

## **BTOR ON CSO AGOA CONCLAVE AT KAPINGILA HOUSE ON 25<sup>TH</sup> JULY 2013**

### **1. Introduction**

1.1. This morning, CUTS International Lusaka, Caritas Zambia and the Jesuit Centre for Theological Reflection (JCTR) organised a Zambia CSO AGOA conclave with the aim of assessing Zambia's Performance in bilateral trade with the US based on the AGOA as well as producing a Zambian CSO position to be presented during the government to government discussions at the AGOA summit running from 9<sup>th</sup>-13<sup>th</sup> August, 2013 in Addis Ababa, Ethiopia. Participants in the meeting included civil society organisations, government officials and the media.

### **2. The CSO AGOA Conclave**

2.1. The meeting was graced by the Deputy Minister of Commerce, Trade and Industry (MCTI), Hon Richwell Siamunene who delivered the key note address at the meeting. Hon minister thanked CUTS, Caritas and JCTR for such an initiative. He stated that the conclave had come at an opportune time with the 12<sup>th</sup> AGOA forum scheduled to take place soon. He said the AGOA was aimed at stimulating economic growth and to help integrate Africa into the global economy as an integral tool in the trading relationship between Sub-Sahara Africa (SSA) and the United States. The minister further mentioned that it was the view of the ministry of commerce, trade and industry on behalf of the Zambian government that the conclave would bring out Re-Enforcing points in the communiqué which government could take on board as it engages the United States side on the future of AGOA.

2.2. CUTS International Lusaka at the same meeting highlighted the importance of initiatives for boosting private sector development. However, CUTS expressed concern on the level of actual utilization of AGOA by private sector. CUTS said some of the challenges are already well known such as sanitary and phytosanitary conditions demanded. CUTS said therefore that there is need to commission a study on the producer welfare losses of non regional cooperation.

2.3. MCTI representative, Hillary Kumwenda said Zambia has not performed to anticipation partly due to the pest risk assessments and other stringent conditions, rules of origin amongst others. He expressed the need for the US to give lee way to rules of origin to promote regional integration. He said that extension of the third country fabric aimed at facilitating export of textiles which was extended to 2015 is not concurrent with AGOA initiative, thus to enhance predictability, the third country fabric provision must be integrated in to the main AGOA agreement.

2.4. He said that the future of AGOA beyond 2015 is under question as the US Government is asking why Africans are not taking full advantage of the AGOA. Mr Kumwenda said that the US is entertaining talks that if Sub Saharan Africa can go into a Free Trade Agreement with the EU through the Economic Partnership Agreement (EPAs), then perhaps the same route should be followed by US by transforming the AGOA into a reciprocal Free Trade Agreement. However, EPAs have never been a success story and hence AGOA ought to be extended and Zambia should take the past years as part of its learning curve and begin to take full advantage of it

moving forward. Any extension of AGOA has to draw on lessons from the past and must incorporate Economic transformation, building productive capacity (supply side constraints) and infrastructure. Without value addition to export, Zambia will continue to get a raw deal in attempts to develop through trade.

2.5. Zambia Development Agency (ZDA) said that the real issue with AGOA has not been market access but lies with Zambia's supply side in certain areas. ZDA said that Zambia has previously failed to take full advantage of AGOA due to internal industrial weaknesses but the country is now poised to export horticultural products, honey, specialty foods, paprika/spices, gemstones, hard wood products like doors, parquets and other flooring materials, ZDA further said that the main constraints included the identification of AGOA priority areas, market access information and intelligence, Infrastructure development, Institutional coordination, Investment promotion, access to finance, food safety policy framework and Sanitary and phytosanitary (SPS) standards.

2.6. JCTR stated that there is need to look at more effective ways of helping small emerging businesses to participate in Trade and Investments Promotion missions to the US. JCTR said that in recent years, MCTI has been inviting different stakeholders (private sector, CSO) to input into the AGOA process. JCTR also echoed the call of other CSOs to extend the AGOA beyond 2015.

### **3. Draft CSO Position**

3.1. The meeting agreed that CUTS International Lusaka will compile a draft Zambian CSO position on the AGOA. This draft will then be presented to all the organisations as well as others who could not attend for comments and suggestions. The final Zambia CSO position will then be presented to the Ministry of Commerce, Trade and Industry during the next preparatory meeting for the AGOA on Wednesday, 7<sup>th</sup> August 2013.