

Sierra Leone

Diagnostic Trade Integration Study of The Integrated Framework for Trade-Related Technical Assistance

Preparatory Mission, July 4-8, 2005

Aide-Memoire

1. A mission of the World Bank visited Freetown, Sierra Leone, July 4-8, 2005. It consisted of Philip English, Trade Coordinator for West Africa, and Dirck Stryker, consultant. Adama Coulibaly (FAO trade specialist, Regional office in Ghana) joined the mission. A parallel mission was conducted by David Luke (UNDP trade official, Geneva office) and Massi Sahami (UNCTAD). The purpose of the World Bank mission was 1) to clarify the objectives of the IF process and the DTIS study in particular; 2) to identify priority themes; 3) to come to an agreement on the way in which the study will be conducted; and 4) to coordinate with other multilateral and bilateral agencies.
2. The mission wishes to thank the Government of Sierra Leone and notably the Minister of Trade and Industry, Dr. Kadi Sesay, and her staff for their exemplary support to the mission. Indeed, the mission could not have been more productive, thanks to the full schedule organized entirely by the IF focal point in MTI, Beatrice Chaytor, Director of Policy and Planning, with the able support of Edison Borbor.
3. The proposed study is clearly a high priority for the Government of Sierra Leone, which has taken full ownership of it, and all the necessary measures to ensure its success. MTI has established an IF Steering Committee encompassing all the key Ministries as well as the private sector. In addition, a special sub-committee of Cabinet has been created to oversee the IF exercise. MTI also held the second meeting of the Public-Private Dialogue Forum during the mission's visit in order to raise awareness of the IF program and solicit feedback. Minister Sesay and four other Ministers attended and participated in the Forum. MTI has already sent a mission to Rwanda to learn from their experience with the IF program, and they have requested support from UNCTAD to hold a national IF workshop in October. All this bodes very well for a successful IF program in Sierra Leone.
4. It was stressed repeatedly to the mission that this study must be completed as expeditiously as possible, and that it must result in a set of practical recommendations which are duly implemented. The mission fully endorses these concerns and is committed to meeting these expectations, while recognizing that both will also depend on the efforts and commitment of the government.
5. As agreed with MTI, the mission will prepare terms of reference for the DTIS to be submitted to MTI by the end of July. These will only be finalized once

comments have been received from the Government and both sides are satisfied that the Government's priorities are properly reflected. A team of local and international consultants will then be assembled by the World Bank, with the final composition depending on whether the required expertise is available in Sierra Leone. Where international consultants are required, local counterparts will be recruited wherever possible to work alongside them. The proposed team will be discussed with MTI for their approval. Assuming all goes well, the main mission is planned for mid-October, immediately after the pre-DTIS workshop planned by UNCTAD.

6. The content of the DTIS and the composition of the DTIS team were discussed extensively with government, multilateral agencies, bilateral donors, and the private sector. It was agreed that the Study will focus both on specific subsectors of the economy and on cross-cutting themes. Understanding that the terms of reference have yet to be properly drafted and discussed with MTI, the preliminary outline for the study looks as follows.

Sub-sectors:

Agriculture: The agricultural sector has been the subject of a recent sectoral assessment. Two local consultants who worked on that assessment will be recruited for the DTIS team. These consultants will make available the principal results of the assessment and will undertake further analysis of the export sub-sector in such areas as cocoa, oil palm, pineapples, cashews, ginger, and fruits and vegetables.

Agro-Industry and Forest Products: An international consultant will be recruited, preferably with experience in Côte d'Ivoire, in the area of agro-industry and how this relates to agriculture. Areas to be examined include estate-outgrower-processing complexes; canning, drying, and freezing of fruits and vegetables, oilseed pressing and refining, forest products, and other ways in which value added in agriculture can be enhanced.

Fishing: A consultant will be recruited to examine the fishing sector in order to identify principal bottlenecks, including those related to meeting SPS standards required for renewed exports to the EU.

Mining: There have been a number of recent assessments made of the mining sector, and another is currently in progress. A local consultant who has worked on these studies will be recruited to make their results available for the DTIS. This will apply both to large scale mining and alluvial, artisanal mining, especially of diamonds. The ways in which the diamond trade interacts with other sectors will be examined.

Manufacturing: No particular attention will be paid to individual manufacturing sub-sectors. However, much of the analysis of the cross-cutting themes will be highly relevant to manufacturing.

Tourism: An international consultant will be recruited to examine the tourism sector in such areas as beach, eco, and cultural tourism.

Financial Sector: The Team Leader will look at the financial sub-sector primarily from the perspective of its role as an input into other sectors. He will recommend further steps towards a more comprehensive review of the sub-sector.

Cross-cutting themes:

Macroeconomy: The Team Leader will review the extent to which the macroeconomic situation may be an impediment to trade with respect to the fiscal balance, inflation, interest rates and the exchange rate.

Trade Performance and Policy: The team will review the current status of trade flows as well as historical data. It will analyze the range of trade negotiations in which MTI is currently involved and provide some guidance on how it might prioritize among them. The study will build on the WTO Trade Policy Review

Customs and Trade Facilitation: This area will receive strong emphasis. An international consultant will be recruited to examine customs administration, export-import procedures, port capacity, and other areas where policy reform and capacity building is needed.

Transportation: Existing sector assessments will be used to identify priorities in this area. In addition, the analysis of agriculture, agro-industry, and mining will also contribute to identifying road transport priorities.

Energy, Water, and Telecommunications: Existing studies and local expertise will be relied upon to identify priorities for trade in these areas.

Business Environment: A recently completed study of administrative barriers will be used along with local expertise to identify priorities for trade in this area.

Institutional Reform and Capacity Building: The Team Leader will review the current institutional structure related to trade, along with a number of recent studies and reforms currently underway, in order to identify further reforms and capacity building needs. This will pertain not only to the government but also to public-private partnership arrangements.

Trade and Poverty: The study will summarize how and to what extent international trade can play a role in poverty reduction. This will help the Government mainstream trade into the PRSP, in keeping with one of the primary objectives of the IF process.

7. The mission appreciates the participation and support of the FAO during this preliminary mission and looks forward to their close cooperation during the main mission. The FAO local and regional offices will advise the consultants covering the agriculture and fisheries sectors, review their draft reports, and help assess the capacity-building needs for agricultural trade negotiations.

Freetown, July 8, 2005

Philip English
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World Bank