CUTS Africa Resource Centre, Lusaka

ANNUAL REPORT
2005

Published by
Consumer Unity & Trust Society (CUTS)
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#0619
Established in 1983, Consumer Unity & Trust Society (CUTS) is now at the cutting edge of the of the consumer movement in India as well as across the globe. Today, we operate out of five programme centres and an advocacy centre in India, two resource centres in Africa, and one resource centre in the UK, with a staff strength of over 100. Three programme centres are located in Jaipur and one each in Chittorgarh and Calcutta, India. The advocacy centre is located at New Delhi in India, and resource centres are at Lusaka, Zambia; Nairobi, Kenya; and London, UK.

The organisation elects its Board/Executive Committee every fourth year, while the Secretariat is headed by the Secretary General. Over 1200 individuals and 300 organisations are its members. The organisation is accredited to the United Nations Conference on Trade and Development (UNCTAD) and the United Nations Commissions for Sustainable Development (UNCSD).

CUTS also works with several regional, national and international organisations, such as Consumer International (CI); the International Centre for Trade and Sustainable Development (ICTSD); South Asia Watch on Trade, Economics & Environment (SAWTEE); and the Consumer Coordination Council of India etc. It also serves on several policy-making bodies of the Government of India.

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From the Secretary General, CUTS International

CUTS reached a milestone with the setting up of CUTS Africa Resource Centre (CUTSARC), at Lusaka, Zambia, in December 2000 as its first overseas centre. This year marks the fifth year of CUTS ARC in Zambia. Thus, CUTS became international in the physical sense and took a giant leap in its sustained efforts towards South-South cooperation.

The objective of launching ARC was to promote South-South civil society cooperation on trade and development, and create long-term capacity in civil society representatives to address the issues of equity and accountability. The Centre has been entrusted the responsibility of consolidating and expanding the activities of the organisation on South-South civil society cooperation in international trade, economics and environment.

CUTS ARC, Lusaka has established contacts with research and advocacy organisations, donor agencies, inter-governmental and governmental bodies, and regional bodies like Common Market for Eastern and Southern Africa (COMESA) and Southern African Development Community (SADC), Consumers International Regional Office for Africa (CI-ROAF), United Nations Economic Commission for Africa (UNECA), and the African Union (AU).

In the year 2005, the Centre undertook the Zambian component under the ‘Comparative Study of Sectoral Regulation in Select Developing Countries: Lessons for Policy, Governance and Implementation’. The objective of the study was to evaluate the sectoral regulatory framework in Zambia with regard to institutional and governance aspects and draw lessons for strengthening the sectoral regulatory framework.

Under the TDP Project, CUTS ARC produced the background paper for Zambia which analyses the trade reforms in the second phase of liberalisation during the 1990s, and their economic and developmental impacts. It also carried out two case studies to identify the impact of trade liberalisation on two sectors, vis-à-vis agro processing and textiles in Zambia.
The Centre, in collaboration with Participatory Ecological Land Use Management (PELUM) Association, Zambia and with the support of Canadian International Development Agency (CIDA) undertook a partnership project entitled, ‘Information-based Advocacy, Networking and Capacity Building workshop on NePAD’. The project is being implemented to increase awareness and involvement of stakeholders on NePAD activities in Zambia.

Besides this, CUTS ARC continued its capacity building activities for members of consumer groups and civil society organisations (CSOs) in the region and also staff members of the Centre during the reporting period. The capacity building of the Centre have been carried out through organising training workshops; enabling civil society representatives to participate in the meetings and workshops; and providing resource support to consumer organisations in preparing research reports through various reader-friendly publications.

The organisation gratefully acknowledges the support of, among other donors, HIVOS, Regional Office, Zimbabwe; Ford Foundation, USA; and Department for International Development (DFID), UK.

Jaipur
April 2006

Pradeep S Mehta
Secretary General
Our Organisation

Consumer Unity and Trust Society Africa Resource Centre (CUTS ARC), Lusaka, began its operation as a registered Non Governmental Organisation (NGO) in Zambia, in December 2000. This year marks the fifth year of CUTS ARC in Zambia. The Centre is affiliated to CUTS International and bears the historical transformation of the organisation to gain an international recognition. Over the past years, the Centre has established itself and contributed effectively in the policy making process in Zambia, and the region as a whole. This has been due to the Centre’s strength in research, advocacy and networking.

MISSION AND OBJECTIVES

The mission and objectives of the organisation are to function as a resource, coordination as well as a networking Centre to promote South-South cooperation on trade and development by involving state and non-state actors (NSAs).

The Centre has been engaged in establishing civil society cooperation in the areas of trade, economic policies and environment in Africa ever since its inception. This is in line with the Centre’s effort to form national, regional and international coordination system and alliance building among organisations working on similar social and economic issues. The primary responsibility of CUTS ARC, Lusaka, is to function as a resource Centre to Africa-based NGOs, consumer organisations, government and regulatory agencies.

The Centre presently focuses on capacity-building activities in the areas of international trade, consumer protection, foreign direct investment (FDI) and competition policy issues at the national, regional and international levels. In this regard, the Centre has established links with NGOs, donor agencies, inter-governmental and governmental bodies, especially in the Eastern and Southern Africa (ESA).
The Centre has been working in the areas of competition policy, investment, consumer protection, regional and multilateral trade and regulation, New Partnership for Africa’s Development (NePAD), market linkages, and capacity building for media institutions on trade and economic reporting.

STRUCTURE OF CUTSARC
The governing structure of the Centre comprises the Executive Committee and the Advisory Committee. The functions of these committees are as follows:

1) Executive Committee
   • to give policy direction and guidelines to the organisation; and
   • to ensure that the aims and objectives of the organisation are achieved.

2) Advisory Committee
   • to give advise on project work being undertaken by the Centre; and
   • to attend meetings of the Centre as resource persons, when requested for by the Centre.

HUMAN AND MONETARY RESOURCES
The staff comprises a Coordinator, Programme Officer and an Administrative Assistant. Of the three staff members, one is female. A conscious policy of CUTS is that at least one-third of the staff should comprise females.

TRADE AND DEVELOPMENT
Since its inception, the Centre has been engaged in establishing itself through involvement in projects independently and also with partner organisations. The present work programme contains research, advocacy, training/capacity building and networking on international trade, consumer protection, competition policy, FDI, and economic development.

The Centre is currently implementing the following projects:
   • Study on Sector Regulation in Zambia.
   • Information Based Networking and Capacity Building on NePAD in Zambia.
   • Linkages between Trade, Development and Poverty Reduction (TDP).
   • Capacity Building for Eastern and Southern African Non State Actors on Economic Partnership Agreement negotiations with the European Union.
   • Capacity Building on Competition Policy in Select Countries of Eastern and Southern Africa (7Up3).
As part of the work, the Centre has established links with consumer organisations/other civil society groups in COMESA and SADC countries. In Zambia, ARC is a member of the Civil Society Trade Network of Zambia (CSTNZ), and it works closely with the Zambia Competition Commission (ZCC), Zambia Consumer Association (ZACA), Zambian Ministry of Commerce Trade and Industry (MCTI), Zambia Investment Centre (ZIC), the Ministry of Foreign Affairs (MoFA), Service Centre for Development Cooperation (Kepa) Zambia, CIDA, Danish Association for International Corporation (MS-Zambia), PELUM Association Zambia, and Organisation Development and Community Management Trust (ODCMT) and other intergovernmental agencies, such as Jesuit Centre for Theological Reflection (JCTR), and Economic Association of Zambia (EAZ).

STRATEGIC PLAN
Planning of activities of the Centre has been done by the staff in consultation with the CUTS Head Office for the purpose of avoiding duplication and coinciding of programmes. The current and proposed future activities of the Centre were discussed in detail during the annual retreat of CUTS held in Jaipur, India during July 08-10, 2005. As part of the planning process, the Centre has identified a number of research, advocacy, networking organisations and donor agencies for collaborative work.

The target is to become a reputed regional resource centre for policy research, advocacy and training on international trade, consumer protection, economic and regulatory policies having outreach to all anglophone countries in Africa by the year 2007. In order to achieve its short-term objectives, the Centre decided to draw up workable plans, which would be suitable to the national and regional context.
Work Programme on Trade and Development

Projects and Research

POLICY RESEARCH
The objectives of the policy research are to promote dialogue, capacity-building and advocacy on key development issues at the national, regional and international levels. The details on policy research activities carried out by CUTS ARC during 2005 are mentioned below:

Study on Sector Regulation in Zambia
CUTS ARC undertook the Zambian component under the Comparative Study of Sectoral Regulation in Select Developing Countries: Lessons for Policy, Governance and Implementation. The objective of the study was to evaluate the sectoral regulatory framework in Zambia with regard to institutional and governance aspects and draw lessons for strengthening the sectoral regulatory framework.

Background paper: Linkages between Trade, Development and Poverty Reduction (TDP)
Under the TDP Project, CUTS ARC produced the background paper for Zambia. The paper analyses the trade reforms in the second phase of liberalisation during the 1990s, and their economic and developmental impacts. Key findings indicated that it is not easy to shift the impact of trade liberalisation per se from other liberalisation measures since they were all implemented almost simultaneously and one measure could have acted either as a catalyst or as an impediment to another.

Background paper: Economic Partnership Agreements (EPAs)
Under the project entitled, ‘Capacity Building for Eastern and Southern African Civil Society during the EPA Negotiations’, the Centre produced the background paper for Zambia. The paper synthesised the findings of existing impact studies for Zambia and was presented at a technical workshop in which a wide range of technical experts were invited.
TDP Case Studies
Under the TDP project, the Centre carried out two case studies to identify
the impact of trade liberalisation.

• Trade Liberalisation and its Impact on the Agro-processing
  Sector in Zambia
  The study highlighted that the agro-processing sector recorded growth
  and expansion in the recent past years. This is particularly attributable to
  the deliberate efforts made by Government to support the agricultural
  sector. The study indicates that the agriculture sector has been supported
  by the Government in diversifying the economy.

• Trade Liberalisation and its Impact on the Textile Sector in
  Zambia
  The study indicated that the textile sector is very critical to the Zambian
  economy not only in terms of its capacity to contribute to the country’s
  export earnings, but also in terms of employment creation that the
  Government desires to achieve to reduce poverty. Historically, the textile
  sector has had an outstanding record of export earnings in Zambia.

TRAINING AND CAPACITY BUILDING
The objective of the training and capacity building is to enhance capacity
among stakeholders at the national and regional level to address the issues
of equity and accountability in the trading system. Details on policy research
activities carried out by the Centre during 2005 are given below:

National Launch Workshop on NePAD
The Centre, in collaboration with PELUM Association, Zambia organised a
workshop to facilitate the launch of the partnership project entitled,
‘Information-based Advocacy, Networking and Capacity Building on NePAD,
at Lusaka, Zambia, on June 08-09, 2005. The project is supported by CIDA.
This workshop aimed to facilitate an alliance of stakeholders who would
work cohesively on the participatory dimensions of the NePAD as well as to
carry forward the national action points envisaged during the National
Sensitisation Workshop held in Livingstone, on September 10-11, 2004.

Civil Society Meeting
Zambian CSOs met in Lusaka to discuss the released draft of the Zambia
NePAD Action Plan (ZNAP) on July 29, 2005. The meeting organised by the
Centre, was a follow-up to the two NePAD meetings held at Livingstone, on
September 10-11, 2004, and Lusaka, on June 08-09, 2005, respectively.
Stakeholder's Workshop on the Investment Policy Review of Zambia

The United Nations Conference on Trade and Development (UNCTAD) in cooperation with MCTI, and in collaboration with CUTSARC, Lusaka organised a workshop of the ‘Investment Policy Review of Zambia’ on August 22, 2005. The objectives of the workshop were to provide a comprehensive review of the policies, legal, regulatory and operational framework that have a bearing on the investment climate in Zambia. The information and policy recommendations could serve as a useful basis for further improving the investment climate and ultimately increasing investment flows into the country.

Media Training Workshop on the World Trade Organisation (WTO)

Kepa Zambia, CSTNZ, CUTS ARC and Panos jointly organised a one day media training workshop on the WTO, at Lusaka, on November 02, 2005. The training workshop was being held with the objective of enhancing capacity among journalists on WTO agreements and their implications for Zambia,
and to encourage media reporting on trade and WTO issues. About 15 journalists participated in the seminar.

**National Consultative Workshop on NePAD Agriculture Programme**
The workshop was organised by PELUM and CUTS ARC. It was held under the partnership project entitled: Information-based Advocacy, Networking, and Capacity Building on NePAD in Zambia, supported by CIDA. Some of the objectives of this workshop include building capacity for small-scale farmers to understand the NePAD agricultural programmes as well as to identify opportunities and priorities for them under NePAD.
Advocacy and Networking

Advocacy work on international trade barriers faced by poor countries was carried out through policy briefs, news bulletins, press releases, lobbying and workshops. The Centre was involved in advocacy on competition policy, fair trade, poverty reduction, and stakeholder involvement in decision-making. The target group comprised civil society/consumer organisations, government/regulatory agencies, chambers of commerce, labour unions, etc. Advocacy work on development-oriented FDI policies was earlier conducted through national reference group (NRG) meetings, brochures, newsletters and media interactions.

CONSULTATIONS AND SEMINARS

National Workshop on WTO
Kepa Zambia, CSTNZ and CUTS ARC organised a consensus building workshop at Lusaka, on June 16-17, 2005, for Zambian delegates to the 6th World Trade Organisation (WTO) Ministerial conference held in Hong Kong, during December 13-18, 2005. The objectives of the workshop were to:

• provide an opportunity to discuss the draft national priority paper and make recommendations to the 6th WTO Hong Kong Ministerial delegates;
• to prepare a focused and well thought-out declaration, as regards Zambia’s position and priority for the 6th WTO Ministerial; and
• to flag priority issues to be considered by the Zambian Government at the 6th WTO Hong Kong Ministerial.

The LDC Civil Society Consultative Forum
The Civil Society Consultative Forum was held on the eve of the LDC Ministerial at Livingstone Zambia, on June 23-25, 2005. The workshop was organised by CUTS ARC, CSTNZ and ODCMT. The main objectives of the meeting were to provide a proactive forum to brainstorm, lobby, and advocate for fair trade rules in the global system and to create an opportunity to advocate stakeholders’ concerns pertaining to WTO negotiations.

About 75 participants representing CSOs from 14 African countries working on aid, trade, debt, and development issues were present in the workshop.
The civil society participants dialogued on key issues on trade facing LDCs in the run up to the Hong Kong WTO Ministerial conference, in particular, and the multilateral trading system, in general. Specific recommendations on key thresholds on trade under the WTO framework were developed and presented for consideration to the trade ministers.

**Seminar on Trade Development and Poverty Reduction**

CUTS ARC, Lusaka in conjunction with ODCMT organised a seminar on a programme entitled, ‘Linkages between Trade, Development and Poverty Reduction’. This seminar aimed at providing a platform for discussion on the Project, which will undertake intensive research to facilitate cross-fertilisation of experiences and lessons learnt in developing countries and develop appropriate policy responses. It also aimed at sharing views on development-oriented trade policies based on interests, priorities and aspirations of the poor and marginalised sections of the society with a view to integrating them into global economy.

**Tikambilane Discussion Forum**

CUTS ARC, Kepa and CSTNZ collaborated on the Tikambilane discussion forum on November 08, 2005. The forum served as a report back from WTO Hong Kong Ministerial held at Hong Kong, during December 13-18,
2005. It discussed the outcome of the Ministerial and charted the way forward for Zambia.

**Synergising LDCs & Developing Country Priorities**
CUTS ARC organised a panel discussion under the auspices of the Hong Kong Sixth Ministerial Conference of the WTO on December 13, 2005. Taking advantage of the opportunity created by the Doha Development Agenda (DDA) to address specific problems confronting the least developed countries (LDCs) and developing countries, CUTS ARC and its partners endeavoured to bring up key areas of convergence of interest and potential areas of cooperation and trade-offs between the broader developing countries and LDCs in key areas such as Special and Differential Treatment (S&DT) Agreement on agriculture and commodity trade, policy coherence, trade, debt, finance, non-tariff barriers (NTBs) and WTO rules.

**Does Trade Lead to Poverty Reduction? Voices from the Grassroots**
CUTS Centre for International Trade, Economics & Environment (CUTS CITEE), in collaboration with Economic Institute of Cambodia (EIC), Network of Entrepreneurship & Economic Development (NEED) and CUTS ARC, organised a special WTO Panel discussion alongside the Hong Kong Sixth Ministerial Conference on December 15, 2005. The Panel discussion focused on linkages between trade and economic growth and economic growth and poverty reduction, showing that, although international trade is perceived to be a means of reducing poverty, it is not an end in itself. The session was
organised to keep alive the debate that, despite the existence of theoretical literature explaining the linkages between trade and poverty reduction, there is insufficient empirical evidence to prove the robustness of this linkage.

PARTICIPATION/REPRESENTATION

In accordance with the mission of the Centre, viz, coordination, as well as networking, with concurring like-minded organisations to promote civil society cooperation, the Centre took part in activities organised by its partners. The Centre received support from many of its partner organisations in various ways in implementing its programmes. During the reporting period, the representatives of the Centre took part in the following events:

- A consultative meeting on the launch of the Global Week of Action, organised by the ODCMT, Zambia, on March 22, 2005 to analyse how CSOs could work together during the Global Week of Action, from April 10-16, 2005.
- A Zambia Diagnostic Trade Integration Study (DTIS) organised by the MCTI at Lusaka, on July 08, 2005, to identify the priority reforms and trade-related technical assistance (TRTA) programme to overcome the constraints to the expansion and diversification of exports.
- The Civil Society for Poverty Reduction (CSPR) organised a two day workshop entitled, ‘Civil Society Consensus Building on the National Development Plan (NDP)’ at Lusaka, on August 31-September 01, 2005, to solidify and build consensus on its key priorities and issues for Zambia’s 5th NDP.
- A three-day International Civil Society Forum for Advancing LDCs’ Interests into the sixth WTO Ministerial organised by the Centre for Policy Dialogue (CPD), Action Aid International, Consumers International, ENDA Tiers Monde Senegal, EU-LDC Network, The Netherlands, International Centre for Trade and Sustainable Development (ICTSD), Oxfam GB, South Asia Watch on Trade, Economics, and Environment (SAWTEE) and Southern and Eastern Africa Trade Information and Negotiation Institute (SEATINI), at Dhaka, Bangladesh from October 03-05, 2005.
- ‘Pre-Hong Kong Retreat’ organised by the MCTI, November 24, 2005, to review the activities under the DDA negotiations and to make recommendations relevant to Zambia vis-à-vis sixth WTO Ministerial at Hong Kong, in December 2005.
- A one-day workshop on ‘Learning day on Information Communication for Development (ICD) and Poverty Reduction Strategy Papers (PRSP)’ organised by One World Africa, on July 28, 2005.
Outreach

Advocacy work on international trade and development issues encountered by the poor countries has been carried out through publication of policy briefs, news bulletins, newsletters/e-newsletters, press releases and workshops. The Centre was involved in advocacy on competition policy, consumer protection, development-oriented FDI policy, fair trade, poverty reduction, and stakeholder involvement in decision-making process.

NEWSLETTER
The Centre produced four issues of the newsletter entitled, ‘Tradequity’ on trade and development issues. These were distributed among the partner organisations, development agencies, government and other stakeholders.

The key themes of the newsletter published in 2005 comprise:
- Africa’s “HotTopics” – Debt, Aid & Trade
- AU-LDCs Declarations: Can They Withstand Pressure This Time!
- Africa: Forgiven Debt but….
- Hong Kong WTO Ministerial: What is in Store for Kenya?

ELECTRONIC BULLETINS
CUTS ARC Sounds
CUTS ARC Sounds is the electronic newsletter circulated among the partner and networking organisations. The content of the news bulletin comprise activities of the Centre and other relevant news items on trade, consumer protection and development.
**Consumer Watch**  
Consumer Watch newsletter is a joint initiative of CUTS ARC and ZACA, published with the objective of enhancing consumer welfare through sensitisation, information dissemination and capacity building of consumers, business entities and government. The newsletter focuses on bringing out issues such as violation of consumer rights and measures to be taken by the relevant authorities to protect stakeholders.

**INTERACTION WITH MEDIA**  
The Centre interacts actively with print media in its advocacy programmes. There were several press statements and articles from CUTS ARC, Lusaka that appeared in the media.
Networking with Stakeholders and Other NGOs

ARC has established links with most of the CSOs working on trade and development issues in ESA. The Centre gives priority to collaborative work with like-minded organisations with the objective of skills sharing and to achieve its objective of South-South civil society cooperation on trade and development matters.

The Centre has established networks with CSOs and consumer organisations in Uganda, Kenya, Malawi, Zambia, South Africa, Seychelles, Mozambique, Namibia, Mauritius, Ethiopia and Zimbabwe. The representatives of these organisations have been participating in various training and other programmes being organised by CUTS.

During the 2005 period, the Centre was actively involved in networking with CSOs, regulatory and government agencies, inter-governmental bodies and business associations, etc.
The Road Ahead

The Centre is committed to strengthening its collaborative work with various stakeholders in the coming years. The Centre has continued in establishing new contacts with organisations in the region and also in Zambia for collaborative work and networking. A dynamic mailing list has been prepared by the Centre for distribution of printed and electronic publications. During the reporting period, the Centre has carried out advocacy activities with the help of print and electronic media.
CONSUMER UNITY AND TRUST SOCIETY (CUTS)
AUDITORS’ REPORT TO THE BOARD OF DIRECTORS OF THE SOCIETY

We have audited the financial statements set out on pages 3 to 9.

Respective responsibilities of the Board of Directors and Auditors:

As stated on page 1, these financial statements are the responsibility of the Board of Directors of the Consumer Unity And Trust Society (CUTS). Our responsibility is to report on these financial statements based on our audit.

Basis of Opinion

We conducted our audit in accordance with International Standards on Auditing. These standards require that we plan and perform the audit to obtain reasonable assurance that, in all material respects, fair representation is achieved in the financial statements. An audit includes an evaluation of the appropriateness of the accounting policies, an examination, on a test basis, of evidence supporting the amounts and disclosures included in the financial statements, an assessment of the reasonableness of significant estimates and a consideration of the appropriateness of the overall financial statements presentation. We consider that our audit procedures were appropriate in the circumstances to express our opinion presented below.

Opinion

In our opinion, the financial statements give a true and fair view of the state of the Society’s affairs as at 31 December 2005 and of its deficit and cashflows for the year then ended.

PLOT 27455, CHURCH ROAD
ESCO COMPLEX
LUSAKA

AUDICO ASSOCIATES
CHARTERED ACCOUNTANTS OF ZAMBIA
## CONSUMER UNITY AND TRUST SOCIETY (CUTS)
**DETAILED INCOME AND EXPENDITURE STATEMENT FOR THE YEAR ENDED 31 DECEMBER 2005**

### INCOME

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<th>2015</th>
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<td>Balance brought forward</td>
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<td>CIDA</td>
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### EXPENDITURE

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<th>ADMINISTRATIVE COSTS</th>
<th>2015</th>
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<td>Audit fees</td>
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<td>Insurance</td>
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<td>NAPOA (Statutory contribution)</td>
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<td>Salaries and wages</td>
<td>112,877,540</td>
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<td>Bank charges and commissions</td>
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<th>TRAVELLING EXPENSES</th>
<th>2015</th>
<th>2004</th>
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<td>Board and lodging</td>
<td>56,037,880</td>
<td>4,409,587</td>
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<td>Air fares and transport</td>
<td>190,360,269</td>
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<td></td>
<td>276,398,089</td>
<td>184,100,444</td>
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<table>
<thead>
<tr>
<th>OTHER COSTS</th>
<th>2015</th>
<th>2004</th>
</tr>
</thead>
<tbody>
<tr>
<td>Depreciation</td>
<td>7,521,087</td>
<td>16,104,281</td>
</tr>
<tr>
<td>House rent</td>
<td>13,200,060</td>
<td>10,800,900</td>
</tr>
<tr>
<td>Transfer to Kenya</td>
<td>-</td>
<td>21,654,827</td>
</tr>
<tr>
<td>Trip to Brazil</td>
<td>-</td>
<td>4,770,500</td>
</tr>
<tr>
<td>Trip to Geneva</td>
<td>-</td>
<td>6,345,940</td>
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<tr>
<td>Trip to South Africa</td>
<td>-</td>
<td>1,256,100</td>
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<tr>
<td>Trip to Kenya</td>
<td>-</td>
<td>16,748,900</td>
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<tr>
<td>Trip to India</td>
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<td>5,699,600</td>
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<tr>
<td></td>
<td>20,721,087</td>
<td>37,620,148</td>
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</table>

### TOTAL EXPENDITURE

<table>
<thead>
<tr>
<th></th>
<th>2015</th>
<th>2004</th>
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<tbody>
<tr>
<td></td>
<td>553,188,439</td>
<td>485,955,970</td>
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### EXCESS OF INCOME OVER EXPENDITURE

<table>
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<tr>
<th></th>
<th>2015</th>
<th>2004</th>
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<tbody>
<tr>
<td></td>
<td>(153,327,864)</td>
<td>(259,914,826)</td>
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CONSUMER UNITY AND TRUST SOCIETY (CUTS)  
BALANCE SHEET AS AT 31 DECEMBER 2005

<table>
<thead>
<tr>
<th></th>
<th>2005</th>
<th>2004</th>
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<tbody>
<tr>
<td></td>
<td>Notes K</td>
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<tr>
<td>FIXED ASSETS</td>
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<tr>
<td>Current Assets</td>
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<tr>
<td>Debtors and C</td>
<td>2</td>
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<tr>
<td>or Payments</td>
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<tr>
<td>Cash and Bank</td>
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<td>185,766,809</td>
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<td>Current Liabilities</td>
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<tr>
<td>Creditors and</td>
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<td></td>
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<tr>
<td>Accruals</td>
<td>6,906,529</td>
<td></td>
</tr>
<tr>
<td>NET Current Assets</td>
<td>19,710,157</td>
<td>178,637,821</td>
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<tr>
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<td></td>
<td></td>
</tr>
<tr>
<td>REPRESENTED BY:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Capital Donation fund</td>
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<td>4,275,000</td>
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<tr>
<td>Accumulated Revenue fund</td>
<td>6</td>
<td>19,710,157</td>
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<tr>
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<td></td>
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</tr>
</tbody>
</table>

The financial statements contained herein were approved by the board of directors on ..........................

[Signature]

Director  

[Date]