

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

28TH JANUARY 2011

MANSA HOTEL, MANSA, LUAPULA PROVINCE

Introduction

This provincial report covers the proceedings of the sensitisation workshop on the “Better Exploration of Trade as a Means for Poverty Reduction (BETAMPOR) Project”, which was held in Mansa on 28th January 2011 at Mansa Hotel. The workshop was organised and facilitated by the staff from the Consumer Unity and Trust Society (CUTS) International, Lusaka Office.

The workshop was attended by forty (40) participants drawn from Business Associations, Civil Society Organisations, Community Based Organisations, Academia and Producers, including private sector associations.

Welcoming Remarks by the Acting Centre Coordinator, Simon Ng’ona

The Acting Centre Coordinator welcomed the participants and explained the mission and purpose of the workshop. By engaging participants in the Enhanced Integrated Framework, CUTS, through the Better Exploration of Trade as a Means for Poverty Reduction (BETAMPOR) Project, seeks to contribute to the effective implementation and ownership of the Enhanced Integrated Framework (EIF) and Aid for Trade agenda in Zambia. He further said that BETAMPOR is aimed at building the capacity of state and non-state actors in order to influence and strengthen participation in the EIF process, thus helping promote the uptake and utilisation of trade and trade-related initiatives and ownership of the process.

Ng’ona informed the participants that the workshop would result in the formation of the Luapula Provincial EIF Charter, which will interface between CUTS International Lusaka and the National Implementation Unit in the Ministry of Commerce Trade and Industry (MCTI). He also said that the workshop would be used as a platform to develop capacity in proposal conceptualisation to better equip producers on how to come up with fundable proposals that would enable them benefit from the funds being leveraged under the EIF process.

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

In his opening remarks, Ambassador Mtesa thanked the participants for attending the workshop. He also extended his gratitude to the Finnish Government, through the Finnish Embassy in Zambia, for supporting the EIF process in Zambia and at international level.

He went on to give a brief background and history of CUTS in particular its achievements. He also told participants the mission and vision of the organisation mentioning that CUTS’ interest was the attainment of consumer sovereignty in the framework of social justice and equity – www.cuts-international.org.

In giving an overview of the EIF process, Ambassador Mtesa pointed out that the EIF was ‘aid for trade in action’, which should assist Least Developed Countries (LDCs) integrate into the international trading system. It was explained that the integrated facility was launched in 1997 as Integrated Framework (IF) and later Enhanced in 2005 to strengthen its delivery and institutional capacity. The aim of this facility is to improve the capacity of LDCs to

formulate, negotiate and implement trade policies so that they could be fully integrated into the multilateral trading system (MTS) and take up the market opportunities it presents.

He outlined the core anchors of the EIF mentioning that several development partners had pooled resources meant to help LDC address their supply side constraints⁸. The elements and principles of the EIF were also explained and highlighted as follows: to provide increased, predictable and additional funding on a multi-year basis and to strengthen the IF in country process, including through mainstreaming trade into national development plans and poverty reduction strategies. Tier 1 of the process required the formulation of a Diagnostic Trade Integrated Strategies (DTIS) and the implementation of the Action Matrices which all countries engaged in the EIF process were mandated to undertake.

It was further explained that the implementation of the action matrix would consist of coming up with proposals from among the beneficiaries (private sector/producers) through the help and guidance of in-country institutions such as the National Implementation Unit (NIU). He, mentioned that the CUTS project (BETAMPOR) therefore sought to provide a missing link between the potential beneficiaries from the EIF process and the NIU in Zambia.

He summarised his address by saying that the project was aimed at raising awareness on the EIF process and development of capacity in proposal formulation – to better equip the earmarked groups with skills to formulate proposals which could enable them access funds being leveraged under the EIF process. The earmarked beneficiaries of this undertaking are those at grassroots who have a huge bearing in shaping Zambia’s Trade potential and could transform or uplift their own lives and those of others through trade.

Remarks by the Permanent Secretary

The Workshop was officially opened by the Provincial Assistant Secretary, Peter Chilambwe, on behalf of the Permanent Secretary. In his opening remarks, the Assistant Secretary defined CUTS activities in two ways: that of partnering and supporting government activities for a common goal “Development and Poverty Reduction” and that of providing balanced and quality analysis in trade policy-making processes. He acknowledged the potential that trade had in transforming the lives of many producers, hence being one of the top priorities of government’s agenda. Without overemphasising the numerous constraints which most producers face, he commended CUTS for the continued efforts in educating the producers and other non-state actors on initiatives such the EIF process, which could address some of those challenges. He informed the participants that ‘Better Exploration of Trade as a means of Poverty Reduction-BETAMPOR’ project, after a close look at its rationale and mission, had the potential to leverage opportunities to producers by assisting them in addressing their supply side problems and their quest in trading better..

⁸ EIF multilateral agencies include the World Bank (WB), the International Monetary Fund (IMF), the International Trade Centre (ITC), the United Nations Commission on Trade and Development (UNCTAD), the World Trade Organisation and the United Nations Office for Project Services (UNOPS).

Chilambwe was impressed with the ideal conceived in the BETAMPOR project – that of forming EIF Charters and encouraged the Luapula participants to foster and nurture such initiatives. He said most producers faced a number of production and supply chain challenges, owing among other things, the lack of information. He went on to say the formation of the Provincial Charter would act as a reference point, a vital source of information on the EIF process and a bridge between CUTS and the province.

Presentation on the Luapula Province Export Potential Sectors/ Industries – Samuel Simute

Samuel Simute, CUTS focal point in Luapula province, set the tone on the export potential of Luapula Province, by highlighting the sectors which could be exploited in the province. Fish, cassava, beans, groundnuts, rice, palm oil, sun flower, poultry, goats, maize vegetables, fruits (mangoes, bananas, oranges, etc.), sugar (sugar cane production), honey beeswax, timber and chikanda (African polony) were listed as having the potential for trade. He also mentioned that Kawambwa tea was one of the finest teas in the world with export potential, while rubber plantation trials in Nchelenge and Kawambwa were other areas which could be explored.

It was also explained that the province was also endowed with mineral resources. The minerals highlighted included manganese, copper, iron, gemstones and other semi-precious stones, while coarse salt was another product which could be exploited for export.

Simute said Luapula Province had a huge potential in tourism and, if properly marketed, the sector could generate revenue for the province and the country. He mentioned that Luapula Province had some of the best waterfalls in Zambia and that the province boasted of several waterfalls, which could be used as tourist attractions and for energy generation, such as Lumangwe and Kabwelume in Kawambwa, the second-largest after Victoria falls. Other sites highlighted included 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.

He, however, was quick to point out poor infrastructure development, access to credit, lack of mechanisation or equipment, quality of products and market information as some of the challenges the province was facing.

Plenary

This substantive session further pointed out that the Province had a lot of fruits, which included mangoes, oranges and bananas, and these could be processed into jams and juices. Despite these endowment and many others, participants said the major hindrance was the lack of facilities to add value to these products, which was further worsened by the lack of collateral to access credit.

The participants were informed that access to funds under the EIF process did not require collateral for as long as the structure of proposals was in conformity, context and addressed

the identified sectors under the DTIS, in a well-tabulated structure as provided for under Tier two. CUTS also informed the participants that it stood ready to assist in proposal writing and submission to the NIU.

Further discussions revealed that there were two types of mining ventures in the province: small and large scale. Of the two, the small-scale miners often faced operational problems spanning from the lack of equipment, finances and the involved bureaucratic paper work and, as a result, many had their licences cancelled. The participants felt the cancelling of licences was a problem that needed to be addressed. It was further said that CUTS should consider lobbying for policy changes that would create an enabling environment, both for commercial and small-scale miners – including buyers and sellers.

The Assistant Secretary, Chilambwe, reminded the participants of the need to carry out market research in areas where one wanted to export. He further pointed out that usually mangoes go waste because of lack of the markets, but was quick to mention that a Pastor, Pardon Mwansa, had established a Mango plantation in Mwense and had done his consumer survey in neighbouring countries such as Congo DRC and Tanzania, where he was exporting. Participants were also urged to seize cassava business opportunities in Angola, Malawi, Tanzania and DR Congo.

CUTS informed the participants that, as a CSO sitting on a number of working groups in the Ministry of Commerce, it would lobby or bring to the attention of the government any policy concerns that participants had raised.

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

In his presentation, Ng'ona re-echoed the background given by Ambassador Love Mtesa's in his presentation and ran through the purpose, progress made, opportunities, challenges and problems encountered during the implementation of the EIF, both at national and international levels, in a more practical manner.

Through sighting examples, he said that it is a known fact that previous attempts at making the Integrated Framework (IF) a tool for effective integration of Least Developed Countries (LDCs) in the multilateral trading system in a manner that would lead to poverty reduction did not yield the expected results. There were several factors that have been linked to this modest outcome. One among them could be attributed to the lack of a coordinated and comprehensive approach to the delivery of the programme. Another one could be the narrow focus of the initial programme, mainly focused on improving the capacity of the LDCs to formulate, negotiate and implement trade policy as a means of achieving the above mentioned goals of the IF. Effective implementation of trade policy programmes, however, has some cross-cutting elements that transcend the jurisdiction of the ministries responsible for trade. He added that for trade to play a critical role in the reduction of poverty and stimulate growth, it must be understood from a broader perspective.

He mentioned that it was from such a background that subsequent reviews introduced the principles of mainstreaming trade into LDCs' National Development Plans or Poverty Reduction Strategy Papers and assisting in the coordinated delivery of trade-related technical assistance as key objectives. Recognising the "urgent need to make the Integrated Framework more effective and timely", the Hong Kong Ministerial Declaration went a step further and agreed that the enhanced IF should comprise of the following elements:

- Strong ownership in terms of the commitment and involvement of all relevant stakeholders at an early stage and throughout the process was a necessary element for effective implementation of the enhanced IF, as well as for ensuring long-term sustainability.
- Mainstreaming trade in NDPs as well as having increased and predictable resources for the EIF trust fund were seen as an essential element.

Ng'ona told the participants that, in Zambia, the EIF had been incorporated in the Private Sector Development and Reform Programme (PSDRP) and there was a working group – Technical Working Group (TEWG) – where EIF was being discussed. He pointed out that some progress had been made, such as the establishment of the National Implementation Unit (NIU) with a team leader in place and that the Trade Expansion Working Group (TEWG) had been reconstituted on new terms of reference.

He further pointed out that Zambia had embraced the concept of mainstreaming trade in its National Development and cited the Sixth National Development Plan as an example. Further, he wondered whether this development strategy would sustain higher economic growth that addresses the issues of poverty, underdevelopment and unemployment, hence calling upon having in place a proper and well-defined implementation framework before the actual implementation of the strategy. It was also mentioned that Zambia had formulated a proposal for Technical Assistance and Capacity Building covering Intellectual Property, Investment Promotion and Economic Partnership Agreement negotiations for funding by the Finnish Government under Aid for Trade.

Besides these developments, it was, however, observed that no actual and tangible results of enhancing productivity and diversification have been achieved seven years after Zambia became part to and a beneficiary of the the EIF. Although the EIF, DTIS and action matrix have been prepared for Zambia, there was a significant gap between the content and the priority needs of many stakeholders, especially the marginalised groups in rural provinces, who are facing several developmental challenges. The excluded groups include those that have a huge bearing in shaping of trade in any country.

He concluded by indicating that a way forward was 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 EIF.

Presentation on Project Conceptualisation – CUTS International Lusaka

Simon Ng'ona, Acting Centre Coordinator, started his presentation by emphasising the importance of advance planning and preparation for successful grant seeking proposal. Solid planning simplified the writing stage and only realistic proposals would access funds being leveraged under the EIF. He advised participants that a well-written proposal was a key factor in the grant makers decision-making process, hence the need to ensure that a proposal described a program/project for change; proved that there was a significant need or problem; be able to show the possibility of delivering an answer to the need or solution

to the problem based on experience and ability throughout the proposal. There was also need to include funding purposes and priorities and applicant eligibility; determine whether the grant maker's goals and objectives matched with your grant-seeking purposes; and state your organisation's needs and objectives clearly and concisely. This process required organisations to write clearly, factual, supportive and professional proposals.

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 from bilateral or multilateral local development partners, the EIF Trust Fund or countries' own resources. The size of funding was said to be 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.

He said one of the requirements was the summery page whose purpose was to give quick look of what was in the proposal that is, the project objectives, results, summary of the activities, duration of the project, implementation arrangements, budget summary etc. Further, it was said that the budget should also state other sources of funding, including counterpart funding (if applicable). Besides the required contents in the summery proposal, the full proposal was also supposed to highlight constraints, which the project sought to address. Further, there was supposed to be a clear definition of the project objectives and results it envisages to achieve.

the other component that a project was supposed to address is that of risk, the vulnerability of certain engagement and the potential damage to the project implementation process. Then, measures to address some of the risks were supposed to be listed against the identified risks. 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 Luapula Charter

Simon Ng'ona, Acting Centre Coordinator, facilitated the formation of the Charter for Luapula Province, explaining that the Charter would be a Provincial Institution which would comprise of volunteers. The Charter would be an interface between the National Implementation Unit, CUTS International and the Province. Samuel Simute was proposed to lead the Charter while the following organisations where seconded to membership:

Network of People Living with HIV/AIDS (NZP+)

Mansa District Farmers Association

Mansa District Business Association

Luapula Tourism Association (LUTA)

Society for Women and Aids in Zambia

Zambia National Marketeers Association (ZANAMA)

Luapula Chamber of Commerce

Cross-Border Association

Luapula Small-Scale Miners Association (LUSMA)

Civil Society for Poverty Reduction (CSPR)

The participants proposed holding the first meeting for the Charter on 3rd February 2011 at 09:00 hours at the CARITAS Board Room in Mansa, whose purpose would be to draw up the terms of reference. The ToRs would indicate how the Charter would operate and identify potential issues for further perusal and action.

Plenary

Concerns were raised on why the Charter was being called the Luapula Charter, when participants were only from Mansa District. Participants said the meeting held in Mansa was a starting point. It was a nucleus planted in Mansa and that it should grow and embrace other stakeholders in the entire province. It was also indicated that some organisations were also represented across the province and this in itself was the starting point in decentralising the charter in the province.

Drama Performance

To strengthen the deliberations and summarise the day-long presentations of the workshop, a drama performance was conducted. The performance was conducted in local language so as to tone down the language in a social way to accommodate participants who might have had difficulties in understanding the technical language that surround Aid for Trade and the EIF process. Therefore, a combination of entertainment and information dissemination through the play, to some extent, ensured better understanding of the project. The drama performance was conducted by Chili Kuli Iwe Drama Group.

9.0 Closing Remarks – Ambassador Love Mtesa

Ambassador Mtesa summarised the workshop deliberations by urging participants to move away from just talking to action. He acknowledged the potential which Luapula province had and urged participants to start taking and thinking trade in their day-to-day activities. Participants were thanked for their participation, which he termed “enthusiastic”.