Increasing Sierra Leone Export Competitiveness through Improved Product Packaging

1. Background

The Trade Competitiveness Section (TCS) at the Commonwealth Secretariat is mandated to support member countries to improve their trade competitiveness through the delivery of capacity building projects in export development. TCS is assisting the Government of Sierra Leone (GoSL) through the Ministry of Trade and Industry (MTI) and the Sierra Leone Investment and Export Promotion Agency (SLIEPA) to expand and diversify the export base by raising the capacity of Sierra Leone exporters to upgrade the quality of packaging to international standards. Improving packaging of goods produced by Sierra Leonean exporters will help to improve their global competitiveness, by ensuring compliance with international standards and building on the aesthetic appeal of goods to sophisticated global consumers.

Sierra Leone is a largely agrarian economy, highly dependent on agricultural production and natural resource extraction. It is a fragile state, on the brink of emerging from this status after a protracted civil war which decimated its social, political and economic environment. The outbreak of Ebola in May 2014, has further negatively impacted its economy and social fabric and will have ongoing ramifications for Sierra Leone’s export competitiveness in the short to medium term. Since mid-2014 the country has experienced negative income growth and the World Bank estimates a loss of US$900 million in forgone economic growth in 2014/15. Yet, there is a growing expectation that with continued vigilance and robust effort to eradicate the disease all three affected countries will realise a zero rate of transmission.

Sierra Leone has a youthful population with 63% of its citizens under the age of 25 years. Generally, a large percentage of young people have limited education and low vocational, employable skills, which has created huge pressure on the GoSL to widen livelihood opportunities for young people, through sustainable job creation.

One of the key issues that the GoSL has been grappling with as it pursues economic growth strategies is the diversification of the economic base, away from it’s over reliance on a few commodity based exports, which comprise nearly 85% of export volumes. The manufacturing (including agro-processing) sector is identified under Sierra Leone’s current Poverty Reduction Strategy Paper (PRSP), the ‘Agenda for Prosperity’ as one of the four sectors pivotal for diversification and accelerating inclusive economic growth.

The GoSL recognises that insufficient value addition is being undertaken in the agro-processing sub-sector, effectively locking exporters out of the higher value end of lucrative global supply chains and contributing to a negative trade balance for processed food and beverages (Sierra Leone is a net food importer). A key challenge is that Sierra Leone’s agro-processed products remain largely uncompetitive in international markets. One of the drivers of lack of competitiveness of agro-processed and light manufactured goods is the poor quality of packaging. High quality packaging is a marketing tool, influencing the sale of finished products defined not only by physical appearance, feel and durability, but also by the graphics and wording on labels.
Analysis carried out under the Sierra Leone National Export Strategy (NES) 2010-2015 process revealed that there is insufficient appreciation of the importance of a packaging industry. Sierra Leone has a nascent packaging industry which is under-resourced from an investment, human resource and technological capacity perspective to deliver an international standard of service to exporters. Sierra Leonean exporters require support to raise their technical understanding of international requirements (which are increasingly being adopted in large regional markets too) and to upgrade packaging used in order to conform to those standards.

A consultancy company/expert is required to produce a Needs Assessment Report which clearly outlines the service needs of exporters; a Diagnostic Report which summarises packaging supply capacity nationally/regionally; and a Strategic Action Plan. The expert will support the implementing agency to pilot the SAP to improve access to quality packaging.

2. Scope of Work

Stage 1: Inception Mission, Industry Diagnostics and Needs Assessment

a) Undertake consultation with packaging manufacturers/suppliers, apex supporting agencies to the packaging industry, trade associations and donors etc., to identify what capacity building work has been done so far to improve the quality, sustainability, standard and cost-efficiency of packaging. Identify any planned interventions in packaging on the horizon. Compile data and analyse.

b) Stakeholder dialogue (launch meeting, one-to-one meetings and focus group meetings) directly with exporters from the agro-processing and light manufacturing sub-sectors to establish export packaging needs and capacity gaps.

c) Identify those sectors/industries where companies already export or are ‘export-ready’ and diagnose the competitiveness of different products to identify how they may be improved through using better packaging.

d) Assess the knowledge and technical capability among manufacturers/exporters to define packaging specifications and accurately outline their requirements.

e) Produce a Needs Assessment Report to be discussed with stakeholders.

f) Conduct market analysis of the national packaging industry, focusing on traditional packaging (cardboard, plastics, wood, glass and metal) and also identify alternative, sustainable packaging materials (natural fibres) where appropriate. Include key regional suppliers in the analysis.

g) Produce a Diagnostic Report of findings, which includes a matrix that maps gaps in packaging capacity of companies in the key sectors.

h) Facilitate a National Consultative Meeting to consider findings of the Diagnostic Report and Needs Assessment.
**Stage 2: Design of Strategic Action Plan and Pilot of implementation**

a) Draft a Strategic Action Plan which will be used to support the manufacturers and exporters to access quality packaging. The SAP should recommend short, medium and long-term actions to be undertaken to develop the local packaging industry and/or build regional partnerships; including key milestones to help raise national standards.

b) Review existing institutional mechanisms of the key implementing agency to support the implementation of the Strategic Action Plan.

c) Design a SAP Pilot Framework that will be implemented through identified companies who will be assisted to upgrade the packaging of one of their prioritised export products.

d) Define criteria and identify the companies from the targeted sectors (using data obtained at Stage 1 above) to participate in the pilot.

e) Facilitate a National Consultative Meeting on the Strategic Action Plan.

f) Test the Strategic Action Plan on the selected companies through implementation of the pilot, in partnership with the apex implementing agency.

g) Finalise the Strategic Action Plan and implementation plan documents.

3. **Key Outputs/Deliverables**

a) An Inception report following the first mission to Sierra Leone, 6 weeks from contract signature.

b) Draft Needs Assessment Report and the Draft Diagnostic Report delivered by week 16. Findings from these reports to be presented at a National Consultative Meeting by week 22. Finalise the two reports, taking into account inputs from the consultative meeting.

c) Draft Strategic Action Plan delivered by week 26 and discussed at a 2nd National Consultative Meeting by week 30.

d) Test the Plan by delivering capacity building expertise during the pilot to the identified companies by week 40. Submit summary report on pilot findings.

e) Finalised Strategic Action Plan and implementation plan submitted at the end of the consultancy - by week 46.

4. **Approach and Implementation Arrangements**

This project will be delivered in partnership with the Ministry of Trade and Industry (MTI) and the Sierra Leone Investment and Export Promotion Agency (SLIEPA), a government funded, statutory body mandated to develop the export sector and encourage domestic and foreign investments in strategic sectors. The Sierra Leone Standards Bureau is also expected to play an important role in helping to shape the Strategic Action Plan.
The assignment will be delivered through a stakeholder-driven approach in partnership with the MTI and SLIEPA. The consultant(s) is expected to facilitate/moderate a number of Stakeholder Dialogue consultations and other meetings at key stages of the assignment. The project will be supervised by the Trade Adviser, Commonwealth Secretariat. In-country support, including administrative backstopping and an office base will be provided through SLIEPA.

This project will mainstream gender and therefore deliverables are expected to reflect that the gender dimension in the delivery of outputs has been taken into account. The successful consultant(s) will need to ensure that stakeholder consultation and subsequent analysis captures the differential needs of male and female owned export businesses to ensure that the final product (the Strategic Action Plan) is gender equitable in its design.

5. Qualifications and Expertise

The consultant should have experience in the following areas:

- A graduate degree in international trade, economics or international business. A well-recognised qualification in marketing will be an added advantage.
- Good understanding of the importance of packaging in production processes for exporters. In particular plastics, cardboard, glass packaging and the new polymers used in packaging products. Skills should be developed over at least 8 years of professional or industry experience.
- A thorough understanding of quality and standards in the packaging industry, particularly as they relate to international standards for market access.
- Good understanding of the needs of small and medium-scale enterprises (SMEs)
- Strong international experience in export development.
- Experience in benchmarking packaging industries against the ‘best in class.’
- Ability to work with a broad range of stakeholders, including policy makers at the highest level.
- Excellent report writing skills, including the ability to synthesize ideas and present these in a clear and consistent manner understandable to non-specialist stakeholders.
- Experience of working in West Africa specifically or Sub-Saharan Africa generally would be an advantage.

6. Level of Effort

This project is planned to span 11 months, from July to May 2015, with an effective level of effort of 100 days in total.

7. Reporting Arrangements

The successful consultant will sign a contract with the Commonwealth Secretariat which will be responsible for making contractual payments and managing delivery of inputs.

8. Project Budget

The budget for this project is estimated at £52,250 (to cover fees, airfare, local travel and per diem)