

Report on the Quick Action Economic Response Programme (QAERP)

Private sector platform's inaugural virtual
public–private dialogue

8 May 2020



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Abbreviations and acronyms

BMOs	Business Membership Organisations
BSL	Bank of Sierra Leone
CAPPA	Commercial Agricultural Producers and Processors Association
DSTI	Directorate of Science, Technology and Innovation
EOC	Emergency Operation Centre
GoSL	Government of Sierra Leone
ISL	Invest Salone
MOF	Ministry of Finance
MTI	Ministry of Trade and Industry
NRA	National Revenue Authority
PPD	Public–Private Dialogue
PSP	Private Sector Platform
QAERP	Government’s Quick Action Economic Response Programme
SLCCIA	Sierra Leone Chamber of Commerce, Industry and Agriculture
SMEs	Small and medium-sized enterprises



Introduction

On the 9 April 2020, the Government of Sierra Leone (GoSL) held a virtual consultation with the private sector to discuss the impacts of COVID-19 on the country's economy. The virtual meeting, facilitated by Invest Salone (ISL), is the first of a series of dialogues to be held in support of the government's Quick Action Economic Response Programme (QAERP) during the COVID-19 crisis. The purpose of the meeting was to explore areas where consensus exists between the public and private sectors to act in the public interest. The aim of the dialogue was to take areas of concerted action offline for more detailed discussion and resolution. Participants were from key ministries and agencies in government, with the private sector represented by business membership organisations, including the Sierra Leone Chamber of Commerce, Industry and Agriculture (SLCCIA). Importers of essential commodities, logistics companies, commercial banks and fuel companies were also in attendance.

The QAERP consists of technical working groups on commodity supplies, support to small- and medium sized-enterprises (SMEs), social protection, public works and local food production. It is also an opportunity for the private sector to support the government's efforts during this time of crisis. One of the key concerns of the government at this time is to ensure Sierra Leoneans are able to purchase essential commodities, such as rice, fuel and vegetable oil at affordable prices during the COVID-19 crisis.

Other concerns are around fluctuations of prices of essential commodities and the fate of small and medium-sized enterprises involved in the production of local foods, with a need to have monitoring mechanisms to ensure businesses use GoSL facilities that have been developed in response to COVID-19 for the designated purpose.

There was encouragement from the Minister of Trade and Industry for the private sector to make best use of the Bank of Sierra Leone (BSL) facility, which recently announced a Le500bn stimulus package to support the production, procurement and distribution of essential goods and services. The measure initiated by the Bank is to give low interest loans to the private sector for importation of essential commodities during the COVID-19 emergency response.

A survey of business across a number of sectors conducted early in April 2020 by ISL was presented during the meeting. Results of the survey showed that over 70% of businesses expected sales to fall in the coming months with over 90% expecting the pandemic to adversely affect their business, whilst only 40% were aware of the government's intervention packages, such as tax deferments, special loans and credit facilities.

Other important issues discussed were around what government and business leaders from different sectors can do to minimise the worst economic effects of the COVID-19 crisis. Of particular concern to the Government of Sierra Leone were the availability of essential commodities, stock levels in the medium term, price stability, COVID-19 impact on businesses, including small and

medium-sized enterprises and the ensuing unemployment threats, and how the private sector can make best use of the Bank.

The meeting focused on essential commodity stock levels, drivers of prices, and the impact of COVID-19 control measures, such as lockdowns.

As an immediate follow-up to the first meeting of the Private Sector Platform (PSP), the QAERP High-Level Coordinating Group requested that ISL, in its capacity as facilitator of the platform, give an update on GoSL's initiatives to support importers of essential commodities. A rapid survey of importers and commercial banks was undertaken, to collect responses, using a questionnaire and follow-up telephone conversations. The aim of the update is to assess the effectiveness of the tax deferment and BSL facilities, in order to inform policy makers about potential refinements and additional support.

Measures agreed

1. There is understandable concern surrounding available essential commodities. However, there is a need for concerted government/private sector action in the critical area of agricultural inputs (seeds and fertiliser) – where the private sector can play an important role – prior to the imminent planting season.
2. Current rice, fuel and sugar stocks were assessed. For now, levels seem reassuring but will be kept under review.
3. Good communications channels need to be established so the private sector is aware of available facilities such as bonded warehouse capacity and the deferred taxation mechanism.
4. The Ministry of Finance (MOF), National Revenue Authority (NRA) and the private sector will explore extending port demurrage charges from 5 to 10 days, with discussions starting on 10 April.
5. Notwithstanding this, it is essential to reform port operations rather than relying on special provisions for expedited clearance of emergency goods through the port, and to push through modified processes as identified by the Directorate of Science, Technology and Innovation (DSTI).
6. Importers pointed to the challenges of availability of foreign exchange and in some cases the price of this foreign exchange, which is stretching the capacity of some companies the government is seeking assistance from. This underscores the need for more give-and-take between government and the private sector.
7. In light of new control measures, the Ministry of Trade and Industry (MTI) will continue to facilitate access to passes for private sector actors delivering essential commodities.
8. Invest Salone will support the private sector to undertake detailed work to understand intended and unintended consequences of lockdown measures (for example, on distribution channels, cost of goods, etc.).

9. The Ministry of Trade and Information will engage the Emergency Operation Centre (EOC) to develop a consultation and decision-making process involving the formal and informal private sector prior to imposition of any control measures.
10. WHO has a COVID-19 compliance mechanism that companies can adhere to and thus demonstrate their ability to enforce essential controls. One Commercial Agricultural Producers and Processors Association (CAPPA) member is already compliant and this should enable them to bypass some government control measures as reliable partners.
11. Initial indications that the Bank of Sierra Leone stimulus package is ill-suited to the petroleum industry – further one-to-one discussions are needed.

Updates

Issue	Action taken	Next steps
1. There is understandable concern surrounding available essential commodities. However, there is a need for concerted government/private sector action in the critical area of agricultural inputs (seeds and fertiliser) – where the private sector can play an important role – prior to the imminent planting season.	There has been an inaugural meeting of the National Fertilizer Regulatory Agency for which the remit and regulations will be disseminated prior to the next Board meeting.	Board to meet week of 11 May 2020 to further discuss legislation being developed for the regulatory body and map a way forward to further engage the Ministry of Agriculture on relevant issues.
2. Good communications channels need to be established so the private sector is aware of available facilities such as bonded warehouse capacity and the deferred taxation mechanism.	ISL developed a one page leaflet to assess the effectiveness of the communications. Indications are that further communications are needed to inform the private sector of the facilities available.	ISL to engage NRA on communications of the facilities available (week of 11 May 2020).
3. Notwithstanding this, it is essential to reform port operations rather than relying on special provisions for expedited clearance of emergency goods through the port, and to push through modified processes as identified by the DSTI.	ISL to engage DSTI and NRA on ports reforms (week of 11 May 2020).	ISL to engage DSTI and NRA on ports reforms (week of 11 May 2020).

Issue	Action taken	Next steps
4. In light of new control measures, MTI to continue facilitating access to passes for private sector actors delivering essential commodities.	Development and launch of the electronic E-pass system by the EOC, including guidance and criteria for concessions regarding transportation of essential commodities during lockdown, curfews and restrictions on inter-district movement.	Indications of challenges with movement of essential commodities for the informal sector and SMEs even with new system in place. ISL and SLCCIA to explore conducting rapid research to investigate the problem further.
5. MTI to engage Emergency Operation Centre (EOC) to develop a consultation and decision-making process involving the formal and informal private sector prior to imposition of any control measures.	Anecdotal indications and recent events such as those involving artisanal fishing communities indicate better consultation with private sector is needed for more inclusive decision-making with regards imposition of control measures.	ISL & SLCCIA to explore conducting rapid research to investigate problem further and engage MTI and EOC on better consultative process.
6. Initial indications that the BSL stimulus package is ill-suited to petroleum industry – further one-to-one discussions are needed.	ISL developed a one-page leaflet assessing the effectiveness of the BSL facility. Indications are that the facility is still ill-suited.	Further engagement is needed with BSL with a consideration to revisit the design of the facility to better align with its objective.
7. Current rice, fuel and sugar stocks were assessed. For now, levels seem reassuring but will be kept under review.	Stock levels are still currently satisfactory.	ISL to develop a tracker to capture food stock levels and pricing.
8. The MOF, National Revenue Authority and the private sector will explore extending port demurrage charges from 5 to 10 days, with discussions starting on 10 April.	MOF has engaged NRA on this issue and SLCCIA is currently engaging private sector players, including the Importers' Association, to assess implementation and identify challenges.	MOF and SLCCIA to provide updates to PSP on Monday 11 May to further determine next steps.
9. Importers pointed to challenges of availability of foreign exchange and in some cases the price of this foreign exchange, which is stretching the capacity of some companies the government is seeking assistance from. This underscores the need for more give-and-take between government and the private sector.	SLCCIA is currently engaging the private sector on this issue.	SLCCIA to provide updates to PSP on Monday 11 May to further determine next steps.

Issue	Action taken	Next steps
10. Invest Salone to support private sector to undertake detailed work to understand intended and unintended consequences of lockdown measures (for example, on distribution channels, cost of goods, etc.).	ISL and SLCCIA to explore conducting rapid research to assess the consequences of lockdown measures.	ISL and SLCCIA to explore conducting rapid research to assess the consequences of lockdown measures, and to engage MTI and EOC.
11. WHO has a COVID-19 compliance mechanism that companies can adhere to and thus demonstrate their ability to enforce essential controls. One Commercial Agricultural Producers and Processors Association (CAPPa) member is already compliant and this should enable them to bypass some government control measures as reliable partners.	SLCCIA is currently engaging CAPPa on this issue.	SLCCIA to provide updates to PSP on Monday 11 May to further determine next steps, including informing proposed rapid research on the consequences of lockdown to engage MTI and EOC on solutions.

Conclusion

One of the outcomes of this initial PPD was there are now more frequent invitations and inclusion of the Business Membership Organisations (BMOs), including SLCCIA, to follow-up meetings by the Ministry of Trade, including meetings on issues and feedback on lockdown processes. Though ad-hoc at the moment, this is a positive and promising indication of collaboration between the public and private sectors, as work is being done to develop a more systematic approach to dialogue and feedback mechanisms which will capture follow-up actions, owners and timelines.

The PSP is now developing the terms of reference for the platform, including the full tripartite structure of the PSP, which includes international development partners.

The PSP is also developing a calendar of activities including more focused meetings around specific reform areas (such as extension of demurrage), involving the relevant stakeholders.

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