

AID-FOR-TRADE: CASE STORY

SIERRA LEONE

PROGRAMME: SUPPORT TO CASH CROP (COCOA AND COFFEE) PRODUCTION IN THE DISTRICTS OF KENEMA, KONO AND KAILHUN IN SIERRA LEONE

Date of Submission: 20th January, 2010

Region: West Africa

Country: Sierra Leone

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- ❖ **Approach/Process: Participatory with consultative meetings, workshops, seminars with particular attention in rural communities engaged in Cocoa and Coffee Production in the Eastern Province of Sierra Leone.**

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Executive Summary

The Sierra Leone Agenda for Change (2008-2012) is the overall national development strategy initiative by the Government. This official development programme documents encompasses the Second Poverty Reduction Strategy Paper with clear focus on overall development priorities for Sierra Leone. Considerable progress has been made in the course of implementing the country's first Poverty Reduction Strategy, which ear-marked key areas, especially in peace consolidation and promoting security after a decade long civil conflict. Relatively high economic growth rates were also achieved as well as low inflation and macroeconomic stability.

Sierra Leone is a recipient of aid from major donor partners like the World Bank, UN and its development agencies, USAID, DFID as well as partner countries in development. The Aid for Trade initiative is an important and laudable intervention by the international development community as it helped to assist the country in identifying its development priorities. It has been recently acknowledged that trade and development are inseparable and the Aid for Trade package has been tied to the many development interventions of the Government and its partners.

Undoubtedly, Sierra Leone has been highly commended by the Executive Secretariat of Aid for Trade in Geneva, Switzerland for taking the lead in accessing Sierra Leone's quota in Aid for Trade Fund and translated into productive developmental activities. Its role in adopting International and Regional policies into National Development Agenda was acknowledged by development partners, especially for putting up visible comparable structures and at the same time undertaking discernible modern reforms to improve the investment climate. Realizing its significance to our national development, the Government of Sierra Leone through the Deputy Minister of Trade and Industry with the coordination of the Enhanced Integrated Framework

Secretariat, in 2009 presented a paper titled: "Mainstreaming Aid for Trade into the National Development Agenda: The Sierra Leone Experience."

1. Key issues

Sierra Leone's Agenda for Change is the country's national strategic planning document for national and international support. It prioritizes four catalysts for change identified as follows:

1. Provision of reliable power supply to the country,
2. Moving from a pro-poor growth perspective, raising quantity and value-added productivity in agriculture and fisheries that is critical to poverty reduction as the majority of country's population engaged in agricultural and fishing activities. We have identified the development of agribusiness as strategic because of the possibilities it represents for food security, revenue generation and wealth creation.

This will specifically address:

- a) Increase agricultural productivity; in particular among the rural poor smallholders, who constitute the poorest segment of society, through a variety of support measures along the entire agricultural value chain, from pre-planting to marketing,
 - b) Promote diversified commercial agriculture through the private sector;
 - c) Improve agricultural research and extension service delivery;
 - d) Promote efficient and effective resource management systems
 - e) Improve agricultural output through value addition, post harvest loss reduction, agro-processing, packaging and building rural market infrastructure;
 - f) To manage and exploit Sierra Leone's fishery and marine resources.
3. To develop a national transportation network to enable the movement of goods and people and thereby facilitate increased investment and economic activity.
 4. To ensure sustainable human development through the provision of improved social services. Effective delivery of basic social services is essential for ensuring economic growth and poverty reduction.

2. Objectives

The overall objective of Sierra Leone's Aid for Trade Case Story 2011, is embedded in building productive capacity interventions in strategic sectors that will have an impact on trade liberalization, increases production and quality standards improvement in certain export commodities like cocoa and coffee. This case story focuses on the project: "Support to Cash Crop (Cocoa/Coffee) Production in the Districts of Kenema, Kailahun and Kono" in the Eastern Province of Sierra Leone (SLE 1006-07, EU: SL/RFMO/2006/003). The EU co-financed the project while Welthungerhilfe was responsible for the implementation of the project under the Stabilization of Export Earnings of Agricultural Commodities (STABEX) programme of EU. It was envisaged to reach a target group of about 3,500 farm families.

The project, among other things, aimed at improving income and well-being of farm households through supporting cocoa and coffee production by:

- a) Increasing the quantity of production through training in improved production techniques,
- b) Increasing the quality of production through training on improved processing, provision of fermentation and drying facilities, the provision of stores, the establishment of a quality control system and the development of an organic production and marketing manual,
- c) Improving the marketing of cocoa and coffee through support of organic and fair trade certification, setting up an Internal Control System (ICS) for quality produce, undertaking market studies on coffee and cocoa, provision of transport for the produce, improvement of feeder roads and building up exporting capacities of farmer associations engaged in the cocoa/coffee industry and,
- d) Strengthening farmer associations through supporting the institutional building process and to facilitate exchange visits and access to finance.

3. Methodology

The Ministry of Trade and Industry is the focal point in outlining an achievable Aid for Trade Case Story for Sierra Leone. However, in doing this over the years, the Ministry has engaged in the process of involving other key stakeholders to make the process more representative. The Ministry of Trade and Industry hold series of consultations with other Ministries such as Finance and Economic Development, Tourism, Agriculture, Transport, Energy and Water Resources and Works and Infrastructure, Central Bank as well as private sector organizations and international partners like the UNDP, UNIDO, etc.

The following methodologies were used:

- a) Desk surveys of fragmented aid for trade issues with particular attention on cocoa and coffee production in the Eastern Province of Sierra Leone and,
- b) Inputs of information by concerned sectoral line Ministries, Departments and Agencies as well as other stakeholders (private sector organizations, development partners, etc).

5. Constraints

A number of constraints were encountered at the initial implementation phase of the project. Some of these constraints vary as follows:

- i. Quality
- ii. Price
- iii. Market Access

iv. Packaging

5.1. Key Successes

The Aid for Trade Case Story is an effective and efficient means of measuring success in specific identified priorities of country's development. So far, overall success has been achieved in the identified priorities of the country's National Development Strategies and trade has been mainstreamed into the National Strategic Development Plan of the Sierra Leone. The key developmental initiatives include:

Trade Policy & Regulations

Sierra Leone is in the process of reviewing its draft Trade Policy document with the objective of creating a more conducive investment climate for investors. Significant steps have been undertaken in ensuring new investment to selected infrastructure to qualify for tax relief on unrelated income of investors coming to Sierra Leone.

Economic infrastructure

- The completion of the Doing Business Reform package which has improved business startup rating of the country.
- Quarterly Public/Private Business Interactive forum.
- Ongoing Business Bomba Competition AFORD (SL) and DFID)

Agriculture

- Japan International Cooperation Agency (JICA): Rice and aqua-culture development in Boliland in Sierra Leone.

Energy

- Commissioning of power generation projects across the country, e.g the Lungi International Airport which is ongoing; Makeni in North (1st phase completed)

Establishment of a National Steering Committee

This is co-chaired by the Ministry of Trade and Industry and the Ministry of Finance and Economic Development with representation from other key players.

Infrastructure

- Road Network initiatives in Sierra Leone since 2007 in (km)

	Paved	Gravel/Earth	Total
Primary Roads	756	1384	2140
Secondary (Gravel)	24	1880	1904
Feeder Roads	0	4152	4152*
Urban Roads	35	1	36
Local and Streets	80	2988	3068
Total Length of Roads	895	10405	11300

Currently, there are ongoing road development projects to connect the Capital of Freetown and major provincial towns and cities. Some wholly supported and implemented by the Government and others with support from development partners.

5.2 Challenges

- A) Capacity building
- B) Implementation issues (e.g WTO procedures)
- Donor constraints (i.e, coordination, harmonization of resources, conditionality)

6. Results Achieved

So far, some results have been achieved. These include:

- i. There has been an improvements in quality of produce through better processing
- ii. An increase in yields can be expected after the end of project. Overall farmers' incomes will increase because of project intervention.
- iii. Rehabilitation of existing plantations and replanting activities will increase yields per hectare. Farmers can sell higher quantities of produce and thus increase their household incomes
- iv. improved quality produce will render higher prices on the world market

7. Learning Outcomes

A number of lessons have been learnt. Notable of these are:

i. **Sustainability**

Improved tree crops management, agro-forestry practices for out-planting and organizational development of the cooperatives requires a longer timeframe to show sustainable impact.

ii. **Relevance**

The core concern of the target group is to secure their livelihood through income from agricultural production. Increasing income from cocoa and coffee is relevant to the core problems of the target groups as the income can be used for staple food purchase.

iii. **Self-Reliance**

“Helping people help themselves” is a core concern of the project intervention. Target groups at all levels are empowered to be able to continue to grow cocoa and coffee and to market it.

8. Conclusions and Recommendations

- a) Need to improve seedlings varieties for quicker yields,
- b) Development of resistant strains to certain fungal and bacterial attacks and the use of natural pest control factors
- c) Alternative solutions to pre-financing to farmers should be promoted (e.g. by exchange visits to communities which work with working groups based on labour exchange, including widows)
- d) Since this is a pilot project, lessons learnt have to be comprehensively documented,
- e) By Sierra Leone adopting the following priorities: Diversification of export, improve value chain addition and market competitiveness will lead to economic growth Increase in Aid for Trade support for new sector accessibility and,
- f) Application of benchmarks in training for facilitators in improved agricultural practices.