



International
Growth Centre

Sierra Leone AGOA Response Strategy

**Launch of the National AGOA Response Strategy
and Forum on New Directions for Private Sector
Expansion**

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Presentation Outline:

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- SL export of Goods and Services
- SL Bilateral Trade with the US
- Vision and Objectives
- Strategy Preparation process
- Focus Products

Section TWO: Trade Policy and regulatory Framework

- Challenges and Recommendations

Section THREE: Supply side Challenges and Recommendations

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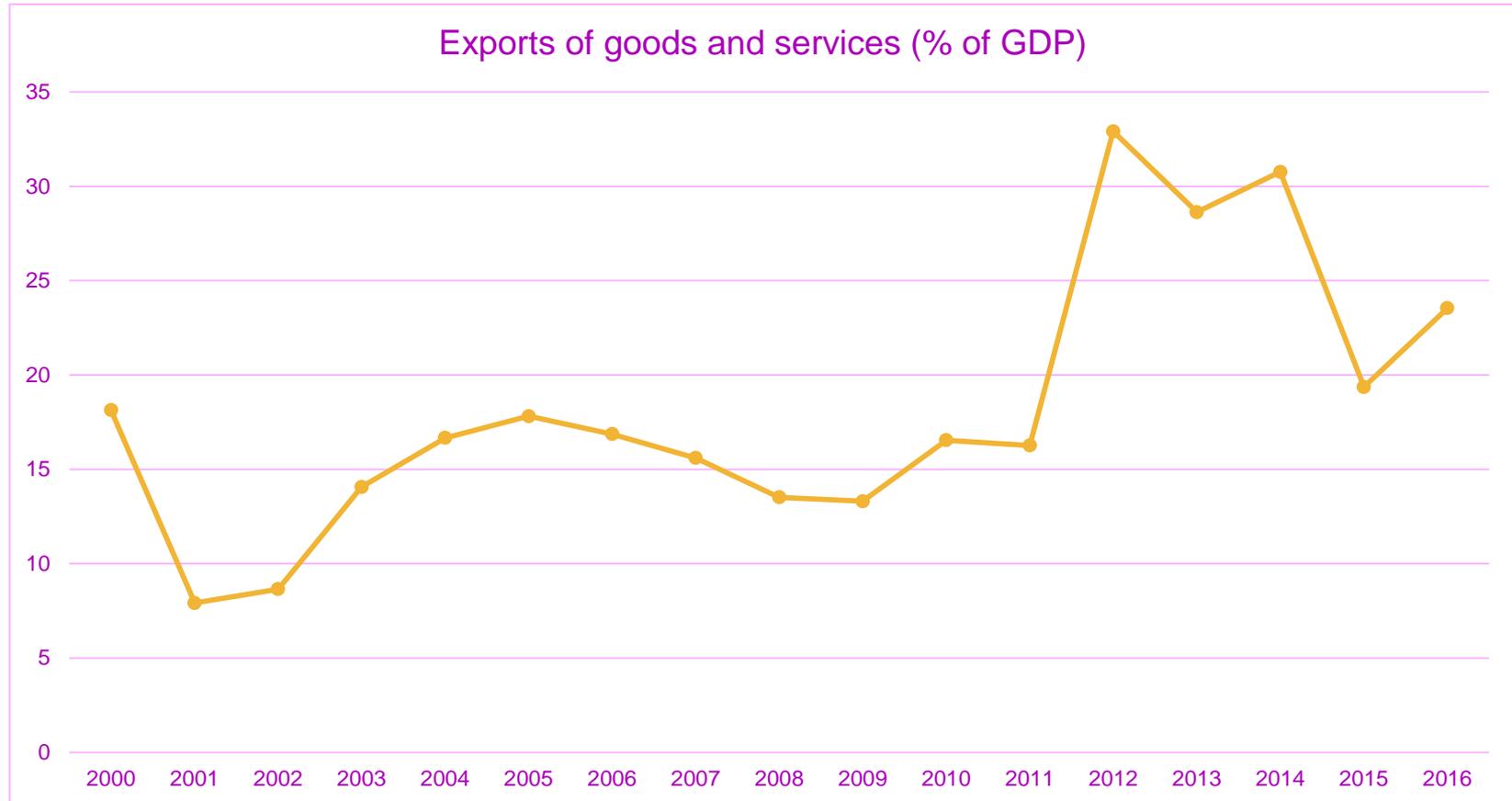
- Common Challenges and Recommendations
- Opportunities to Access US Market
- Market Access Challenges by product

Section FIVE: FDI Key Challenges and Recommendations

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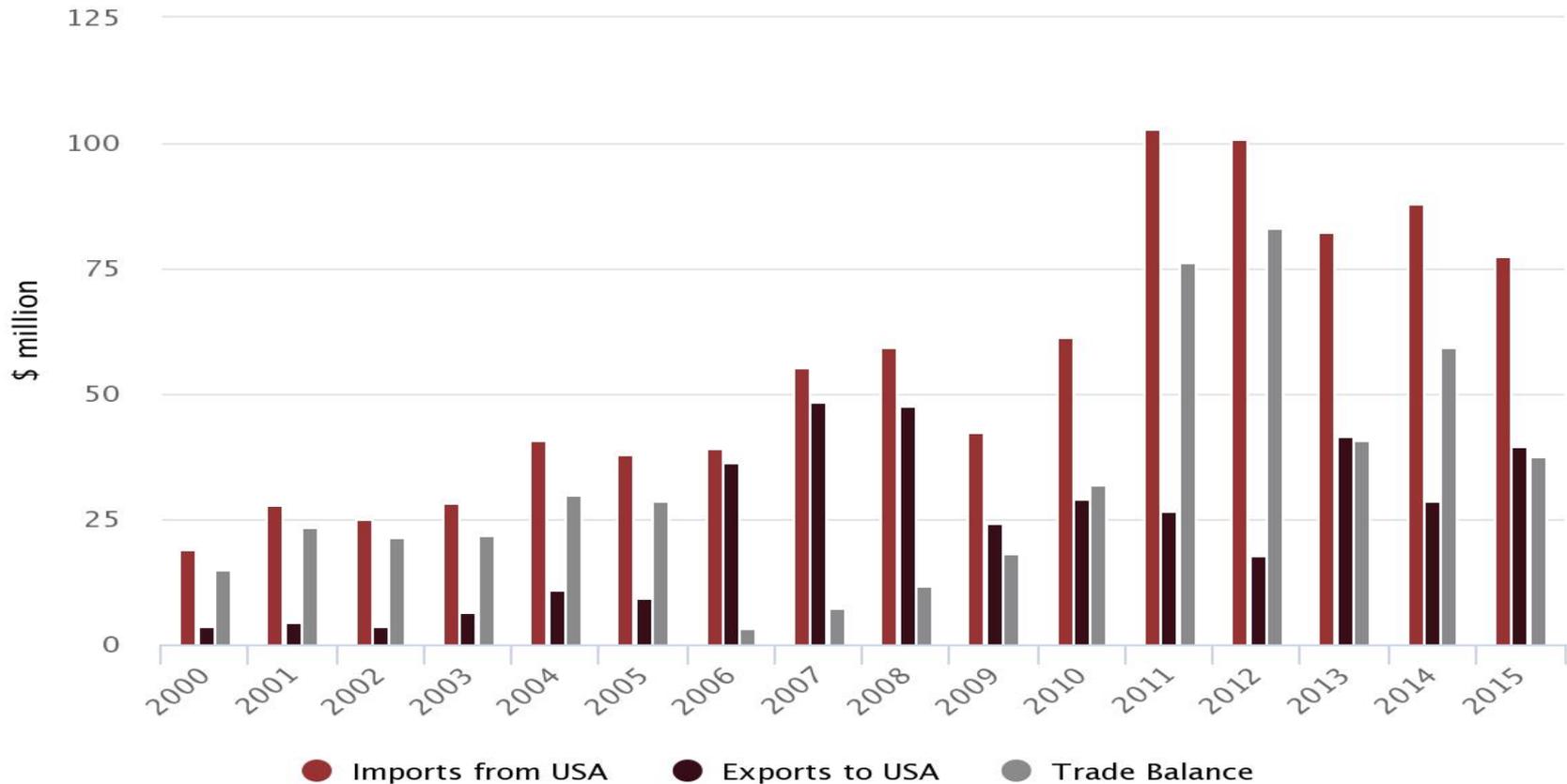
- Institutional Arrangement

SL Export of Goods and Services: 2000 to 2016



SL Bilateral trade with US

Bilateral goods trade United States – Sierra Leone



agoa.info

Vision and Objectives

Vision

Increased competitiveness and volumes of SL exports to the US and promote the flow of FDI.

Objectives

1. Advise government on support, interventions and reforms required in order to take advantage of AGOA
2. develop the productivity of the focus products with a view to increasing exports to the US under AGOA
3. Facilitate a substantial increase in US investment in SL as well as encourage and promote strong engagement between US SMEs and SL private sector.

Strategy Preparation Process

1. Review and Analysis of:
 - Government trade policies, laws, regulations and reports;
 - international reports on trade and PSD
 - IGC and other credible trade and PSD studies
 - Export procedures and processes
2. Extensive consultations that span almost one year:
 - Focus Group Discussions
 - Bilateral Meetings with key stakeholders both policymakers and private sector operators

Focus Products

Identification Criteria

Selected during the consultative meetings using the following criteria:

1. Products should, or have the potential to, be produced in large quantities;
2. The quality of the product should meet US minimum standards;
3. Producers/manufacturers/traders should either be exporters or committed to enter the export market;
4. Producers/manufacturers/traders should have the demonstrated capacity or willingness to meet deadlines, regularly and reliably.

Focus Products

1. **Agriculture and agro processing:** Cashew; Cocoa; Processed cassava – “Gari”; Ginger; and Palm oil.
2. **Fish and fishery products:** smoked/dried fish
3. Natural honey
4. Textile

Note that the number will increase as constraints are overcome

Potential Derivatives of Focus Products

Product	AGOA Eligible Derivative Product
Cashew	Cashew apples, mameyes colorados, sapodillas, soursops and sweetsops, frozen, in water or containing added sweetening
	Cashew apples, mameyes colorados, sapodillas, soursops and sweetsops, otherwise prepared or preserved
Cocoa	Cocoa paste, wholly or partly defatted
	Cocoa powder, not containing added sugar or other sweetening matter
	Cocoa powder, o/65% but less than 90% by dry wt of sugar
	Cocoa powder, sweetened,
	Cocoa powder, o/90% by dry wt of sugar
Ginger	crushed or ground
	Ginger root, preserved by sugar (drained, glace or crystallized)
	Sweet ginger, otherwise prepared or preserved
Honey	Natural honey D
	Sugar syrups, artificial honey, caramel
Oil palm	Industrial monocarboxylic fatty acids or acid oils from refining derived from coconut, palm-kernel, or palm oil

Trade Policy and Regulatory Framework

Studies have revealed that there is considerable scope for improving the SL business envt - rationalising laws, regulations, procedures & institutions governing trade.

World Bank Doing Business Index (2018): SL ranked 160 out of 190 countries in the ease of doing business.

World Economic Forum Competitiveness report (2017): SL in the bottom 10 out of 137 countries. Access to finance, corruption, foreign currency regulations, inadequate supply of infrastructure and inflation are rated as the 5 most problematic factors for doing business

Reg Framework for PSD & Trade: Challenges

1. Lack of clear information on export processes (including compliance with rules, levies & concessions)
2. Inefficiencies in the export procedures - such as requirements for annual export licenses and letter of authorisation for every export package
3. Multitude of agencies involved in the export process
4. Multiple instns involved in quality and standards certification (PMB & SLSB for agricultural produce) and multiple charges (PMB 2.5% fob; SLSB depend on type of test, etc)
5. Lack of comprehensive credible prodn & export data

Supply-side Production Constraints

Common Challenges:

- Inadequate access to electricity and unreliable power supply;
- Inadequate access to finance – local finance expensive
- Inadequate road infrastructure
- Inadequate storage facilities
- Access to land

Product specific challenges

Market Access

Existing Mechanisms to Export to the US

SL exports to the US are low.

Evidence: Some food products exported through:

- Local company or entrepreneur, buying from small scale as well as large scale producers and exporting directly to the US through a partner; and
- Foreign company sets up a local operation e.g. honey

Common Marketing Challenges

No	Challenges	Recommendations
1.	Inadequate advertising of the country's potential and investment opportunities including lack of marketing materials (leaflets, brochures, etc)	Prepare and share marketing and investment opportunity materials with the trade attaché in the embassies. Government could also organised trade and investment fairs, road shows, etc. Regular update of the website of trade supporting institutions on the investment potentials of the country.
2.	Lack of a well-developed and internationally accredited laboratory to carry out the required standards and quality tests	Strengthen the capacity of the Sierra Leone Standards Bureau to gain international accreditation
3.	Inadequate capacity to link farmers to international buyers	Chambers of Agriculture and Commerce to organize domestic trade fair and support local farmers to participate and showcase their goods.
4.	Inadequate knowledge of market conditions, particularly prices, by farmers	PMB to provide regular and timely information on market conditions as well as training on pricing mechanism to farmers

Opportunities to Access the US Market

US partners supporting largescale Sierra Leonean traders: Partners attracted by SL: Trade attachés, SLIEPA, SLCCIA, etc

- 1. Promoting local demand in the US through effective marketing:** both locally and in the US through: marketing brochures; trade fairs, etc.
- 2. Labelling and packaging:**
- 3. Managing procedures:** Capacity to deal with procedures to establish preferential access in the US.

Product Specific Marketing Challenges

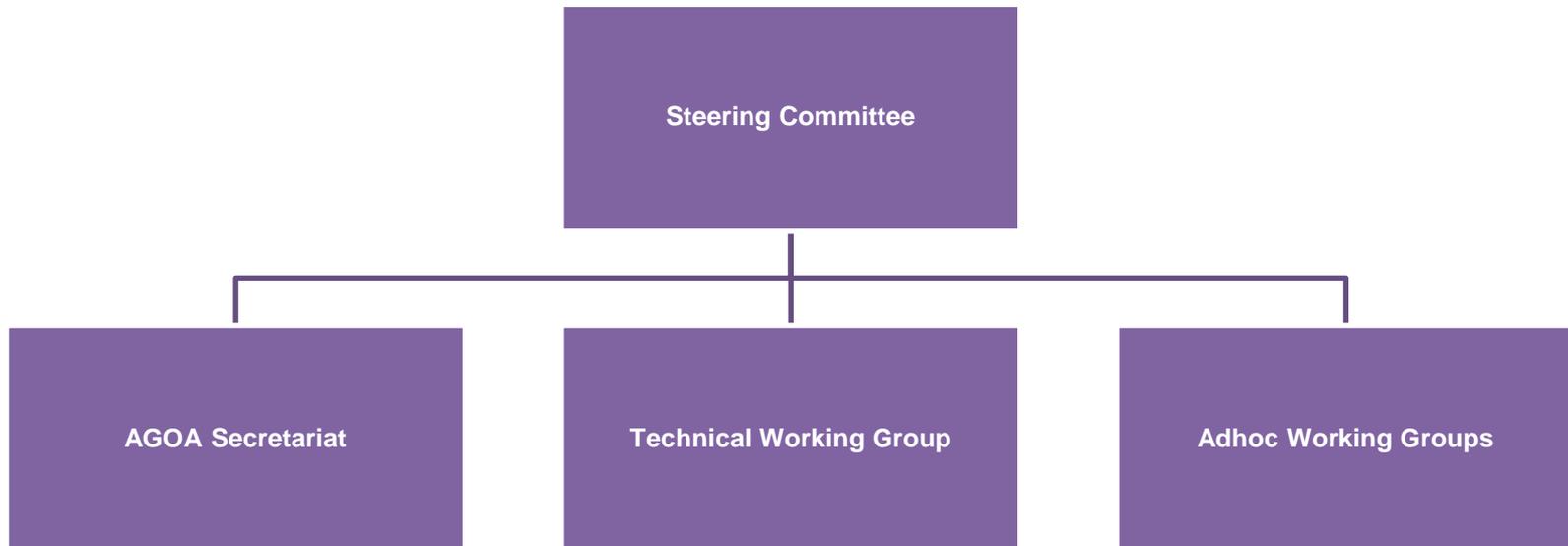
No	Product	Challenges	Recommendations
1.	Honey	Lack of an internationally accredited laboratory to perform required standard & quality tests	Strengthen the capacity of the SLSB to gain international accreditation
2.	Palm oil	<ul style="list-style-type: none"> - Lack of an internationally accredited laboratory to perform required standard & quality tests - Lack of packaging and labelling facilities 	<ul style="list-style-type: none"> - Strengthen the capacity of the SLSB to gain international accreditation - Encourage invt in packaging & labelling
3.	Gari	Inadequate packaging and labelling facilities	Encourage investment in packaging and labelling
4.	Smoke d fish	Lack of packaging & labelling facilities	Encourage invt in packaging & labelling

FDI: Recommended Actions for focus Products

1. Identify local traders and medium scale producers of focus products – may be potential partners for international investors.
2. Trade attachés in the US focus on identifying investors that can partner with local agencies dealing with focus products.
3. Invest time and effort into speaking with large scale cocoa buyers in the US.
4. SLIEPA to produce investment brochures for all focus products including information on local production capabilities (and potential) and planned government investments.
5. conduct road shows in the US to attract investors.
6. Trade attachés to identify investors in packaging and labelling
7. Establish contact with packaging and labelling facilities in neighbouring countries.

Institutional Arrangements

Ministry of Trade and Industry should be the custodian of the Strategy while the Secretariat is at SLIEPA.



Responsibility of Steering Committee

The responsibility of this committee will include the following:

1. Overall guidance and supervision
2. Approves budget and work programme for the AGOA secretariat
3. Reconcile contentious issues related to AGOA
4. Ensures strategic policies and political issues on AGOA are brought to the attention of government through the Minister of Trade and Industry.
5. Resolve policy and technical issues
6. Resolve coordination issues
7. Provide copies of its reports to the National Export promotion committee

Technical Working Group

The following technical working groups will be established to support the implementation of the strategy:

1. Agric and Agro processing;
2. Fish and fishery products;
3. Investment promotion, finance and custom; and
4. Marketing including standards, quality, logistics and transportation.

Membership - determine by the Steering Committee but in principle will follow product lines and be from within the SC's membership.

Ad hoc Committees: will be constituted as required

Measures to Enhance Institutional Arrangement

- Current number of public institutions dealing with the Private Sector may have to be revisited.
- Areas of overlapping functions and the resulting confusion and duplication affects the efficiency of the sector and its operations cost.

A short study can help Government decide on the most effective and efficient way forward.

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