



THE REPUBLIC OF SIERRA LEONE
MINISTRY OF TRADE AND
INDUSTRY

NATIONAL TRADE
STRATEGY

Repositioning Trade for the African
Continental Free Trade Area

EXECUTIVE SUMMARY



United Nations
Economic Commission for Africa



International
Trade
Centre

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1.0: Introduction

Trade is a foundational catalyst for development. Countries that are open in international trade tend to grow faster, be more innovative, attract more investment, and create formal, well-paying employment opportunities for their citizens. In the history of development, few countries have reached middle income levels without effectively utilizing trade.

It is not sufficient for Sierra Leone to be merely open to international trade: trade policymaking must be calculated, contemplative and deliberative to ensure that trade serves as an effective engine for inclusive growth and development. Well-crafted trade policies can diversify economic growth, support inclusiveness, and enhance economic competitiveness.

In the last decade, Sierra Leone has pursued an international trade agenda, participating increasingly in the WTO multilateral negotiations as well as preferential trade arrangements with the US (AGOA), the European Union (EBA), and China. At a sub-regional level, Sierra Leone, Liberia, Guinea and the Ivory Coast are members of the Mano River Union (MRU) founded in 1973, which was revived in 2007 after having become moribund during the prevailing conflict situation in Sierra Leone and Liberia in the nineties. Sierra Leone's regional trading arrangements are, however, mostly covered by the wider context and framework of the ECOWAS which was established in 1975 to promote regional economic integration and trade. The ECOWAS Trade Liberalization Scheme (ETLS), which first came into existence in 1979, ensures that eligible goods are traded freely in the region without the payment of customs duties and taxes.

Sierra Leone has been unable to take advantage of the opportunities available to it through its participation in these trading agreements and arrangements. Over the last 10 years, 70 per cent of Sierra Leone's exports have remained concentrated in raw and unprocessed metals and precious stones during this period, leaving the economy undiversified and dependent on the vicissitudes of international commodity prices. The current coronavirus (COVID-19) crisis provides one demonstration, with the international price of titanium ore, Sierra Leone's largest export in 2019, falling 61 per cent from December 2019 to May 2020. In another example, the price of iron ore, which accounted for 71 per cent of Sierra Leone's exports in 2014, crashed by 70 per cent through the course of 2015.

The WTO's 2015 Diagnostic Trade Integration Study for Sierra Leone made recommendations for a National Trade Strategy for Sierra Leone to enhance both its national trade capacity and to target a niche in the global trading system. The 2017 WTO 2nd Trade Policy Review for Sierra Leone further underscored the need for a comprehensive strategy directing Sierra Leone's trading and investment position that is aligned to WTO, ECOWAS, AU, EU, AGOA and multilateral trade and investment arrangements.

Yet, the role of trade has also been lacking in Sierra Leone's broader national development planning. The focus of Sierra Leone's poverty reduction strategy papers, the National Recovery Program (2005-2007), the Agenda for Change (2008-2012) and the Agenda for Prosperity (2013-2018) were on food security, job creation and good governance, with little role identified for trade. The Government of Sierra Leone recently launched a Medium-Term National Development Plan (MTNDP) comprising seven policy clusters covering the period 2019-2023, though again with little explicit reference to trade despite its clear contribution to the goals and targets of the plan.

The National Trade Strategy is an opportunity for Sierra Leone to readdress the role that trade plays in its national development. Policy Clusters 2 and 3 of the MTNDP 2019-2023 target the diversification

and promotion of economic growth and infrastructure and economic competitiveness, respectively. The MTNDP further sets the macroeconomic object of reducing the current account deficit from 14 per cent to 11.5 per cent through export promotion and diversification.

While the MTNDP sets this macroeconomic target, it leaves to the Ministry of Trade and Industry the responsibility of leveraging trade for its execution. The National Trade Strategy provides the roadmap for exactly this, by charting the activities to be undertaken to diversify Sierra Leone's economy, promote inclusivity and gender equality, create jobs and generate foreign exchange.

The subtitle of the National Trade Strategy is "Repositioning Trade for the African Continental Free Trade Area". Sierra Leone signed the African Continental Free Trade Area (AfCFTA) on 2 July 2018 and deposited its instrument of ratification with the African Union Commission on 29 April 2019. In consolidating a market of 1.3 billion people worth \$2.5 trillion, the AfCFTA establishes the world's largest free trade area since the formation of the World Trade Organization in 1994, in terms of participating countries. It is not an opportunity for Sierra Leone to miss; the first strategic pillar of the National Trade Strategy considers exactly what Sierra Leone should do to implement and effectively utilize the AfCFTA.

However, the National Trade Strategy also considers Sierra Leone's existing – and underutilized – preferential market access to the European Union (Everything But Arms), the United States (African Growth and Opportunities Act), China (Duty-Free Quota-Free Least Developed Country Scheme), and the Mano River Union and ECOWAS countries (ECOWAS Trade Liberalization Scheme). Key opportunities for export growth and diversification are identified and compared across each of these preferential market access schemes.

On the immediate horizon, Sierra Leone faces the daunting challenge that COVID-19 poses to its trade and economic development. At the time of writing, early estimates were for Sierra Leone's GDP growth to fall 7.3 percentage points from its rate in 2019 to an overall contraction of 2.3 per cent in 2020.¹ COVID-19 has a considerable impact on Sierra Leone's trade: the cessation of flights reduces both tourism revenues and air freight, which is often carried in the hold of passenger aircraft, constraining Sierra Leone's exports of perishable and time-sensitive products. The volume of maritime shipping has already fallen, adding costs in addition to route disruption and new port health screening processes and restrictions. Movement restrictions designed to curtail the spread of COVID-19 put pressure on internal trade and regional trade with Sierra Leone's Mano River Union neighbours. The National Trade Strategy takes cognizance of the Government of Sierra Leone's COVID-19 Quick Action Economic Response Programme (QAERP) while incorporating both immediate priorities to mitigate the impact of COVID-19 on trade as well as means to build back better in the recovery.

The National Trade Strategy recognizes that trade must be inclusive for the benefits of trade to be maximised and widely distributed. Considerable attention is given to the means through which gender equality can be mainstreamed into its actions and activities. Recognising that gender- and age-based discrimination leads to overall economic losses and limits gains from trade, the ability of the institutional environment to support the participation of women and youth in trade is addressed. Small-scale cross-border trade, for which 68 per cent of those engaged in this activity are women, is accorded significant consideration. The Strategy looks ahead to the intermediate horizon and the challenge of climate change, emphasizing investments to meet the environmental quality standards increasingly

¹ 14 April IMF growth forecast

demanding by purchasers and the importance of cross-border trade for climate resilience in food security crops.

Finally, due recognition is given to the challenge of implementation. In the last 10 years' good trade policies and strategies have been designed in Sierra Leone but have been persistently hamstrung by this inhibitor. While Institutional Capacities for Policy Formulation and Implementation is the final Strategic Pillar of the Strategy, it is in many ways also the most important. The Strategy focuses on upgrading the professional cadre of the Ministry of Trade and Industry while strengthening coordination across government and with the private sector. Through doing so, the Strategy aims to foster the collaborations needed to support exports in the areas of agriculture and fisheries through the private sector as the driver of economic diversification while building the foundations both for implementation and improved trade policymaking into the future.

2.0: Vision and objectives

2.1: Vision

The Medium-Term National Development Plan (MTNDP) 2019-23 envisages Sierra Leone as a Middle Income Country by 2039 with a diversified and resilient green economy. It seeks to realize this through the transformation of the economy, promotion of diversification, stimulation of growth opportunities and investments in critical infrastructure to facilitate private sector expansion.

The National Trade Strategy contributes to the MTNDP by providing a means through which trade can diversify economic growth, support inclusive trade and women's economic empowerment, and improve infrastructure and economic competitiveness – which are Policy Clusters 2 and 3 of the MTNDP. It further identifies immediate steps through which trade can be used to fight the challenges of COVID-19 and build back better.

Pursuant to the MTNDP, the National Trade Strategy is driven by the following vision:

Diversifying Sierra Leone's economy, promoting inclusivity, creating jobs, and generating foreign exchange by repositioning trade to take advantage of the African Continental Free Trade Area and address the challenges to trade resulting from the COVID-19 pandemic.

2.2: Objectives

2.2.1. Short Term Objectives

To build the policy and coordination foundations for the Ministry of Trade and Industry and trade stakeholders to more effectively articulate and deliver trade policies that contribute to the Vision, including the implementation of the AfCFTA and addressing the trade implications of COVID-19. The specific objectives are:

- **AfCFTA Implementation**
To fulfil the legal obligations required of Sierra Leone by its ratification of the AfCFTA Agreement, and put in place the means to take advantage of its rights under the Agreement to the benefit of all, including SMEs, women, and youth.
- **COVID-19 Mitigation**
To address and mitigate the immediate challenges posed by COVID-19 on Sierra Leone's trade.
- **Institutional Capacity Development**
To develop the capacity of the Ministry of Trade and Industry and its agencies to formulate and design inclusive trade policies, participate effectively in regional and international trade negotiations, and implement inclusive policies and trade obligations.
- **Government Coordination**
To create effective channels of coordination between government ministries and agencies involved in the various stages of facilitating and promoting trade.
- **Private Sector Collaboration**
To establish effective and transparent mechanisms for consultation between the private sector and government in the area of trade, with consideration to the inclusion of women entrepreneurs.

2.2.2. Medium-to-Long Term Objectives

To design and reinvigorate policy areas of the Ministry of Trade and Industry and deliver upon an achievable portfolio of priority trade-related policy initiatives that can diversify growth, create jobs and generate foreign exchange. The specific objectives are:

- **Build Back Better from COVID-19**
To favourably restructure trade in Sierra Leone for more conducive future growth and development.
- **Nurture Exporters**
To support indigenous businesses to expand and connect their production with export opportunities in new and existing markets.
- **Attract Anchor Businesses**
To attract business investments in frontier priority sectors as a ‘proof of concept’ for the feasibility of Sierra Leonean exports.
- **Reduce Overall Cost of Trade**
To bolster the effectiveness of trade policy and reduce the administrative burden of regulation.
- **Enhance Overall Quality of Trade-Related Infrastructure**
To coordinate with MDAs and the private sector to prioritize investments in trade-related infrastructure, including quality standards, to support the growth of Sierra Leone’s high potential export sectors.

2.3: Scope

To deliver upon these objectives, the National Trade Strategy provides an overarching framework for trade development across the following four Strategic Pillars:

Strategic Pillar I: African Continental Free Trade Area

Strategic Pillar II: Trade Support

Strategic Pillar III: Industrial Development

Strategic Pillar IV: Institutional Capacities for Policy Formulation and Implementation

The topical scope of the National Trade Strategy is delineated by the mandate of the Ministry of Trade and Industry within the broader Sierra Leonean policy architecture. The Strategy delivers upon Sierra Leone’s commitments and rights under the African Continental Free Trade Area as a catalyst for repositioning Sierra Leone’s trade. It is oriented around the private sector as the driver of economic diversification and accounts for the new challenges imposed by COVID-19 to trade. In production, the Strategy covers industry and manufacturing, while coordinating with other MDAs to support exports in the areas of agriculture and fisheries. Across each of these areas, the Strategy deliberately incorporates existing topical policies, strategies and initiatives while proposing new initiatives in underserved strategic areas.²

² Policies, strategies and initiatives incorporated into the National Trade Strategy include the 2010 Sierra Leone Trade Policy, 2011 National Industrial Policy, Sierra Leone AGOA Response Strategy 2019 to 2025, 2019 National Trade Facilitation Strategy, 2013 MSME Development Strategy, 2019 Doing Business Reforms Roadmap, Draft 2013 Special Economic Zone Policy in Sierra Leone, 2013 Capacity Development Actions for trade Related Organization in Sierra Leone

3.0: Strategic Approach

Strategic Pillar I: African Continental Free Trade Area

Sierra Leone signed the AfCFTA at the 31st African Union Summit, held in Nouakchott on 2 July 2018, and deposited its instrument of ratification on 29 April 2019. The AfCFTA entered into force on 30 May 2019.

Sierra Leone must establish a National AfCFTA Committee and designate contact and focal points for the substantive requirements of the Agreement, such as those on non-tariff barriers, trade facilitation or customs cooperation. These contact and focal points in turn implement the substantive commitments of the Agreement, including reporting on compliance with those commitments. To avoid the proliferation of institutions, the Sierra Leone National Coordinating Committee (NCCT) is to be re-established and granted the responsibility of Sierra Leone's National AfCFTA Committee alongside other related responsibilities, including over the AGOA trade arrangement. Necessary sub-committees, for instance on non-tariff barriers, can operate under and report to the National AfCFTA Committee.

The AfCFTA creates market opportunities for Sierra Leone, but also protections that can be used in the case of risks or threats posed by the AfCFTA. Preparations to take advantage of Sierra Leone's market opportunities under the AfCFTA involve building awareness of, and supporting businesses to use the specific trade-boosting provisions of the AfCFTA. However, these must be buttressed by the broader production and trade supporting activities identified in Pillars 2 to 4 of the National Trade Strategy to improve the Sierra Leonean trade-enabling environment. Steps must also be taken to monitor the need for the application of AfCFTA flexibilities, safeguards and technical assistance, and to ensure Sierra Leone's preparedness to use them where necessary.

Sierra Leone's obligations and obligations under the AfCFTA Agreement can in turn each be categorized into two types:

Obligations	Rights
1. Creation of national-level implementing institutions	1. Market opportunities
2. Fulfilment of substantive commitments	2. Flexibilities, safeguards, exceptions and technical assistance

Adhering to Sierra Leone's legal obligations, and effectively taking advantage of the opportunities under the AfCFTA will require specific actions and overall coordination by the MTI. Strategic Pillar I comprises a series of actions to satisfy and utilize Sierra Leone's AfCFTA commitments and opportunities.

Strategy 1.1. Implement Sierra Leone's Obligations under the AfCFTA

The establishment of a National AfCFTA Committee is the foundational step required to drive AfCFTA implementation. To streamline the work of Sierra Leone's trade institutions, the National Coordinating Committee on Trade (NCCT) is re-established with a stronger mandate as the overarching committee on trade, with existing bodies as sub-committees under the group, and with particular consideration given to the involvement of the private sector and women's business associations. It is accorded the mandate and functions of the National AfCFTA Committee.

Immediate Activities:

- 1.1.1. Re-establish National Coordinating Committee on Trade (NCCT)

Short-term Activities (Year 1):

- 1.1.2. Consolidate National AfCFTA Committee functions and other trade oversight responsibilities under the NCCT
- 1.1.3. Mobilise resources for AfCFTA Implementation Activities*
- 1.1.4. Undertake preparatory steps of the AfCFTA Active Obligations and Rights Checklists*
- 1.1.5. Build services trade capacity for AfCFTA Phase I implementation*
- 1.1.6. Prepare for AfCFTA Phase II and Phase III negotiations

**Recurrent*

Strategy 1.2. Take Advantage of the AfCFTA

Generally, there is a lack of awareness in Sierra Leone about the AfCFTA. Strategy 1.2 seeks to build awareness and take steps to utilize the opportunities and rights accorded to Sierra Leone by the AfCFTA. Recommendations to help women entrepreneurs and women-owned businesses in Sierra Leone benefit from the AfCFTA are included.

Short-term Activities (Year 1):

- 1.2.1. Implement the AfCFTA Communications Strategy

Medium-term Activities (Years 2-5):

- 1.2.2. Provide training to trade-relevant business organizations on use of the AfCFTA Non-Tariff Barriers Mechanism, AfCFTA Rules of Origin, and Quality Standards for priority African markets
- 1.2.3. Hold AfCFTA Import and Export Seminar(s), with particular attention to potential exporters of the priority products identified for the AfCFTA market

Strategy 1.3. Review AfCFTA Implementation

Strategy 1.3 offers a platform to review AfCFTA implementation two and four years into its operationalization at the national level in Sierra Leone, identify gaps or constraints to its implementation, and make proposals to realize the full potential of the AfCFTA. The second of these reviews aligns with the first 5-year review of the AfCFTA exclusion lists and the effectiveness of the AfCFTA Agreement, as per Article 28 of the Agreement.

Short-term Activities (Year 1):

- 1.3.1. Monitor strategy implementation, and generate and apply lessons learned*

Medium-term Activities (Years 2-5):

- 1.3.2. Commission research study to review the economic impact of the AfCFTA and identify implementation improvements
- 1.3.3. Host Public-Private AfCFTA Experts Group Review Meeting, including a review of studies conducted over the implementation period

**Recurrent*

Strategic Pillar II: Trade Support

Immediate steps must be taken to mitigate the impact of COVID-19 on Sierra Leone's trade. Thereafter, trade needs to be restructured to build back better. Many opportunities exist for expanding and diversifying Sierra Leone's exports, both in terms of products and markets. While many of the supply-side bottlenecks can be addressed by sectoral or infrastructural Ministries, the MTI has a role in focusing their resources on connecting the Sierra Leonean private sector to identified export opportunities and preferential trade arrangements, while improving export compliance procedures, including through a streamlined electronic single window.

Table 1 shows the unmet export potential for priority products in target markets. It is clear that considerable potential exists from sizeable preference margins in the AfCFTA market. Preference margins in AfCFTA countries are often considerably larger than Sierra Leone’s traditional markets.

Table 1: Unmet Export Potential: Preference Margins for Priority Products in Target Markets

	COVID-19 impact marker	US-AGOA	EU-EBA	China-LDC scheme	ECOWAS-ETLS	AfCFTA	AfCFTA target markets
Cashew		0%	0%				Morocco (2.5%), Egypt (20%)
Coffee		0%	8%			30%	Morocco (30%), Algeria (30%)
Cocoa		0%	0%				
Cassava 'gari'		5%	4%		20%		
Palm oil		0%	6%		25%	30%	Cameroon (30%)
Lime					20%		
Ginger		0.3%	0%		20%		
Fresh fish		0.2%	8%		10%	30%	Morocco (10%), Zambia (25%), Cameroon (20%), Angola (22%), Algeria (30%), Tunisia (28%)
Frozen fish		0%	10%		15%	30%	South Africa (12%)
Frozen crustaceans (crabs, lobsters, shrimps, prawns)		0%	10%	6%	19%	30%	Cameroon (30%)
Soft drinks					20%	36%	Morocco (40%), Cameroon (30%), Kenya (25%), Tanzania (25%), Egypt (30%), Algeria (30%), Tunisia (36%)
Alcoholic beverages					20%	49%	Morocco (49%), Kenya (25%), Cameroon (30%), Tanzania (25%)
Apparel		10.8%	12%		20%		
Mattresses					20%		
Metals				0-3%			
Gold							

Sources: ITC TradeMap, ITC Export Potential Map, ITC Export Diversification Map, ITC Market Access Map, Sierra Leone AGOA Response Strategy, Stakeholder interviews

Notes: AfCFTA target markets are identified on the bases of high margins of preference and export potential identified in the ITC Export Potential Map and Export Diversification Map. The COVID-19 impact marker is scored on the basis of product price changes between December 2019 and May 2020, adverse transportation impacts on fresh and perishable items, and disruption to the access of inputs for complex supply chains. Displayed margins represent averages across ranges of products, such as different types of frozen fish, as reported by ITC Market Access Map.

Table 2 highlights opportunities for export diversification into new products. These represent frontier priority sectors for products that Sierra Leone does not export (or for which volumes are extremely low) but which could be feasible given Sierra Leone’s current export basket and the export baskets of similar countries. Again, the AfCFTA markets provide some of the highest preference margins for attracting anchor investors to boost domestic production in these products.

In the ECOWAS market, COVID-19 demand may create opportunities for Sierra Leonean exports of simple textile face masks, chemical or alcohol-based disinfectants and sanitizers, as well as palm oil-based soaps.

Table 2: Export diversification: Preference Margins for Priority Products in Target Markets

	COVID-19 impact marker	US-AGOA	EU-EBA	China-LDC scheme	ECOWAS-ETLS	AfCFTA	AfCFTA target markets
Coconut oil		0%	6%			8%	Madagascar (7.5%)
Groundnut oil			4%			30%	Cameroon (30%), Angola (10%)
Cocoa paste		0%	10%				
Sesamum seeds				5%			
Natural honey		0.5%	17%				
Bovine meats						30%	Algeria (30%)
Pineapples and mangoes			4%	12%	13%		
Fruit juice			28%		15%	60%	Egypt (60%), Morocco (7.5%), Cameroon (30%)
Soap					26%		
Chemical or alcohol disinfectants / sanitizers					20%		
Cosmetics					20%		
Pigments and preparations containing titanium dioxide (colouring, sunscreen or paint)			7%			15%	Morocco (2.5%), South Africa (5%), Cameroon (10%), Algeria (15%)
Wooden furniture		0%	0%		19%	60%	Egypt (60%), Morocco (30%), Cameroon (30%), Kenya (35%), Algeria (30%)
Textile face mask					20%		

Sources: ITC TradeMap, ITC Export Potential Map, ITC Export Diversification Map, ITC Market Access Map, Sierra Leone AGOA Response Strategy, Stakeholder interviews

Notes: AfCFTA target markets are identified on the bases of high margins of preference and export potential identified in the ITC Export Potential Map and Export Diversification Map. The COVID-19 impact marker is scored on the basis of product price changes between December 2019 and May 2020, adverse transportation impacts on fresh and perishable items, and disruption to the access of inputs for complex supply chains. Displayed margins represent averages across ranges of products, such as different types of frozen fish, as reported by ITC Market Access Map.

Taking advantage of the above export opportunities requires targeted action to firstly mitigate the impact of COVID-19, and thereafter promote export opportunities, ease non-tariff barriers and enhance the business environment. In doing so, particular attention must be given to supporting small-scale cross-border traders and women.

Strategy 2.1. COVID-19 mitigation

Several immediate actions must be taken to improve access to essential COVID-19 medical supplies, protect Sierra Leone's trade and foreign exchange earnings from the adverse impact of COVID-19, and ensure safe trade going forwards.

Immediate Activities:

- 2.1.1. Create 'green lanes' for fast customs clearance of medical supplies
- 2.1.2. Urgently suspend tariffs on essential COVID-19 imports and other essential medical supplies
- 2.1.3. Leverage the standards and guidelines for medical supplies, masks, disinfectants and protective equipment that have been made freely available

- 2.1.4. Coordinate diplomacy against the imposition of export limits on essential medical supplies and staple foods
- 2.1.5. Ensure safe access to imported inputs and spare parts
- 2.1.6. Ensure safe fishing trade
- 2.1.7. Facilitate safe land-border trade
- 2.1.8. Limit the impact of lockdown restrictions on important export earners

Strategy 2.2. Connect producers to export opportunities

Most producers in Sierra Leone are unaware of export trade opportunities, including those created by Sierra Leone’s participation in international trade agreements. Sierra Leonean exporters can already benefit from considerable preference margins for certain priority products in the US, EU, Chinese, MRU and ECOWAS markets. Strategy 2.2 connects producers to these opportunities firstly by building awareness of them, and secondly by supporting businesses to take advantage of them through export seminars. As export compliance procedures and market opportunities vary by preferential trade agreement, this Strategy adopts a segmented market approach targeted to a small number of selected, high-potential businesses.

Short-term Activities (Year 1):

- 2.2.1. Support SLCCIA and other trade associations/unions with a Trade Opportunities Communication and Visibility Campaign targeting export diversification to build back better from the COVID-19 crisis
- 2.2.2. US Export Seminar (AGOA)

Medium-term Activities (Years 2-5):

- 2.2.3. EU Export Seminar (EBA)
- 2.2.4. MRU and ECOWAS ETLs Seminar

Strategy 2.3. Implement the National Trade Facilitation Strategy

MTI prepared a Trade Facilitation Strategy 2019-2024 to meet its obligations under the WTO Trade Facilitation Agreement. These obligations are closely linked to those of Sierra Leone under the AfCFTA Agreement and can be tackled in tandem. Strategy 2.3 recognizes this as a key initiative in Pillar II Supporting Trade and seeks to ensure its effective implementation by providing capacity building training for the members of its oversight committee and attracting resources towards its operationalization.

Short-term Activities (Year 1):

- 2.3.1. Provide capacity training for National Trade Facilitation Committee members on AfCFTA-related trade facilitation provisions*
- 2.3.2. Host a Donor Roundtable to mobilize resources for actions of the National Trade Facilitation Strategy

Medium-term Activities (Years 2-5):

- 2.3.3. Encourage customs administrations to adopt the WCO Gender Equality Organizational Assessment Tool
- 2.3.4. Develop a plan for the creation of export processing facilities

**Recurrent*

Strategy 2.4. Enhance the Business and Trading Environment

MTI has a role to play in coordinating with other sectoral and infrastructural Ministries to prioritize investments that support trade. It can also leverage political relationships with sub-regional partners to enhance cooperation for trade facilitation across borders.

Immediate Activities:

- 2.4.1. Ensure that the ‘labour-based public works programme’ of the COVID-19 Quick Action Economic Response Programme rehabilitates roads that facilitate trade

Short-term Activities (Year 1):

- 2.4.2. Implement an electronic single window for trade documentation*
- 2.4.3. Engage politically with sub-regional partners to raise and address cross-border trade facilitation issues faced by Sierra Leonean traders

Medium-term Activities (Years 2-5):

- 2.4.4. Advocate for establishment of small claims dispute settlement procedures and processes under the Fast Track Commercial Court
- 2.4.5. Prioritize trade-related infrastructure investment, including storage and sanitization facilities for small-scale cross-border traders

**Recurrent*

Strategy 2.5. Support Small-Scale Cross-Border Trade

Several activities can be undertaken to support small-scale traders in the expansion and formalization of their businesses. Small-scale trade in the MRU and ECOWAS region is of particular importance to offset lower commodity prices and reduced international trade as a result of COVID-19, but also helps to build resilience against climate-induced agricultural supply shocks to food security goods.

Short-term Activities (Year 1):

- 2.5.1. Provision of Small Trader Business Information

Medium-term Activities (Years 2-5):

- 2.5.2. Develop and enforce measures to make it safer for women to trade across borders
- 2.5.3. Provide information, training and capacity building for informal cross-border traders on their rights, customs processes, and trade negotiations
- 2.5.4. Develop and implement a Simplified Trade Regime for small-scale cross border traders

Strategy 2.6. Develop regulatory standards for trade

Sierra Leone’s businesses need to be able to prove to foreign buyers that they can satisfy international standards, while knowing that investments in standards adherence will be recognized domestically. Voluntary environmental standards and regulations, such as RSPO for palm oil, are becoming increasingly important among purchasing preferences in destination markets.

Short-term Activities (Year 1):

- 2.6.1. Collaborate with the private sector to supplement capacity for standards testing

Medium-term Activities (Years 2-5):

- 2.6.2. Review and harmonise the regulatory framework on quality, standards, and conformity assessment in line with regional standards
- 2.6.3. Strengthen the SLSB and other Conformity Assessment Bodies to perform their functions, promote the use of private environmental standards, and raise awareness on the importance of standards
- 2.6.4. Disseminate information regarding standards through business associations and work with business associations to encourage and facilitate standards certification for members

Strategic Pillar III: Industrial Development

Industrialization, particularly through initial developments in light manufacturing, offers a pathway for economic diversification and job creation in Sierra Leone. Pillar 3 seeks to use trade policy to support the development of industry, in line with the policy actions of the MTNDP.

The most frequently cited major obstacles identified by manufacturing firms in Sierra Leone as constraining their business are i) access to finance, ii) access to land, and iii) electricity.³ COVID-19 introduces new challenges in imported supply chain disruptions. Women-owned manufacturing businesses reported a broadly similar ranking of constraints, but with transport and access to finance identified as less of an obstacle and telecommunications, tax rates and tax administration as more of an obstacle. The relatively small number of exporting manufacturing firms surveyed in the World Bank Enterprise Survey attached greater priority to the challenges of electricity; crime, theft and disorder; and customs and trade regulations.

To address these challenges, and develop Sierra Leone's industrial capacity, the National Trade Strategies priorities the revision of Sierra Leone's Industrial Policy, improvements to the business climate that address major obstacles to manufacturing firms, and the utilisation of Special Economic Zones.

Strategy 3.1. Review and Revision of 2011 Industrial Policy

Industrial policy gives the foundational backbone and policy direction for industrial development. Strategy 3.1 seeks to review the appropriateness of the 2011 Industrial Policy of Sierra Leone and propose revisions, where necessary, to sharpen its focus and reflect new developments. A renewed industrial policy can in turn establish a framework for informing national planning and galvanizing industrial development in Sierra Leone. The renewed Policy should reflect priorities of the COVID-19 recovery, threats owing to climate change, and regional trade opportunities created by the AfCFTA, as well as particular opportunities for women-owned businesses.

Short-term Activities (Year 1):

- 3.1.1. Review and, where necessary, update and align the 2011 Industrial Policy with ECOWIP, and mainstream gender where possible using gender analysis by sector

Medium-term Activities (Years 2-5):

- 3.1.2. Use Industrial Policy to anchor national planning

Strategy 3.2. Address Major Obstacles to Manufacturing Firms

Manufacturing firms cite a number of major obstacles to their operations, while improving the businesses regulatory environment is a policy action of the MTNDP. Action in these areas requires cross-government coordination and resources and can help support manufacturing and industrial development with positive spillovers for other sectors. Strategy 3.2 targets the development of manufacturing exports through coordinating improvements to the business environment and the implementation of the 2019 Doing Business Reform Roadmap for Sierra Leone.

Short-term Activities (Year 1):

³ Author's analysis based on 2017 Enterprise Surveys, World Bank

- 3.2.1. Finalize an implementation plan for the Doing Business Reform Roadmap and mainstream gender where possible

Medium-term Activities (Years 2-5):

- 3.2.2. Prioritize the resolution of major business obstacles into national development planning and mainstream gender where possible

Strategy 3.3. Develop Sierra Leone’s Special Economic Zones

A Special Economic Zones (SEZ) Policy exists for Sierra Leone, but it is a draft from 2013. Strategy 3.2 updates and finalizes the SEZ Policy, with inputs from stakeholders and uses it as the basis of attracting export-oriented manufacturing capacity and jobs to Sierra Leone.

Short-term Activities (Year 1):

- 3.3.1. Review, update and finalize the 2013 SEZ Policy, and design corresponding strategies including an evidence-based methodology to selecting locations for SEZs

Medium-term Activities (Years 2-5):

- 3.3.2. Facilitate the establishment of SEZs, including provisions to prevent the widening of the gender wage gap*

**Recurrent*

Strategic Pillar IV: Institutional Capacities for Policy Formulation and Implementation

No trade strategy can be implemented without delivery capacity. Having hindered Sierra Leone in past such endeavours, and being an explicit priority of stakeholders interviewed, this is the backbone of the National Trade Strategy.

Institutional capacities for trade are notably constrained in the Sierra Leonean public sector, which faces acute difficulties in delivering upon its mandate due to over-stretched professional staff, inadequate financial resources and limited recognition or mainstreaming within national development and sectoral plans. Coordination on trade issues across the public sector is weak and donor collaboration is underdeveloped. Dialogue with the private sector is limited, as is the availability of quality trade data for policy analysis and the mainstreaming of trade and gender.

The purpose of Pillar IV is to strengthen the national processes and institutions to lead the formulation, implementation, and coordination of the trade agenda in both the public and private sectors.

Strategy 4.1. Create the missing professional cadre

MTI lacks fundamental evidence-based policy formulation and delivery capacity. Strategy 4.1 aims to conclude and build upon change management interventions identified by MTI to restructure and capacitate the professional wing, while ensuring that existing capacities are retained.

Short-term Activities (Year 1):

- 4.1.1. Conclude structural reorganization and change management
- 4.1.2. Source temporary capacity*
- 4.1.3. Consolidate professional staff cadre*
- 4.1.4. Increase professional staff cadre, prioritising inclusiveness and competence*

Medium-term Activities (Years 2-5):

- 4.1.5. Retain capacity*

**Recurrent*

Strategy 4.2. Upskill the professional cadre

Staff highlighted several areas where skills could be developed. Strategy 4.2 improves the capabilities of MTI through structuring regularized, ad hoc, preparatory, and induction training.

Short-term Activities (Year 1):

- 4.2.1. Create annual general skills development programme with educational institutions*
- 4.2.2. Build trade and gender capacity, including providing gender-responsiveness and gender mainstreaming training for MTI staff and desk officers of related agencies*
- 4.2.3. Build trade statistics capacity through partnerships with SSL, educational institutions, and international institutions *
- 4.2.4 Build technical capacity on provisions in trade agreements*

Medium-term Activities (Years 2-5):

- 4.2.5. Develop MTI Induction training programme
- 4.2.6. Design training programme for customs and immigration officials at border crossings on AfCFTA provisions to be introduced, in collaboration with relevant MDAs and agencies, including considerations relating to small-scale cross-border trade, gender, and identifying intellectual property infringement

**Recurrent*

Strategy 4.3. Cultivate relationships with policy research institutions

In the short-to-medium term, even under optimal projections, MTI will lack policy formulation capacity. Strategy 4.3 seeks to sustainably outsource policy research function where appropriate, while striving to better insert Sierra Leonean trade research priorities (for instance, those related to WTO fisheries negotiations) within international trade policy think tanks, research institutes, and forums.

Short-term Activities (Year 1):

- 4.3.1. Foster sustainable policy research outsourcing*
- 4.3.2. Encourage Sierra Leonean trade research priorities within international trade policy think tanks and forums and foster strategic partnerships at the WTO with nations committed to sustainable fishery outcomes*

Medium-term Activities (Years 2-5):

- 4.3.3. Develop a mechanism for utilising the results of research and recommendations in policy improvement

**Recurrent*

Strategy 4.4. Improve policy coordination

A key hindrance in effective policy delivery has been deficient policy coordination within government. Strategy 4.4 aims to build on the re-establishment of the NCCT official coordinating mechanism, as envisaged in Strategy 1.1, to improve policy coordination by inviting other economic agencies into MTI annual planning. Effectively implementing Strategy 4.4 is dependent on improving MTI staff resources to allow MTI to better function as an economic policy secretariat. Over the longer term, Strategy 4.4 seeks to better mainstream trade within national development planning.

Short-term Activities (Year 1):

- 4.4.1. Develop an inter-ministerial plan for trade and borders during crises to ensure limited disruption to flows of essential goods and persons in the event of partial or full border closures or disruptions, drawing on lessons from the Ebola and COVID-19 crises
- 4.4.2. Coordinate inter-ministerial annual planning*
- 4.4.3. Host biannual planning coordination meetings with trade-relevant donors*

Medium-term Activities (Years 2-5):

- 4.4.4. Mainstream trade within national development planning*

**Recurrent*

Strategy 4.5. Strengthen private sector cooperation

Broad stakeholder consultations are required to legitimize trade policy and negotiations development and implementation processes. The involvement of the private sector in deliberations on trade related policy and issues is ad hoc and limited in scope. A re-established NCCT and trade mainstreaming would require effective participation of the private sector through their Business Associations. Business Associations in Sierra Leone are characterized by a generally under-developed capacity, lack of advocacy skills, expertise, and information. Strategy 4.5 aims to improve the private sector’s participation in trade policy coordination, development, and dissemination processes by strengthening their capacities. This will ensure that the private sector contributes effectively to mainstreaming trade into the national development agenda.

Short-term Activities (Year 1):

- 4.5.1. Establish an apex body for coordination of a public-private dialogue and advocacy functions of all Business Associations and empower SLCCIA to host the PPD platform

Medium-term Activities (Years 2-5):

- 4.5.2. Improve the organizational effectiveness and capacities of Business Associations*
- 4.5.3. Revitalize the national Public Private Dialogue on trade-related issues*
- 4.5.4. Build strategic partnerships that promote support in the design of interventions for women’s full participation in trade and business empowerment*
- 4.5.5. Engage professional associations to participate in initiatives and investments in border facilities supporting cross-border traders, particularly addressing the safety of women*

**Recurrent*

Strategy 4.6. Improve the availability of reliable trade and statistical data

This Strategy aspires to ensure that both domestic and foreign businesses, investors and development partners are able to regularly access accurate gender-sensitive trade statistics and market information to make informed decisions on doing business in Sierra Leone. Apart from trade statistics, information should be made available covering market access requirements, commodity prices, national trade regulations and non-tariff barriers.

Short-term Activities (Year 1):

- 4.6.1. Review current trade database needs (including for sex-disaggregated data) and availability and collaborate with Statistics Sierra Leone to identify trade-related indicators, establish inter-agency process to regularly collate figures from various sources, and establish integrated trade and market information systems to store and share data*

Medium-term Activities (Years 2-5):

- 4.6.2. Build MTI capacity (including of trade monitors) to collate, analyse, visualise, and apply evidence from various trade data sources to decision-making in MTI priority areas*

- 4.6.3. Engage in data and statistics partnerships (including with the private sector) for data and capacity improvements, including updating the Global Trade Data Observatory and African Trade Observatory and private sector collaborations for improved sector-specific, shipping and transport data*

**Recurrent*