

## **Background to the project**

The Enhanced Integrated Framework (EIF) is a special initiative to mainstream least developed countries into the international trading system. First launched as the Integrated Framework in 1997 (to help LDCs to cope with the implementation of the Uruguay Round Agreement), it was revamped as EIF after a decision by the WTO (World Trade Organisation) Ministerial Conference held in Hong Kong, China in 2005. EIF aims to mainstream trade into development strategies and policies of the LDCs by identifying the main constraints that they face in taking advantage of trade for their development and by proposing solutions to those constraints.

A major objective of the EIF is to deliver trade-related technical assistance (TRTA) to participating LDCs by first identifying priority TRTA needs through diagnostic studies called Diagnostic Trade Integration Studies (DTISs). Identified needs are then prioritized in the form of an action matrix for a country. The objective is to integrate those priorities (as identified in the action matrix for a country) into the national development strategy of a country and its elements such as Poverty Reduction Strategy Programme.

The EIF process in Zambia is underway – a National Implementation Unit (NIU) has been established in the Zambian Ministry of Commerce, Trade and Industry and a donor facilitator is in place. The Zambian Action Matrix is near finalisation for implementation under the Tier 2 fund. Following the inception of the Private Sector Development Programme in Zambia, a Trade Expansion Working Group (TEWG) has also been established and it is a forum where the implementation of the EIF in Zambia is being discussed. The purpose of this TEWG is to improve country ownership of the EIF and also to enhance transparency in its implementation. This forum comprises of the representatives of the Zambian government, the private sector and two CSOs including CUTS-ARC, Lusaka. The EIF-related discussions and debates in Zambia have also been taken forward to provinces beyond the capital city of Lusaka (and to the public domain at large) through a CUTS initiated pilot project on awareness generation entitled “Civil Society’s Engagement with the Enhanced Integrated Framework in Zambia” in 2009-10. This pilot project was supported by the Embassy of Finland in Zambia.

This pilot project was implemented through activities such as reviewing of the Zambian DTIS, sensitization workshops in four provinces, conducting of a value chain analysis of the rice sector in Zambia and, based on these activities, advocacy and lobbying with the concerned state and non-state actors in Zambia.

The discussions and debates on the implementation of the EIF in Zambia are mostly confined within the Ministry of Commerce, Trade and Industry and the Trade Expansion Working Group. The CUTS implemented pilot project is currently the only example of taking this (discussions and debates on EIF in Zambia) forward to diverse stakeholders in provinces and also to the public at large through the use of the media. Parliamentarians were also engaged through informal lobby meetings and it was learnt that most of them hardly had any idea on what the EIF is all about and hence, could not debate the issue in the Parliament. This demonstrates a non-inclusive approach in the current

implementation process of the EIF and concomitant ownership gaps among the relevant stakeholders.

Through CUTS' interventions, it was also found that although the EIF DTIS and action matrix have been prepared for Zambia, there is a significant gap between its content and the priority needs of many stakeholders, especially marginalized groups in rural provinces who are facing several developmental challenges. Trade (through, among others, good implementation of EIF-supported projects and other activities under Zambia's aid for trade agenda) can be made an effective means to address some of those challenges. Marginalized groups at the grassroots (such as small-scale farmers, households headed by women (grandmothers), informal traders including cross-border traders, small and medium enterprises) have mostly been left out in the discussions and debates on the process, content and implementation of the EIF in Zambia. The excluded groups include those that have a huge bearing in the shaping up of trade in any country. First, trade starts on a small scale, and most big organizations have been operating on a small scale before grabbing expansion opportunities. It is thus important that the voice of small-scale farmers (given that agriculture is the backbone of trade) and small and medium scale enterprises be captured in the EIF implementation process. Second, for more meaningful impact on the grassroots, the whole process should be gender conscious; acknowledging the extent to which trade on a small scale is skewed in favour of women, given that they dominate informal and cross-border trading and many households in rural areas are headed by women while their counterparts are in towns. These non-state actors (through their organisations and otherwise) are best suited to articulate their needs and priorities, provided they are aware of the issues, challenges and opportunities.

Although CUTS' efforts to make the implementation process as well as outcomes of the EIF in Zambia more inclusive have contributed to the intended objectives of the EIF in Zambia, much more remains to be done. Zambia needs to ensure that trade is considered as an integral part of its development plan. It is yet to be fully realized because though the Fifth National Development Plan, which has undergone review (in readiness for the Sixth National Development Plan (SNDP), has one chapter on trade, it does not articulate much on strategies and priorities. The lessons drawn from the CUTS project on the EIF in Zambia point out that the trade and development related needs and priorities of Zambia (as under aid for trade initiatives and otherwise) should be appropriately articulated by the Zambian government and incorporated in to future NDPs.

It is therefore quite apparent that there is a risk that a non-inclusive EIF action matrix, similar to the one currently under the table, can be adopted with the mentioned omissions of marginalized stakeholders not addressed. Just like similar initiatives that were adopted in a non-inclusive manner, improperly defined priority areas will fail to have much impact on the ground.

A way forward is to properly redefine trade and development related priority areas through a more inclusive approach – that is, better (more knowledgeable) participation of

non-state actors in the trade policy-making process in Zambia and in the planning and implementation of projects under trade-related initiatives such as the EIF.

It is also important to note that since trade can be an effective means to achieve an end (that is, development), the formulation and implementation of a country's trade policy should not just be the prerogative of a country's trade ministry but other ministries and government agencies have an equally important role to play. This inclusive process is not just about ensuring a better policy ownership among the state and non-state actors but also to enhance (implementation) coherence among different arms of a government. This (more inclusive process of policy-making and implementation) is at a very nascent stage in Zambia and the existing practice of policy formulation and implementation in a narrow sense is to be broadened through greater participation between and among the state and non-state actors.

Furthermore, it is important to undertake a strategic assessment of the environment with respect to the EIF planning and implementation. This needs to involve a range of analytical and participatory approaches that will aim to integrate environmental considerations into the EIF and trade policy plans/programs and evaluate inter linkages with economic and social considerations. By so doing, this will also help to integrate environmental consideration in the national development plans such as the poverty reduction strategy programmes (PRSPs) just as the EIF process. This will ultimately contribute to empowerment of the marginalized groups, capacity building, greater cooperation and collaboration between state and non state actors.

It is in this context that CUTS-ARC, Lusaka continues its interventions on the aid for trade agenda in Zambia in general and EIF-related issues in particular through a more comprehensive approach. The justification of the Better Exploration of Trade as a Means for Poverty Reduction – BETAMPOR rests on its potential to contribute to better realization of the objective of the EIF which is inclusiveness (strengthening of in-country implementation of the EIF capacity so as to reinforce its political as well as practical ownership). The project will seek to complement the activities under the proposed Action Matrix such as awareness raising as well as capacity building on EIF and related issues by reaching a larger number of grassroots constituents with the purpose of getting the grassroots engaged with the EIF process. The project will also provide a strong link with activities under the Action Matrix as discussions emanating from the grassroots (in provinces) will be brought to the TEWG's (and NIU) attention in order to align them with the priority areas in the action matrix. Furthermore, the BETAMPOR will also form part of the reference point and source of input to the formulation of future NDPs and related trade strategies.