component 3 (indicative amount)	625 000	
5.9 Evaluation and 5.10 Audit	160 000	
5.11 Visibility	15 000	
Total	4 000 000	425 000

5.7 Organisational set-up and responsibilities

The day-to-day technical and financial management and administration of the action will be the responsibility of the implementing partner.

They will be responsible for narrative and financial reporting, as well as for the collation, aggregation and management of relevant documents and other documents required for the undertaking of evaluation and audits.

A Programme Steering Committee (PSC) will be set up to oversee the implementation of the programme. The Steering Committee could review and orientate the work of the activities and shall supervise its overall implementation. The PSC will be integrated by the EU Delegation, the National Authorising Officer (NAO) and the implementing partner. Representatives from line ministries and of beneficiary organisations shall also be part of the committee.

The PSC shall be held at least twice a year with a first meeting following briefly after the signature of the financing agreement.

5.8 Performance monitoring and reporting

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partner's responsibilities. To this aim, the implementing partner will establish a permanent internal, technical and financial monitoring system for the action (with dedicated staff) and elaborate regular progress reports, not less than annual, and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators, using as reference the log-frame matrix. The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits, both through its own staff, and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

5.9 Evaluation

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

The mid –term evaluation will be carried out for potential problem solving and learning purposes, in particular with respect to capacity built of CSOs and better service delivery.

The final evaluation will be carried out for accountability and learning purposes at various levels (including for policy revision).

The Commission shall inform the implementing partner at least 15 days in advance of the dates foreseen for the evaluation missions. The implementing partner shall collaborate efficiently and effectively with the evaluation experts, and inter alia provide them with all necessary information and documentation, as well as access to the project premises and activities.

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

Indicatively, two contracts for evaluation services shall be concluded in the second quarter of 2019 and in the first quarter of 2021.

5.10 Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

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

5.11 Communication and visibility

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

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

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

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

The Communication and Visibility activities will be the responsibility of the implementing partners (namely the INGO or the consortium of NGOs awarded with the grant) and therefore a budget for a Communication and Visibility Plan will be duly allocated in the grant.

Indicatively, one contract for EUR 15 000 shall be concluded after the signature of the grant.

6. PRE-CONDITIONS

N/A

5 APPENDIX - INDICATIVE LOGFRAME MATRIX (FOR PROJECT MODALITY) ⁸

The activities, the expected outputs and all the indicators, targets and baselines included in the logframe matrix are indicative and may be updated during the implementation of the action, no amendment being required to the financing decision. When it is not possible to determine the outputs of an action at formulation stage, intermediary outcomes should be presented and the outputs defined during inception of the overall programme and its components. The indicative logframe matrix will evolve during the lifetime of the action: new lines will be added for including the activities as well as new columns for intermediary targets (milestones) for the output and outcome indicators whenever it is relevant for monitoring and reporting purposes. Note also that indicators should be disaggregated by sex whenever relevant.

	Results chain	Indicators	Baseline	Targets	Sources and means of verification	Assumptions
Overall objective: Impact	Increased inclusive wealth creation for a more equal and transparent society.	<p>1. Growth rates of the household expenditure/income per capita among the bottom 40 % per cent of the population and the total population;</p> <p>2. Proportion of the population satisfied with their last experience of public services;</p> <p>3 CIVICUS⁹ Enabling Environment Index (EEI) for Liberia;</p> <p><i>(Note: Other indexes/rankings related to aspects of the EE and inclusive policy making, e.g. sustainability index, etc may also be used, especially if CIVICUS EEI is discontinued)</i></p>	<p>1-2. National Domesticated Sustainable Development Goal (SDG) benchmark (To Be Defined (TBD))</p> <p>3. EEI: 88th position (amongst out of 109) with an index of 0,41 in 2013 in terms of the conditions within which</p>	1 - 3 To be defined during the inception phase	<p>- Final Evaluation</p> <p>- Governmental reports of the implementation of the SDGs, particularly Goal 16.6 and 10.1</p> <p>- CIVICUS Enabling Environment Index</p> <p>- Transparency International indexes</p>	

⁸ Mark indicators aligned with the relevant programming document mark with '*' and indicators aligned to the EU Results Framework with '**'.

⁹ CIVICUS is an international non-profit organisation. (World Alliance for Citizen Participation is an international alliance of members and partners which constitutes an influential network of organisations at the local, national, regional and international levels, and spans the spectrum of civil society) <http://www.civicus.org/>

			civil society work			
Specific objectives: expected outcomes	<p>1. EO 1: Strengthened abilities of Civil Society Organisations (CSO) and the National Civil Society Council of Liberia (NCSCL) to address their risks and to pursue their missions;</p> <p>2.</p> <p>EO 2: Strengthened CSO's advocacy roles in the EU focal sectors (i.e. Energy, Education, Governance and Agriculture);</p>	<p>Related to EO 1:</p> <p>1.1 Level of strength of Internal Control systems of the CSOs and of NCSCL</p> <p>Related to EO 2:</p> <p>2.1 Number of CSOs acting as governance actors and capable of holding the government accountable;</p> <p>2.2 Level of engagement of CSOs/ NCSCL in the domestic public policy cycle (especially national/ sector/ country budget drafting and implementation), in particular in relation to the focal sectors of EU cooperation;</p> <p>2.3 Number of initiatives (local plans, sector plans, specific projects etc.) within targeted sectors where budgets and/or tax collection reports are elaborated through</p>	<p>1. To be defined through the institutional assessments, using Organizational Capacity Assessment Tool (OCAT) or others (to be used <u>as a base line</u>) during the inception of the programme</p> <p>2.1 Ad-hoc and uneven sector to sector Knowledge to be deepened during the inception phase through the detailed mappings per sector</p> <p>2.2- 2.5 TBD in the inception phase</p>	<p>1. To be defined through the institutional assessments during the inception of the programme</p> <p>2.1 - CSO engagement is formalised in the 4 sectors of cooperation (Knowledge to be deepened during the inception phase through the detailed mappings per sector</p> <p>2.2 – 2.5 TBD in the inception phase</p>	<p>-OCAT or similar institutional assessment reports</p> <p>-Public Finance Management (PFM) and Public Expenditure and Financial Accountability (PEFA) reports</p> <p>-Assessments of State Building Contracts tranche release</p> <p>-Open Budget Initiative reports</p> <p>-PFM and PEFA reports</p>	<p>Access to information is granted to CSOs and citizens</p> <p>Liberian CSOs own the programme and share the values and principles promoted by the programme.</p> <p>There is a “core group” of Liberian CSOs with some experience in social accountability and familiar with policy and budget issues</p> <p>There are International Non-governmental Organisations in Liberia with strong experience in supporting CSOs in capacity development to hold the government accountable as well as providers of institutional strengthening.</p> <p>CSOs/ NCSCL are willing to undertake the necessary internal control reforms and NCSCL reaffirms their independence vis-à-vis the Government.</p>

	<p>participatory methodologies with CSOs;</p> <p>2.4 Number of initiatives (local plans, sector plans, specific projects etc.) within targeted sectors where budgets and/or tax collection reports are elaborated through participatory methodologies with CSOs and are gender mainstreamed;</p> <p>2.5 Number of fora for dialogue set up in the targeted sectors;</p> <p>EO3: Strengthened collective voice of Liberian CSOs;</p> <p>Related to IO3:</p> <p>3.1 Level of coordination willingness of the CSOs/ NCSCL supported by the programme;</p> <p>3.2 Number of initiatives (local plans, sector plans, specific projects etc.) within targeted sectors where CSOs/ NCSCL provide an coordinated response initiated/deepened as a result of the Action;</p> <p>3.3 Number of advocacy /social accountability actions & campaigns carried out jointly by CS alliances,</p>					
		<p>3.1– 3.3 TBD in the inception phase</p>	<p>3.1– 3.3 TBD in the inception phase</p>			

Outputs	Output 1: Improved Internal Control systems of CSOs/ NCSCL;	<p>1.1 % of the CSOs + NCSCL having their Internal Control systems improved (further sub-indicators to be defined during the inception phase);</p> <p>1.2 % of the CSOs + NCSCL having Gender mainstreaming strategies and implementation policies in place;</p>	To be defined through the institutional assessments, using OCAT or others (to be used <u>as a base line</u>) during the inception of the programme	1.1 – 1.1 100 %	<p>- OCAT or similar institutional assessment reports</p> <p>- Reports from the grantees</p> <p>- Reports from the Technical Assistance (TA) supporting the NCSCL</p>	<p>INGOs are willing to be part of the programme and strengthen the capacities of Liberian CSOs</p> <p>Liberian middle level CSOs are interested in the project and in assuming increasing advocacy and accountability roles</p>
	Output 2: Strengthened knowledge of, skills in and engagement on advocacy, policy dialog, public sector reforms and public accountability	<p>2.1 Number of CSOs/ NCSCL staff trained in issues related advocacy, policy dialog, to monitoring of public policies, public accountability, including the gender aspects who can demonstrate an improved knowledge in the relevant areas;</p> <p>2.2 Number of organisations (CSOs + NCSCL) provided with assistance allowing putting in practice their advocacy skills notably in terms of engagement in public policy dialog, and public sector reforms and public accountability;</p> <p>2.3 Number of organisations (CSOs + NCSCL) supported through the sub-grant scheme;</p> <p>2.4 Level of advocacy-related and technical skills of the CSOs/ NCSCL's staff supported by the programme;</p>	2.1-2.3 To be defined during the inception of the programme	<p>2.1 All essential staff to be trained (exact number to be defined during inception phase)</p> <p>2.2 – 2.3 8- 12 Organisations (CSOs+ NCSCL)</p> <p>2.4 To be defined during the inception of the programme</p>		<p>Liberian CSOs are willing to improve their internal governance standards</p> <p>Technical Cooperation Facility (TCF) funds available for supporting the implementation of the project through a dedicated TA</p>

	Output 3: Improved networking and coordination skills of Liberian civil society	<p>3.1 Number of CSOs/ NCSCL staff trained in networking and coordination techniques who demonstrate increased knowledge in the relevant areas;</p> <p>3.2 Number of CSOs/ NCSCL provided with assistance that would allow reinforcing of their networking/ coordination ;</p> <p>3.3 Level of coordination skills of the CSOs/ NCSCL supported by the programme;</p>	<p>3.1-3.2 To be defined during the inception of the programme</p>	<p>3.1 All essential staff to be trained (exact number to be defined during inception phase)</p> <p>3.2 8- 12 Organisations (CSOs+ NCSCL)</p> <p>3.3 To be defined during the inception of the programme</p>		
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This action is funded by the European Union

ANNEX 4

of the Commission Decision the Annual Action Programme 2017 in favour of the Republic of Liberia to be financed from the 11th European Development Fund

Action Document for Technical Cooperation Facility II

1. Title/basic act/ CRIS number	Technical Cooperation Facility II CRIS number: LR/FED/040-433 financed under the 11 th European Development Fund			
2. Zone benefiting from the action/location	Liberia The action shall be carried out at the following location: Liberia			
3. Programming document	National Indicative Programme (NIP) ¹ for the period 2014-2020 for Liberia			
4. Sector of concentration/ thematic area	Economic and development policy/Planning	DEV. Aid: YES ²		
5. Amounts concerned	Total estimated cost: EUR 640 000 Total amount of EDF contribution EUR 640 000			
6. Aid modality(ies) and implementation modality(ies)	Project Modality Direct management – procurement of services Indirect management with the Government of Liberia			
7 a) DAC code(s)	43010 – Multisector aid			
b) Main Delivery Channel	10000 - PUBLIC SECTOR INSTITUTIONS - 12000 - Recipient Government			
8. Markers (from CRIS DAC form)	General policy objective	Not targeted	Significant objective	Main objective
	Participation development/good governance	<input type="checkbox"/>	x	<input type="checkbox"/>

¹ Commission Decision on the adoption of National Indicative Programme for the Republic of Liberia (2014-2020) C(2015) 1267 of 26.2.2015.

² Official Development Aid is administered with the promotion of the economic development and welfare of developing countries as its main objective.

	Aid to environment	x	<input type="checkbox"/>	<input type="checkbox"/>
	Gender equality (including Women In Development)	x	<input type="checkbox"/>	<input type="checkbox"/>
	Trade Development	x	<input type="checkbox"/>	<input type="checkbox"/>
	Reproductive, Maternal, New born and child health	x	<input type="checkbox"/>	<input type="checkbox"/>
	RIO Convention markers	Not targeted	Significant objective	Main objective
	Biological diversity	x	<input type="checkbox"/>	<input type="checkbox"/>
	Combat desertification	x	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change mitigation	x	<input type="checkbox"/>	<input type="checkbox"/>
	Climate change adaptation	x	<input type="checkbox"/>	<input type="checkbox"/>
9. Global Public Goods and Challenges (GPGC) thematic flagships	N/A			
10. Sustainable Development Goals (SDGs)	SDG 17: Strengthen the means of implementation and revitalise the global partnership for sustainable development SDG 16 of Peace, Justice and Strong Institutions			

SUMMARY

The overall objective of this intervention is to facilitate and support the cooperation between the EU and Liberia, notably the successful implementation of programmes and projects under the 11th European Development Fund National Indicative Programme (NIP).

The proposed programme will be implemented through three components: (1) Technical Assistance Facility (TAF) for the engagement of short-to medium-term consultants to assist in the main stages of the project cycle to ensure the effective implementation of the NIP and other EDF programmes in support of the Agenda for Transformation (Aft); (2) Visibility, information, communication, engagement and similar activities related to EU-Liberia development cooperation; (3) Training Support for Projects & Programmes (TSPP): this will finance various capacity development interventions such as training, seminars, awareness-raising activities prior to or during the implementation of a project or programme.

The proposed funding is EUR 640 000, which may be increased when funds are decommitted from the ongoing Technical Cooperation Facility (TCF).

1 CONTEXT

1.1 Sector/Country/Regional context/Thematic area

1.1.1 Public Policy Assessment and EU Policy Framework

Although Liberia has enjoyed relative peace and stability since the end of the civil war in 2003, the country remains one of the poorest countries in the world with one of the lowest levels of human development (ranking 177 out of 188 countries), weak state capacity, and a high level of dependence on international donors. The foreseen drawdown of the United Nations Mission to Liberia (UNMIL) represents an important milestone in the transition to peace, as it will expose the capacity of the Government of Liberia to deliver security service to the population.

The long term national vision is expressed in the "Liberia Rising 2030" which aims for Liberia to reach middle income status by 2030.

The National Development Plan, the Agenda for Transformation (AfT), aims to implement this vision in the period 2012-2017. The plan has two key objectives: (1) to create wealth and (2) to increase inclusiveness for a more equal and just society. In order to achieve these two overarching objectives, the 5-year plan sets key priorities under five pillars, which are consistent with identified current challenges for Liberia: (1) Peace, security and rule of law, (2) Infrastructure and economic transformation, (3) Human development, (4) Governance and Public Institutions, and (5) Cross-cutting issues (vulnerable segments of the population, environment, HIV/AIDS, Human Rights and labour and employment).

The AfT addresses the main challenges for economic and social development in Liberia, aiming to tackle the root causes of the conflict, focusing on security, growth, social issues and civil service reform. The Liberian Development Alliance (LDA) is tasked with the coordination of government, private sector, civil society and donors in support of the implementation of the AfT, including Monitoring and Evaluation (M&E).

The Government of Liberia has shown a high level of commitment and ownership in implementing the plan, but remains hampered by the institutional capacity to coordinate and follow-up on implementation. To implement the plan, Liberia has moved forward with and adopted a number of good quality sector policies, strategies and work plans in a number of sectors. However, there is not always coherence between the AfT and these sector plans, in particular as regards funding priorities and indicators. The Ebola outbreak and price falls in the main export commodities led to a reprioritisation of the AfT actions up to the elections of October 2017.

The focal sectors of the 11th EDF NIP (2014-2020) for Liberia are: (1) Good Governance: EUR 107 000 000; (2) Energy: EUR 100 000 000; (3) Education: EUR 32 000 000; (4) Agriculture: EUR 30 000 000

Additionally, the NIP foresees EUR 4 000 000 in support of civil society and EUR 6 000 000 in support measures, entailing National Authorising Officer (NAO) support (EUR 3 500 000) and the Technical Cooperation Facility (TCF).

Economic and social situation and poverty analysis

Economic growth averaged 7.6 % up to the Ebola outbreak in 2014. The economic growth helped reduce extreme poverty incidence between 2007 and 2013, but the Ebola outbreak and decline in prices of some of the countries key commodities led to a sharp decline in economic growth. Following Government action to reduce the shocks, growth is projected to increase in 2017. In the 2014 Household and Income Expenditure Survey the population living below the poverty line was 54.1. The majority of these are concentrated in rural areas of the country.

Despite improved enrolment rates, the quality of primary education remains poor and only a limited number of students have necessary skills to continue to higher level education or vocational training. Although there has been improved enrolment of girls, there continues to be an imbalance in education access for girls.

Liberia is ranked 146/155 countries on the 2014 United Nations Development Programme (UNDP) *Gender Inequality Index*, and 150/161 in the 2014 UNDP *Gender Development Index*. Women are not only consistently discriminated against in terms of access to education and

employment opportunities, but gender based violence remains a grave and increasing problem in the country.

Governance, justice and public institutions remain weak despite the government implementing many reforms. Reform of the civil service and decentralisation has moved forward although slowly. There has been good progress on public financial management reform, but much still needs to be achieved in the fight against corruption and to improve transparency and accountability, in particular in the management of natural resources.

Liberia has shown regular progress since 2006 in governance indicators: the Ibrahim Index on African Governance (Mo Ibrahim Index of Participation and Human Rights) which noted an improvement from a rank of 30th in 2006 to 28th out of 54 countries in 2015. Transparency International's 2016 Corruption Perception Index ranks Liberia 90 out of the 176 countries and territories assessed. At the same time Afrobarometer in 2013 reported a wide distrust on most public institutions.

1.1.2 Stakeholder analysis

The final beneficiaries will be the people of Liberia. The direct target group will be the key governmental institutions who are or will be involved in the implementation of 11th EDF NIP, such as (but not limited to):

- Ministry of Finance and Development Planning: Will be a crucial player in the design and implementation of the State Building Contracts.
- General Audit Commission (GAC): Support to the GAC is foreseen to continue under the 11th EDF. The staff is already familiar with EDF procedures but capacity needs to be strengthened, for instance, on procurement and Programme Estimates management.
- Ministry of Education: Education will be one of the focal sectors of the 11th EDF NIP. While specific interventions are yet to be defined, the Ministry has important capacity gaps in terms of management, planning and coordination. While this project will support only one component of these gaps as relates to aid coordination and EDF procedures, these must be complementary.
- Ministry of Lands, Mines and Energy: Energy will be a focal sector of the 11th EDF NIP. With support of the NAO staff, it is foreseen that the Ministry will be involved in important procurements for works and supplies contracts under the 11th EDF.
- Ministry of Agriculture: Agriculture will be another important focal sector of the 11th EDF NIP. Specific interventions are yet to be defined.

Other Ministries and agencies will nevertheless also be able to benefit from the programme as needed on a case-by-case basis.

Civil society and other cooperation stakeholders will also directly benefit opportunities such as conferences, seminars and workshops on key policy/issues related to development, trade and cross-cutting themes, as well as from training on EU-ACP cooperation procedures and principles.

1.1.3 Priority areas for support/problem analysis

The implementation of the 11th EDF NIP for Liberia is halfway through implementation. With UNMIL drawdown and presidential transfer of power, Liberia is entering a new phase of its post-war history. The lack of capacity in all levels of government continues to be a challenge in order to properly implement EU cooperation in Liberia. Efforts continue in order to strengthen both government and civil society counterparts. The Government of Liberia is fully aware of the challenges and opportunities in terms of capacity development, which have also been outlined in the AfT. The proposed TCF will prioritise the following areas of support:

- Identification and formulation of new projects and programmes
- Studies and reviews to enhance EU-Liberia cooperation in areas such as (but not necessarily limited to) public sector reform, food security, infrastructure, education, civil society, gender mainstreaming, trade, etc.
- Specific technical support to facilitate the implementation of ongoing cooperation programmes and projects.
- Visibility, information, communication, engagement and related activities.

2 RISKS AND ASSUMPTIONS

Risk	Risk Level (H/M/L)	Mitigating measures
Insufficient willingness by stakeholders to participate in activities relating to the implementation of the action	L	Special emphasis will be placed on the TA to be offered will be demand-driven and chosen according to the needs expressed by the Government of Liberia. Continued close cooperation with the NAO will be core in achieving this.
Insufficient human capacity in the EU Delegation to manage the relatively high number of specific commitments from the programme.	L	The EU Delegation is currently expanding its staff to fully implement the 11 th EDF NIP and ongoing projects. Support from HQ may be requested on an ad hoc basis and provided through floaters.
High turnover and low commitment of staff in ministries and agencies.	L	The Government commitment to recruit staff following the established procedures for the Liberian Civil Service Agency and to provide valid contracts will be crucial in ensuring that staff are committed civil servants.
Assumptions		
<ul style="list-style-type: none"> • Liberia will remain stable and there will be no re-occurrence of civil strife. • The Government remains committed to reform, to improving governance and economic management and particularly to establishing rigorous management and accountability procedures. 		

3 LESSONS LEARNT, COMPLEMENTARITY AND CROSS-CUTTING ISSUES

3.1 Lessons learnt

The ongoing TCF under the 11th EDF ends in July 2018. The previous TCF under the 10th EDF was not subject to a Results-Oriented Monitoring (ROM) mission or a final evaluation. However, lessons learnt from the ongoing and previous TCF and other training projects in Liberia are:

- Institutional capacity development continues to be a core element in reinforcing the implementation of EU projects and programmes in Liberia. Continued capacity

constraints of public sector counterparts creates the need for technical support to facilitate the management and implementation of the NIP.

- The TCF is mainly a facility for technical assistance and less so for training and capacity building, as this is mostly done in the context of sector programmes.
- TCF needs to be more flexible as regards the possibility of using it to promote relations between the EU and Liberia generally, and specifically EU visibility in Liberia
- Cross-cutting issues, notably gender, as well as communication and visibility need to be better streamlined into EU cooperation in Liberia in general, and specifically there is need to push for a change of institutional culture in the institution as per the Gender Action Plan (GAP)

3.2 Complementarity, synergy and donor coordination

The 11th EDF NIP foresees EUR 3 500 000 in continued support to the NAO function of the Ministry of Finance and Development Planning of Liberia. This support will aim, not only at strengthening the NAO office, but at improving the use of EDF procedures and aid management coordination. The TCF will complement the NAO support project by focusing on more specific needs during the implementation of the NIP, as identified by the Government of Liberia and the EU.

Specific programmes and projects to be implemented during the 11th EDF also foresee capacity development initiatives for their implementation. The foreseen 2-year State Building Contract (budget support) of EUR 25 000 000 includes support measures for EUR 3 000 000 in support of public financial management and monitoring and evaluation.

The main development partners operating in Liberia are the World Bank, the African Development Bank, USA, China, Sweden and the EU. UN agencies also play a crucial role in supporting government efforts. Cooperation between development partners is close. A range of sector-oriented and thematic donor groups exists that regularly discuss progress and problems in their respective areas, for instance coordination meetings in the Education and Health sectors, in public financial management and a Budget Support Working Group.

The Aid Management unit at the Ministry of Finance and Development Planning is leading the efforts in coordinating donor support. The NAO is also situated in the Ministry of Finance and Development Planning (MFDP) and so activities foreseen within the TCF will be aligned to other donor support to the Government of Liberia.

3.3 Cross-cutting issues

In addition to the four pillars, the AfT also encompasses cross-cutting issues which have to be taken into account for the development of Liberia: gender equality, child protection, people with disability, youth empowerment, environment, HIV/AIDS, Human Rights and labour & employment.

The TCF will contribute to a better integration of these cross-cutting issues in programmes definition and implementation. Also, specific studies may be requested to include to specific mainstreaming of cross-cutting issues.

There will also be specific emphasis on the participation of governmental and non-governmental counterparts from central and local levels to appropriate training, conferences and seminars on these issues, thus enhancing their awareness and understanding of these issues.

Activities under the TCF will also be aligned to specific EU action plans, for instance as regards gender mainstreaming and human rights.

4 DESCRIPTION OF THE ACTION

4.1 Objectives/results

This programme is relevant for the United Nations Agenda 2030 for Sustainable Development. It contributes primarily to the progressive achievement of SDG 17 Partnerships for the goals to strengthen the means of implementation and revitalise the global partnership for sustainable development, but also promotes progress towards SDG 16 of Peace, Justice and Strong Institutions. This does not imply a commitment by the country benefiting from this programme.

The overall objective is to facilitate and support the cooperation between the EU and Liberia, notably the successful implementation of programmes and projects under the 11th EDF NIP, including improved awareness amongst the general public.

The project purpose is the identification and implementation of specific interventions that will support key actors in Liberia to improve programme implementation and awareness of general development, trade issues, as well as EU policies in these areas.

4.2 Main activities

The activities, which will be defined during the programme, will be divided in the following two components:

(1) Technical Assistance Facility (TAF) (EUR 500 000): a facility for the engagement of short- to medium-term consultants to assist in the main stages of the project cycle to ensure the effective implementation of the NIP and other EDF programmes in support of the Agenda for Transformation (AfT). It is proposed that these services be provided by consultants and/or individual experts recruited by or on behalf of the NAO in accordance with EDF procedures. Specific tasks could be (but not necessarily limited to):

- Prepare projects for funding decisions (identification and formulation).
- Undertake short-term studies in support of Liberian counterparts. These will be conducted in the priority sectors of the NIP. Cross-cutting issues will also be included as object of these activities, most notably the mainstreaming of gender issues into programming and project implementation.
- Short- and medium-term technical assistance to ministries and agencies to establish satisfactory implementation and monitoring of on-going projects, where this cannot be provided for in the projects themselves or other projects.
- Evaluate the effectiveness of on-going and completed projects (evaluation) – only in cases where this is impossible as part of the projects themselves or other projects.
- Perform audits of on-going and completed projects, where this cannot be provided for in the projects themselves or in the interests of rationality.

(2) Visibility, information, communication and engagement (VICE) (EUR 100 000) is to provide support to make the EU-Liberia development cooperation better known where this is not possible through the projects themselves

Specific tasks could be (but not necessarily limited to):

- Organisation of events, e.g. workshops, seminars, roundtables, information sessions, community engagement etc. including the necessary logistics, support staff, venue rental and refreshments
- Design and publication of printed and audio-visual materials e.g. posters, banners, flyers, booklets, stickers, video clips, jingles, radio dramas etc.
- Organisation of project site visits or project presentations including preparatory visits, logistics and catering
- Photographic and video-recording services for the above activities

(3) TSPP – Training Support for Projects & Programmes (EUR 40 000): this will include various actions such as training, seminars, awareness-raising activities prior to or during the formulation of a project or programme. The programme will ensure that equal opportunity and a balanced gender representation is provided in all activities. Specific tasks could be (but not necessarily limited to):

- Organisation of a seminar or workshop to discuss specific EU policy initiatives
- Organisation of a training or workshop of and on-going and completed project or programme – only in cases where this is impossible as part of the projects themselves or other projects.

4.3 Intervention logic

The intervention assumptions are a stable country and a Government of Liberia that remains committed to the reform processes that the EU supports through its 11th EDF NIP. The intervention specifically aims at supporting the implementation of EU-Liberia cooperation. Gaps in terms of capacity in planning, formulation, implementation, etc., identified between Liberian and EU counterparts, will lead to the identification of the specific interventions to be contracted under the EDF. The key of the intervention is to be flexible enough to cater for needs as they arise, as well as that interventions cater to the needs of EU-Liberia cooperation in the context of the 11th EDF NIP.

In light of the inherent flexibility of the TCF, no logical framework has been developed. The main indicators to assess the proposed project are as follows:

- Improved execution on payments and contracts of the EDF in Liberia.
- Successful identification and formulation of new projects and programmes under the 11th EDF NIP.
- Successful evaluation and audit of interventions under the EDF in Liberia.
- Positive feedback from participants through mission - and evaluation reports of participants on trainings/conferences/workshops attended.
- Increased awareness about EU-Liberia development cooperation of stakeholders, beneficiaries, press, and the general public in particular youth

5 IMPLEMENTATION

Both in indirect and direct management, the Commission will ensure that the EU appropriate rules and procedures for providing financing to third parties are respected, including review

procedures, where appropriate, and compliance of the action with EU restrictive measures affecting the respective countries of operation.

5.1 Financing agreement

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

5.2 Indicative implementation period

The indicative operational implementation period of this action, during which the activities described in section 4.1 will be carried out and the corresponding contracts and agreements implemented, is 60 months from the date of entry into force of the financing agreement.

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

5.3 Implementation of budget support component

N/A.

5.4 Implementation modalities

5.4.1 Procurement (direct management)

Subject in generic terms, if possible	Type (works, supplies, services)	Indicative number of contracts	Indicative trimester of launch of the procedure
Technical assistance	Services	10	Duration of the programme
Visibility, information, communication and engagement	Services	1 or 2	Duration of the programme

5.4.2 Indirect management with the partner country

A part of this action with the objective of implementing component II (TSPP) will be implemented in indirect management with the Government of Liberia in accordance with Article 58(1)(c)(i) of the Regulation (EU, Euratom) No 966/2012 according to the following modalities: the Government of Liberia will act as the contracting authority for the procurement and grant procedures. The Commission will control ex ante all the procurement procedures except in cases where programme estimates are applied, under which the Commission applies ex ante control for procurement contracts above EUR 40 000 and may apply ex post control for procurement contracts up to EUR 40 000. The Commission will control ex ante the contracting procedures for all grant contracts.

Payments are executed by the Commission, except in cases where programmes estimates are applied, under which payments are executed by the partner country for ordinary operating costs, direct labour and contracts below EUR 300 000 for procurement and up to EUR 300 000 for grants.

The financial contribution does not cover the ordinary operating costs incurred under the programme estimates.

In accordance with Article 190(2)(b) of Regulation (EU, Euratom) No 966/2012 and Article 262(3) of Delegated Regulation (EU) No 1268/2012 applicable in accordance with Article 36 of Regulation (EU) 2015/323 and Article 19c(1) of Annex IV to the ACP-EU Partnership Agreement, the partner country shall apply procurement rules of Chapter 3 of Title IV of Part Two of Regulation (EU, Euratom) No 966/2012. These rules, as well as rules on grant procedures in accordance with Article 193 of Regulation (EU, Euratom) No 966/2012 applicable in accordance with Article 17 of Regulation (EU) 2015/323, will be laid down in the financing agreement concluded with the partner country.

5.5 Scope of geographical eligibility for procurement and grants

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

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

5.6 Indicative budget

Module	Amount (EUR)
5.4.1 Procurement (direct management)	600 000
TAF - Technical Assistance Facility- (expertise required including: fees, living allowances and reimbursable expenses), including audits, monitoring and evaluations	500 000
Visibility, information, communication and engagement and similar activities including design, publication, logistics, catering etc.	100 000
5.4.2 Indirect management with the partner country Training Support for Projects & Programmes (TSPP): various capacity development interventions such as training, seminars, awareness-raising activities	40 000
5.9 Evaluation , 5.10 Audit (Included in 5.4.1)	N/A
5.11 Communication and visibility (Included in 5.4.1)	N/A
TOTAL	640 000

5.7 Organisational set-up and responsibilities

The contracting authority for this project shall be the relevant representative of the beneficiary country National Authorising Officer.

All activities under the TCF II will be initiated after agreement between the NAO and the EU Delegation.

The activities will be implemented through service contracts following international restricted tender, simplified procedure or framework contract procedure. These will be managed by the EU Delegation on behalf of the NAO.

5.8 Performance monitoring and reporting

Actions financed by this project will be monitored by the NAO and the EU Delegation. The NAO will also ensure day-to-day monitoring and performance tracking of this programme.

The day-to-day technical and financial monitoring of the implementation of this action will be a continuous process and part of the implementing partner's responsibilities. To this aim, the implementing partner shall establish a permanent internal, technical and financial monitoring system for the action and elaborate regular progress reports (not less than annual) and final reports. Every report shall provide an accurate account of implementation of the action, difficulties encountered, changes introduced, as well as the degree of achievement of its results (outputs and direct outcomes) as measured by corresponding indicators. The report shall be laid out in such a way as to allow monitoring of the means envisaged and employed and of the budget details for the action. The final report, narrative and financial, will cover the entire period of the action implementation.

The Commission may undertake additional project monitoring visits both through its own staff and through independent consultants recruited directly by the Commission for independent monitoring reviews (or recruited by the responsible agent contracted by the Commission for implementing such reviews).

5.9 Evaluation

Having regard to the nature of the action, an evaluation will not be carried out for this action or its components.

5.10 Audit

Without prejudice to the obligations applicable to contracts concluded for the implementation of this action, the Commission may, on the basis of a risk assessment, contract independent audits or expenditure verification assignments for one or several contracts or agreements.

Indicatively, 1 contract for 20 000 EUR shall be concluded, in 2002.

5.11 Communication and visibility

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

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

In terms of legal obligations on communication and visibility, the measures shall be implemented by the Commission, the partner country, contractors, grant beneficiaries and/or entrusted entities.

Appropriate contractual obligations shall be included in, respectively, the financing agreement, procurement and grant contracts, and delegation agreements.

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

Visibility and communication activities will be integral part of service contracts under the VICE component. Indicatively, 1 or 2 service contracts for the total of EUR 100 000 shall be concluded, throughout the duration of the programme.

6 PRE-CONDITIONS

N/A.