

CUTS-International, Lusaka Project Proposal

**Better Exploration of Trade as a Means for Poverty Reduction**

*An Inclusive Approach to Aid for Trade and Enhanced Integrated Framework in Zambia*

**(BETAMPOR Project)**

**Consumer Unity & Trust Society (CUTS) International, Lusaka**

**Implementing Organization**



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**BETAMPOR Project Launch  
Report**

**Golden Bridge Hotel, Lusaka**

**13<sup>th</sup> January 2011**

## **1 Introduction and Purpose of the Launch**

- 1.1 This Better Exploration of Trade as a Means for Poverty Reduction (BETAMPOR) project launch report covers the proceedings of the media launch held in Lusaka on 13<sup>th</sup> January 2011 at Golden Bridge Hotel. The workshop brought together a variety of participants drawn from the media, the Ministry of Commerce, Trade and Industry, the National Implementation Unit, the Finnish Embassy, Business Associations, Civil Society Organisations and the academia.
- 1.2 The purpose of the launch was to provide a platform for all relevant stakeholders to build a common understanding of the project, its definition, scope and approach. It was also meant to highlight the aims of the project, which, among other things, are to build capacity of state and non-state actors, especially at the grass-roots level, and help influence and strengthen participation in the EIF process by promoting the uptake and utilisation of trade and trade-related initiatives.

## **2 Showcasing of Mini-documentary**

- 2.1 As a run-up to the launch of the project, CUTS commissioned work on a mini-documentary meant to highlight the challenges that grass-roots producers face. The focus fell on the Copperbelt and Luapula provinces, areas that CUTS had worked with in the earlier pilot project on the Enhanced Integrated Framework (EIF) process. In the Copperbelt, a group called Cinciwababli, was met. Cinciwababli is a cooperative that was initially a small group of farmers who came together to explore possibilities that could help them earn a living through daily farming – from animals that had been donated to them by Heifer International. Each family in the group was given one animal each and obliged to pass any off-springs to the next family. With an initial animal stock of 25, Cinciwababli women's group now has about 80 animals as of 2010, with an average collection of 10 litres per individual every day. The membership has since risen from 25 at inception to the current 45. Despite these positive trends, the women's group still faces challenges that the mini-documentary sought to highlight and explore possibilities through which such groups could benefit from the EIF process.

Equally, in the documentary, a Luapula resident; Samuel Simute (CUTS Focal Point) highlights some of the potential sectors for trade and investment in the province. Simute points out that the province has a huge potential in tourism and, if properly marketed, the sector has the potential to generate a lot of revenue for the province and the country. He mentions that Luapula Province has some of the best waterfalls in Zambia, which could be used as tourist attractions and energy generations such as Lumangwe and Kabwelume in Kawambwa, the second-largest after Victoria falls. Other sites highlighted include Ntumbacushi falls in Kawambwa, Chilongo falls in Kawambwa, Finkula in Chienge, Kundabwika falls in Nchelenge, Mumbotuta falls in Milenge and Mumbuluma falls in

Mansa. “Animals, birds, rivers, lakes, white sand beaches on Lake Bangweulu, traditional ceremonies and other natural features could be marketed as tourist attractions,” he added.

[http://www.cuts-international.org/ARC/Lusaka/BETAMPOR/Documentaries.htm#Preliminary engagement with stakeholders](http://www.cuts-international.org/ARC/Lusaka/BETAMPOR/Documentaries.htm#Preliminary_engagement_with_stakeholders)

### **3 Opening Remarks**

- 3.1 CUTS, international Lusaka Board Chairman, Ambassador Love Mtesa, gave the opening remarks. In his address, he expressed sincere gratitude to the Finnish Government through, the Finnish Embassy in Zambia, which generously supported the project. Finland is one of the countries that was in the forefront in providing financial and technical assistance, especially to LDCs, through funding Aid for Trade projects such the Enhanced Integrated Framework (EIF)<sup>1</sup>. He called on the stakeholders (state and non-state) in Zambia to support such initiatives and partner in development, particularly private sector development, which benefited consumers. Stakeholders should assist the government by reaching out and providing capacity building interventions and raising awareness on potential initiatives such as the EIF “a new window of hope for the private sector”, according to him.

### **4 Keynote Address by the Finnish Ambassador**

- 4.1 Sinikka Antila, the Finnish Ambassador to Zambia, started by acknowledging CUTS’ and Finland’s efforts on issues surrounding trade, development and poverty reduction in Zambia through capacity building. She mentioned that trade was globally recognised as a crucial medium for poverty reduction, particularly in terms of improved integration of developing countries into international trade regimes and subsequently in terms of a better capacity to benefit from trade. She further said that countries that have managed to come out of poverty are those that have engaged into trade. To this, she implored countries like Zambia to take such an example and called for enhanced capacity building programmes.
- 4.2 She mentioned that capacity building was the main focus of Finland’s support to CUTS. CUTS has received funding from the Finnish Embassy through the Local Cooperation Fund since 2008, initially in the form of a €33,000 grant for a foundational project focusing on sensitising Zambian civil society and other stakeholders about the Enhanced Integrated Framework (EIF) process.

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<sup>1</sup> The 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 (DTIS). Identified needs are then prioritised 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.

- 4.3 The pilot project has so far been the only Zambian initiative that effectively takes the discussions and debates on the Enhanced Integrated Framework to the Districts and Provinces. She was optimistic that the BETAMPOR project will enhance the intervention undertaken in the former and ensure that there was inclusivity in the process. “The launch of the BETAMPOR project marks the continuation and expansion of the foundational project. It is hoped that with a total of €104,000 in 2011, CUTS will be able to significantly build the capacity of state and non-state actors, particularly the marginalised groups in rural provinces, not only to participate in the EIF process but also to benefit from it...” The Ambassador added that it was crucial to focus on these marginalised groups – including small-scale farmers, female-headed households and informal traders as they have great potential in shaping Zambia Trading.

She further indicated that Zambia was one of Finland’s main partners in Africa and private sector development was among the priorities of Finland’s cooperation with the Government of Zambia. The main purpose of this cooperation is aimed at boosting Zambia’s economic growth and strengthening her trade and competition capacity at micro and macro-levels.

## **5 Address by Acting Director for Foreign and Domestic Trade Ministry of Commerce Trade and Industry (MCTI)**

- 5.1 Chileshe, Acting Director for Foreign and Domestic Trade, gave a brief address. He thanked the Embassy for being a hub in supporting programmes that were aimed at strengthening trade . He also recommended that support to organisations like CUTS should continue as its interventions on Trade, Investment and related issues were essential and the government benefited from them.

## **6 Address by Maybin Nsupila - National Implementation Unit (NIU)**

- 6.1 NIU Team Leader, Maybin Nsupila, stressed that the objective of the EIF was to deliver trade-related technical assistance (TRTA) to participating LDCs. This was done by first identifying priority TRTA needs through conducting a study called Diagnostic Trade Integration Studies (DTISs). Identified needs were then prioritised 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.
- 6.2 Zambia conducted its DTIS inn 2004 and was validated a year later. The Action Matrix was near finalisation for implementation under the Tier 2 funds. He explained that, following the inception of the Private Sector Development Programme in Zambia, a Trade Expansion Working Group (TEWG) was established and discussions pertaining to the EIF

were held at this forum. The purpose of this TEWG is to improve country ownership of the EIF and also to enhance transparency in its implementation<sup>2</sup>.

## **7 Project Background – CUTS International Lusaka**

- 7.1 The Acting Centre coordinator, Simon Ng’ona, started by giving the historical background to the EIF process<sup>3</sup>. Ng’ona dwelt on the growing gap between the needs and resources of developing countries, saying most developing countries are endowed with great natural resources, but poverty levels were still high<sup>4</sup>. This is exacerbated by a number of supply-side constraints which deter local producers from utilising the available market access opportunities being leveraged under the international system. The situation is worsened by lack of recognition of trade in national development strategies – which should be the agenda of every government policy in the promotion of sustained economic growth that addresses issues related to underdevelopment, unemployment and poverty reduction. He, therefore, stressed that EIF aims to mainstream trade into development strategies and policies of LDCs by identifying the main constraints that they face in taking advantage of trade for their development and by proposing solutions to those constraints.

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<sup>2</sup> 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.

<sup>3</sup> 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, with the main purpose of helping LDCs cope with the implementation of the trade related issues. It was revamped as EIF after a decision by the WTO (World Trade Organisation) Ministerial Conference held in Hong Kong, China, in 2005, hence the name Enhanced IF. The Initiative is supported by multilateral agencies namely WTO, UNDP, UNCTAD, WTO, UNOPS ITC, IMF and World Bank.

<sup>4</sup> Poverty levels in Zambia is around 65 to 70 percent of a country that has enjoyed sustainable economic growth that hit 7.1 percent mark as of December 2010. The Bank of Zambia Governor, Caleb Fundanga, is optimistic that this will adjust further to eight percent by April-May, owing to the promising indicators in the construction and mining sectors.

- 7.2 He, however, indicated that the EIF process in Zambia was not successful owing to a number of challenges which hinged on ownership. Though the CUTS pilot project tried to address this challenge, through a comprehensive awareness building programme, there was still much more to be done in this area<sup>5</sup>.
- 7.3 This necessitated intervention by CUTS and the Finnish Embassy in Zambia to continue interventions on the aid for trade agenda in Zambia through a more comprehensive approach. The intervention rests on its potential to contribute to better realisation of the objective of the EIF, which is inclusiveness through the strengthening of in-country implementation of the EIF capacity, so as to reinforce its political as well as practical ownership.
- 7.4 He said 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 grass-roots constituents, with the purpose of getting the grassroots engaged with the EIF process.

## **8 Plenary Discussions**

- 8.1 From the discussions that ensued, the following came out as substantive issues:
- 8.1.1 A participant wanted to know the accountability system which CUTS will employ with regard to the Funds provided by the Finnish Embassy. In answering the question, CUTS board Chair, Ambassador Love Mtesa, said that the funds provided were all tied to certain activities which needed to be implemented. He further said that CUTS had a transparent accounting system and the project accounts will be audited bi-annually by independent auditors. He summarised by indicating that the funds will be put to good use so that the intended outputs and outcomes of the project are realised.
- 8.1.2 CUTS board member, Professor Seshamani, also echoed Ambassador Love Mtesa's sentiments and justified the rationale behind hosting a media launch of the project, which he said was to *"to cover the event and be the best judges"*.
- 8.1.3 He further classified accountability as being two fold: accountability for the funds from donors and accountability to the people an organisation represents.. In the latter, he said that organisations had the mandate of ensuring that they represented their constituencies adequately. In the former, he said that it was also the mandate of an organisation to ensure that the funds from cooperating partners were put to good use through effective implementation of the agreed activated in the Terms of Reference or proposal.

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<sup>5</sup> <http://www.cuts-international.org/ARC/Lusaka/EIF/>

8.1.4 A question from a Finnish Embassy representative was also posed to the NIU representative. She wanted to know the current status of the EIF in Zambia. In answering to the question, NIU representative stated that the Unit had managed to assist the Zambia Chamber of Commerce and Industry in putting up a website. The website is uploaded with useful information and other resource materials which hinge on private sector growth in Zambia. It was also indicated that there was a proposal focusing on the honey sector which was near finalisation. Another proposal that was mentioned focussed on institutional capacity building and was currently under review.

## **9 Closing Remarks**

9.1 The closing remarks were given by Professor Seshamani. He gave an assurance to the Finnish Embassy that CUTS will endeavour to produce the envisaged results. The Professor said that CUTS' ability to manage a project cannot be overemphasised, because the organization has been implementing such kinds of the projects for some time now and has built trust with cooperating partners, government and other civil society organisations. He said it was not a surprise that the Finnish Embassy has been supporting the organisation financially because of the capability that the organisation has proved. Other stakeholders were, therefore, implored to emulate CUTS work so that coverage is widened up.