

**REPORT OF THE PROCEEDINGS OF THE SENSITISATION WORKSHOP ON
BETTER EXPLORATION OF TRADE AS A MEANS OF POVERTY REDUCTION
(BETAMPOR) PROJECT**

**EDINBURG HOTEL, KITWE
COPPERBELT PROVINCE**

26TH JANUARY 2011

Introduction

This provincial report covers the proceedings of the sensitisation workshop of the “Better Exploration of Trade as a means for Poverty Reduction (BETAMPOR) Project”. The workshop was held in Kitwe on the 21st of January 2011 at Edinburg Hotel. The workshop brought together a variety of participants drawn from Business Associations, Civil Society Organisations, Community-Based Organisations, Academia and women entrepreneurs. The aim of the workshop was to raise awareness about the opportunities that hinge on the EIF process to enable producers tap these opportunities and grab expansion opportunities.

Session one

This session was chaired by Simon Ng’ona, Acting Centre Coordinator, CUTS International Lusaka. Ng’ona began the session by saying that poverty levels in Zambia were very high, despite the country boasting of an impressive economic growth, which stood at seven percent, from the initial six percent as of 31st December 2010. He further asserted that poverty reduction or human development was about expanding the choices of people. Trade was highlighted as a means towards this aim, but not the goal in itself. He further mentioned that poverty reduction required enhancement of supply and that supply required two things: production and trade and that the two should compliment each other. After setting the tone, he implored the participants to actively participate in the deliberations and introduced the panel of speakers.

Introduction to CUTS/EIF Process by Board Chairman, Ambassador Love Mtesa

Ambassador Mtesa started by acknowledging the presence of the speakers and participants. Ambassador Mtesa provided a historical and philosophical background of CUTS international. By advocating for consumer rights in the context of social justice, CUTS, which began its journey in 1983, has gained a global presence and is represented in three continents. The Zambian office, mandated to look at the southern African region, opened in 2000 and functions as a networking resource coordination centre, so as to promote South-South Cooperation on trade and development⁶.

In giving an overview of the EIF process, he emphasised the principles of trade and aid for trade, which are important to developing countries. He mentioned that most LDCs are faced with a number of constraints which impede their active participation in the multilateral trading system. Trade has been recognised as an engine for growth and development and, in this regard, Ambassador stressed the need to embrace the aid for trade initiatives such as the Enhanced Integrated Framework (EIF)⁷.

⁶ The organisation works on the following thematic areas: Trade, Competition Policy, Investment, Consumer Protection, etc.

⁷ 2.1 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

He mentioned that CUTS International decided to take the EIF process to the grassroots in order to emphasise the need for ownership of the process. The process was said to have been centred on four phases and highlighted them as follows: Awareness building on the importance of trade for development in LDCs (beneficiary country); Preparation of a Diagnostic Trade Integration Study (DTIS) in order to identify constraints to overall competitiveness and sectors of greatest export potential. He mentioned that the DTIS includes an Action Matrix, which is a list of trade priorities, for better integration into global trading system as well as a write-up on the LDCs' strategy for the EIF implementation. He also mentioned the fourth phase as that of mainstreaming or integrating trade into national development strategies in order to make trade an agenda for the country's development.

Remarks by the District Commissioner (DC) – McDonald Mtine

In his speech, the DC acknowledged the efforts of CUTS International in complementing government's efforts in trying to raise Zambia's trade portfolio, both domestically and internationally. He refreshed the memory of 2009 when CUTS first held a workshop at the same Hotel where the EIF was introduced in the Copperbelt province. He vividly recalled the recommendations that ensued in the workshop, in which he participated fully. The DC expressed happiness that one of recommendations resulting in the former (that of forming Copperbelt charter) was going to be addressed in the latter.

He said it was a known fact that many producers on the Copperbelt faced a number of challenges in making their products competitive on the local and international markets owing to production and supply-side constraints. The DC said one major challenge has been lack of information about such initiatives and, therefore, praised the idea of a charter which would provide a decentralised information hub for the province. He applauded the initiative by CUTS and the Finnish Embassy of sensitising producers and other non-state actors, those who could spread the messages to other players on the EIF process in Zambia. EIF process

Session two

The second session was chaired by Ambassador Love Mtesa. He said trade was a complex business. The weights and balances changed every moment. It was difficult to estimate whether even a seemingly gainful policy was going to harm or benefit a country. However, he mentioned that the policy framework being negotiated under the current international trading system was seemingly going to benefit a number of countries. He, however, mentioned that the share of countries in trade that faced production and supply-side constraints was negligible. Hence, initiatives such as the EIF process were needed.

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.

Presentation on the background of the EIF in Zambia – Acting Centre Coordinator for CUTS International Lusaka

Ng'ona stressed that Zambia qualified to join the group of Least Developed Countries (LDCs) benefiting from the IF Programme in 2004. Prior to being a part and beneficiary to the IF, the Zambian Government worked with the private sector, civil society and cooperating partners and developed the Private Sector Development Reform Programme (PSDRP). To avoid duplication, the EIF process in Zambia was then made a sub-program under the PSDRP.

He said, in the late 1990s, the Poverty Reduction Strategy (PRS) was used to promote economic development. The Strategy's attention was focused on social development issues such as health, education, etc., unlike trade. Trade has been widely recognised as a means for growth and development. It was then sought to promote the inclusion of trade in development strategies. The rationale behind this development was to ensure that trade was made the core business of every LDC government agenda. However, despite the growing recognition of trade in National Development Plans (NDPs), most countries were still faced with a number of supply-side constraints, which halt the performance of most LDCs.

In this regard, he mentioned that Aid for Trade or technical and financial assistance was being granted by development agencies to improve the capacity of poor counties to help them engage in trade better. He mentioned that aid has emerged as a specialised activity in international development assistance and the EIF program was one of them.

He proceeded by mentioning that Zambia become a beneficiary of the EIF in 2004. A National Implementation Unit (NIU) has been established in the Zambian Ministry of Commerce, Trade and Industry and a donor facilitator is in place. He mentioned that the Zambian Action Matrix was near finalisation for implementation under the Tier 2 funding. 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.

He added that the purpose of this TEWG was 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-International, Lusaka.

He added that Civil Society organisations have also become increasingly active on trade capacity issues among their constituencies and networks, especially on research and advocacy on aid for trade and other trade-related matters.

In this regard, he mentioned that 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 2008-09, supported by the Embassy of Finland in Zambia.

He mentioned that the pilot project was implemented through activities such as reviewing of the Zambian DTIS, sensitisation 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.

Presentation on the Copperbelt Province Export Potential – Davidson Chilipamushi (Copperbelt University)

He mentioned that with a population of two million people, the Copperbelt Province is one of the most productive provinces, though covering the smallest land mass of the nine provinces in Zambia. Chilipamushi (former Permanent Secretary in the Ministry of Commerce Trade and Industry) said although Copperbelt was well known for its mineral potential, particularly Copper, the Province was also endowed with other minerals and natural resources such as cobalt, tin and lead. He further mentioned that it was also an area with great potential in agricultural production because of its favourable climatic conditions and positioning, while livestock breeding could also be done largely on commercial basis.

Chilipamushi went on to give a historical-economic developmental trail that characterises the province. He said because of the production of copper in the province, a vibrant manufacturing sector emerged as a response not only to the needs of the mining sector but also the growing population, which mainly needed the consumer goods. The period from the 1970s to the early 80s saw some phenomenon expansion of the manufacturing sector in the Copperbelt, particularly in the cities of Kitwe and Ndola, making the Copperbelt the industrial Hub of Zambia.

He said, in the '90s, Zambia abandoned the import substitution strategy of industrialisation in preference to liberalisation and privatisation. The slow and painful decline of the manufacturing sector hit the Copperbelt the hardest, as most of the companies that were supplying to the mining sector and the local population could not survive the competition that came with this new strategy of development. The mines themselves could not survive the declining fortunes as the metal prices and production levels declined. He mentioned that this forced the province into a desperate situation, with higher unemployment and poverty levels being witnessed, particularly in the most productive sector, the youth.

Besides this depression, he mentioned that Copperbelt, through government policy, had tried to get back on the map through increased investment. He however, lamented that almost all the copper produced in the Copperbelt is exported in raw form, without any value addition, except for a few tones which were used by ZAMEFA, a company that produces wire cables and related products from copper.

He further stressed that the copperbelt held more potential than simply the export of minerals in their raw form to the overseas markets and that what was needed was capacity development in value-addition techniques. He lauded the creation of the chambeshi

multi-facility economic zone as one way of bringing mechanisms that would add value to products.

Further, using the necessary structures that already existed in terms of land use and allocation needed for increased production levels, he mentioned that there was potential for encouraging agricultural production. Copperbelt had a lot of potential in producing food crops and livestock which were in demand in countries like Congo DRC. He mentioned that the vast forest reserve plantations in the Cooperbelt could also be used for timber production and exploitation of non-timber products such as mushrooms, caterpillars, honey and wild fruits such as masuku for wine production.

In conclusion, it was said that although statistically the Copperbelt accounted for a larger share of the country's GDP and generated over two-thirds of the country's foreign exchange, it was clearly visible that there was nothing to show for it. The towns remained depressed as no real infrastructure had been developed. The towns' ability to maintain even the existing structures seemed diminished as no new revenue was being collected from the flourishing mines.

Plenary

Participants wanted to find out how the EIF process would interface with the Economic Partnership Agreements (EPAs) and how different these initiatives were from those under the Southern Africa Development Community and the Common Market for Eastern and Southern Africa. In response, Simon Ng'ona, Acting Centre Coordinator, CUTS International, encouraged participants to understand the difference between market access opportunities, trade agreements and Aid for Trade. Whereas market access opportunities leverage preferential access (duty or quota-free access) to countries, a trade agreement is a means to market access. Further, it was indicated that Aid for Trade was to facilitate and address the constraints that halt producers from accessing the market access opportunities that come as a result of trade agreements.

The Acting Centre Coordinator then urged participants to take advantage of the EIF Funds by writing bankable project proposals and submitting them to the NIU. He said CUTS was ready to provide technical support in the process, while reminding the participants of the fact that CUTS did not own the EIF, but was playing a facilitating role.

The Jesuit Centre for Theological Reflection (JCTR) and the Zambia National Marketers Association took this opportunity to thank CUTS for the initiative of bringing the programme to the Copperbelt, saying it was felt that there was need to have CSO representation in such gatherings, especially women's groups, so that there could be diversity of views. e. CUTS International was urged to extensively nurture and support the programme that it had started and that there was need to have constant flow of information so as to keep people informed about what was happening in the Programme.

The Cinchi Wababali Women Group and the Zambia Congress of Trade Unions wanted to know if the government listened to Civil Society Organisations and if there was a platform from

which women's aspirations were heard by the government. In response, CUTS informed the participants that the government of Zambia had embraced the concept of inclusiveness in trade policy-making process and allowed a number of private sector organisations and CSOs, which included women organisations, to sit on a number of working groups mandated to design policies and the TEWG was highlighted as an example.

Presentation on Proposal Conceptualisation – CUTS

CUTS Acting Centre Coordinator, Ng'ona, started his presentation by emphasising the importance of advance planning and preparation of successful grant seeking proposals. Solid planning simplified the writing stage and only realistic proposals would access funds being leveraged under the EIF. He advised the participants that a well written proposal was a key factor in grant seeking. There was thus need to ensure that a proposal described a program/project in detail and the change sought. Further, he said that the proposal should prove that there was a problem while clearly stating how a solution was going to be delivered and the outcome thereof. There was also need to include funding purposes and priorities, and applicant eligibility; determine whether the grant maker's goals and objectives matched with ones' grant seeking purposes; state an organisation's needs and objectives clearly and concisely. This process required one to write well, clear and professional.

In laying down the standard structure of a proposal, as provided for under the EIF Tier Two window, CUTS Capacity Building Officer, Parret Muteto, started by stressing that projects being funded under the EIF initiative were those identified in the DTIS and prioritised in the Action Matrix or the National Development Plans. Further, he said that the projects were liable for funding either from bilateral and multilateral local development partners, the EIF Trust Fund or from countries' own resources. The size of funding was said to be at the most US\$1.5mn and projects under this funding need to have a maximum life span of three years.

On the categories of the envisaged projects, it was said that soft trade, supply-side capacity development projects and small infrastructure projects were considered on a case-by-case basis.

When putting up a proposal, it is necessary to put up a summary page whose purpose is to simplify key sections of the proposal, i.e., objectives, results of the project, summary of the activities, duration of the project, implementation arrangements, budget summary, etc. The budget should also state other sources of funding, including counterpart funding (if applicable). Besides the required contents in the summary proposal, the full proposal should also highlight constraints which the project seeks to address. Further, there must be a clear definition of the project objectives and results it envisages to achieve.

Proponents are also encouraged to list key risk factors that might affect successful project implementation. Muteto went on to give examples of risks outside the project such as political risk, exchange rate risk and others such as slow disbursement, slow implementation, lack of donor support and lack of support by the government.

Further, to prove in-country endorsement, signatures of the Focal Point, Donor Facilitator and Chair of the National Steering Committee were supposed to be appended.

Formation of the Copperbelt Charter

The formation of the Charter was facilitated by Ng'ona. He explained that the Charter would be a provincial reference point which would comprise of volunteers. He further stressed that the Charter would act as an interface between the National Implementation Unit, CUTS International and the Province. The following organisations then volunteered to be part of the Copperbelt Charter:

- Copperbelt University- Led by Davidson Chilipamushi
- Cinciwababli
- Jesuit Centre for Theological Reflection (JCTR)
- Catholic Diocese of Ndola/Caritas
- Shalom Women Working Group (SWWG)
- Cross-borders
- The Media (ZNBC, Muvi TV, Radio Phoenix, Flava Fm, Yar Fm, Times of Zambia, Radio Icengelo and the Post newspaper)
- Citizens for Better Environment (CBE)
- Economics Association of Zambia (EAZ)
- Zambia Congress of Trade Unions (ZCTU)
- Ministry of Agriculture and Cooperatives (MACO) – Assistant Lead
- Ministry of Works and Supply
- Zambia Marketers Association (ZANAMA)

Drama performance: A drama performance by the Mutende Cultural Ensemble was performed. The purpose of the performance was to summarise the substantive deliberations of the workshop. Key presentations highlighting the background to the EIF, the role of CUTS and the Finnish Embassy in this process were presented in a social and most used language in the province Bemba.

Closing Remarks

In his closing remarks, Ng'ona urged the participants to develop linkages between the Ministry of Commerce and Trade Industry (MCTI). He also encouraged the Charter to meet and

discuss the way forward on how it would operate, based on the tentative terms of reference provided by CUTS international. The minutes of this meeting should be shared with CUTS for further action.

Vote of Thanks

The vote of thanks came from Ms Bridget Champo, representing Caritas copperbelt. She thanked CUTS for the initiative and choosing copperbelt, particularly in Kitwe, to be part of the recipients and beneficiaries of the BETAMPOR project.