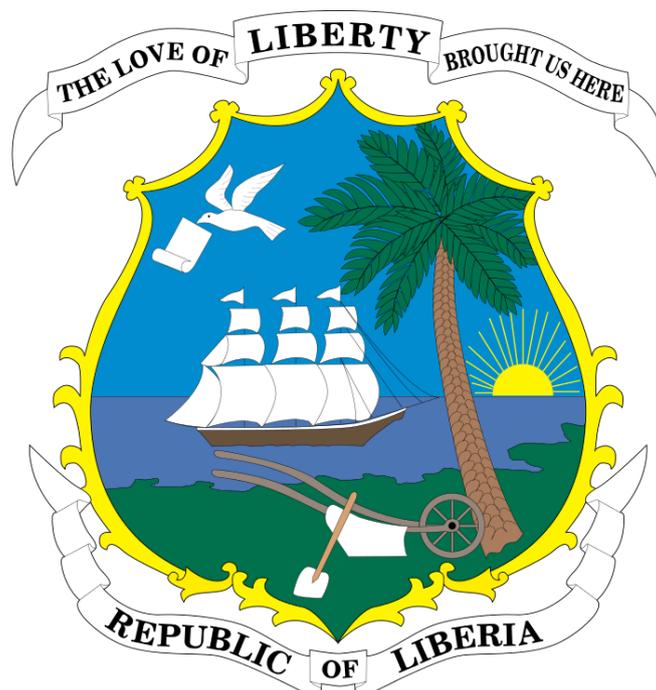

**NATIONAL STAKEHOLDERS ENGAGEMENT
MEETING FOR SMALLHOLDER AGRICULTURE
TRANSFORMATION AND AGRIBUSINESS
REVITALIZATION PROJECT (STAR-P)**



*Remarks by the Honorable Steve Marvie
Deputy Minister for Commerce & Trade Services
Ministry of Commerce and Industry
Fendell, Montserrado
Liberia*

Tuesday, 28 June 2017



1. Honorable Dr. Charles McClain, Deputy Minister for Planning & Development, Ministry of Agriculture
2. Other Government Officials
3. Partners
4. Ladies and Gentlemen,
5. Good morning. I bring you greetings from the Ministry of Commerce family and on behalf of Minister Axel M. Addy I am happy to join you as you as Liberian stakeholders discuss the STAR project.
6. I am certain that your deliberations yesterday, the first day of this very important ministerial meeting were productive. As you and I know, every hour spent on discussing agriculture and agribusiness is critical for a diversified economy.
7. Smallholder agriculture transformation and agribusiness revitalization project (STAR) which aims at promoting smallholder agriculture commercialization and facilitating private sector investment in agribusiness is an initiative being considered at the right time.
8. It is my understanding that STAR intends to strengthen institutions for agricultural development in order to enable productive business linkages between smallholder farmers and selected agribusiness firms and MSMEs. Hence, STAR is seen more as a partnership meant to “hand-hold” SHFs and link them with the markets through agribusiness firms.
9. For some, this project is focussed much more on the production/input aspect of value chain, rather than increasing trade and investment through MSMEs. To counter such thinking, I would suggest that you focus on aspect of the value chain, which aims to decrease our trade gap and create jobs for Liberians through private sector development and a clear linkage to agro-processing and manufacturing. Place some emphasis on value addition in priority sectors, like rubber, cocoa, fisheries, and expand with some focus on regional and international export markets rather than just capacitating farmers or linking say the approximately 100,000 farmers to MSMEs.
10. It is my understanding that STAR-P will contribute substantially to achieving the goals of LATA by funding targeted programs along selected agricultural value chains with the total investment of a min. of US\$50 million over a period of 5 years.
11. US\$50 million over years is a good sum to revitalize the agriculture sector and create linkages critical for poverty reduction and reducing income gaps.



12. Make no mistake, horticulture, livestock, oil palm, and rice are also important focal areas, but it would be appropriate to consider those sectors mentioned in the Liberia National Export Strategies for value addition and job creation

Generating growth through the implementation of a value chain approach:

- Key objective remains reducing our negative trade balance of \$5.02B in net imports. This trade deficit has been consistent for close to a decade, and must be addressed and adjusted. STAR is not a pure solution to this deficit but interventions under this project could be very vital to addressing these trade imbalances experienced over the years.
- Focus lies on **Industrialization, with focus on value chain development**, based on the National Export Strategy and LATA, taking into consideration that 60% of Liberians rely on agriculture for their livelihoods

To this end, it is all the more important that donor projects focus on genuine end-to-end value chain development to contribute to an increase in trade, investment and therefore jobs for Liberians, and ultimately economic development.

Priority areas for private sector development

1. **Investment Promotion:** There is a commitment from the government to strengthen agriculture by leveraging private sector investment. Developing of key value chains as a means of economic diversification and job creation remains a priority, and leveraging competitiveness goes beyond addressing productivity constraints at smallholder level. Focus rather lies on ensuring firms are engaged in value-addition and processing of agricultural products to promote industrialization.
2. **Market and Export Development:** Support for the development of systems that link farmers to processors and on to markets (both domestic and export), including establishment of warehouse receipts, agricultural commodity exchange, outgrower schemes and business connections to potential customers in Liberia (e.g. supermarkets, restaurants) and abroad (e.g. mostly within ECOWAS (e.g. for soaps, cooking oils, animal feeds, etc to as far as Sri Lanka for ribbed smoked sheets, Holland for graded cocoa, etc) and Cote d'Ivoire for fish.
3. **SME Development:** MSME investments to support product linkages and taking into consideration that 90% of economic activities are driven by MSMEs – they are potential catalysts of change that require consistent support.

Building capacities of our SMEs is a critical component to build private sector development in Liberia. Trainings are as important as access to finance and training



opportunities. I am glad that elements of these are included in the development of STAR.

- To that extent we've implemented **Liberia's Post-Accession Plan** to coordinate the implementation process to address trade facilitation challenges and direct investment in strategic sectors.
- Apart from infrastructure & export incentives, increasing the efficiency of import & trade administration, customs and border-control remains a priority, i.e. through Verification of Conformity to ensure the standards regime is addressed for traders, as well as the implementation of a Single Window platform for trade.

Areas that require support

- **Targeted Investment Facilitation:** helping the Government to attract new value chain players where private sector weak. Support with feasibility studies, company profiles, investment opportunities and addressing information 'black hole' that various potential investors have on Liberia. And increasing investment (e.g. IFC and other development banks) in strategic private actors (especially market makers) in each value chain.
- **Business Development & Entrepreneurial Support:** helping Liberian businesses in all value chains to strengthen their businesses through improved corporate governance and increase ability to qualify for financing
- **Value Chain Financing:** an agriculture financing facility to help private actors in each value chain to start or expand operations. Needs to be development financing or impact investing; patient capital. This should also include matching grant programmes, challenge funds etc.
- **Bank Development & Capacity Building:** Liberia's banks do not understand agriculture value chains. The biggest reason is a massive information gap which makes investing in agriculture 'too risky'. Support is needed to help them build capacity to map each value chain, identify potential strategic actors in each value chain, identify their corporate governance needs & develop a financing & support model that works for both the bank and the client.
- **Quality Control:** help Liberia develop a quality control and commodity certification system, by helping to attract international certifiers to provide certification services in Monrovia and in agricultural production areas (e.g. rainforest alliance, UTZ, SGS, etc) and help the National Standards Laboratory build a local capacity too, including its accreditation.

13. Thanks and please do not hesitate to contact us if you need additional information.

14. *Thank you*